INTEGRATED REPORT 2022

D&O Greentech

D & O GREEN TECHNOLOGIES BERHAD

Registration No: 200401006867 (645371-V)

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ABOUT THIS REPORT

D & O Green Technologies Berhad's ("D&O") Integrated Report for the year ended 31 December 2022 aims to communicate to the stakeholders of our business, how we are creating long term and sustainable value. This Report, which marks our first step into the Integrated Reporting journey, will strive to provide a transparent assessment of our business performance, the progress of our strategies and how we have incorporated sustainability into our operations.

SCOPE & BOUNDARIES

This Report details our financial and non-financial performance for the period 1 January 2022 to 31 December 2022 ("FY2022"). In terms of boundaries, we have considered the Group's business operations which includes all subsidiaries in Malaysia and overseas. The scope of the Report covers all material factors that reflects the Group's overall performance including strategies, financial results, operations, sustainability, governance, challenges, risks and opportunities.

REPORTING FRAMEWORK

The following framework and guidelines are incorporated into our Report accordingly to the principles and requirements of:-

- Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR").
- The Malaysian Code on Corporate Governance ("MCCG") 2021.
- All financial statements are prepared according to the requirements of the Companies Act ("CA") 2016 and the Malaysian Financial Reporting Standards ("MFRS").

MATERIALITY

Material issues are key concerns of both the Company and our stakeholders whereby these issues substantially influence the decision-making processes of the business. In turn, decisions that arise from the processes will impact our capability to deliver value over the short, medium and long-term. This Report acknowledges that both qualitative and quantitative matters are material to the functioning of the business. Therefore, we proactively engage our stakeholders for feedback which assists us in establishing and structuring a comprehensive approach to our reporting as well as for improvement purposes.

ASSURANCE

The content of this Report and development process is in accordance with stringent internal controls and governance practices. Its release is approved by our Board of Directors ("Board"). The assurance of this Report is also supported by Crowe Malaysia PLT, as the independent external auditor who verifies both financial and selected non-financial information.

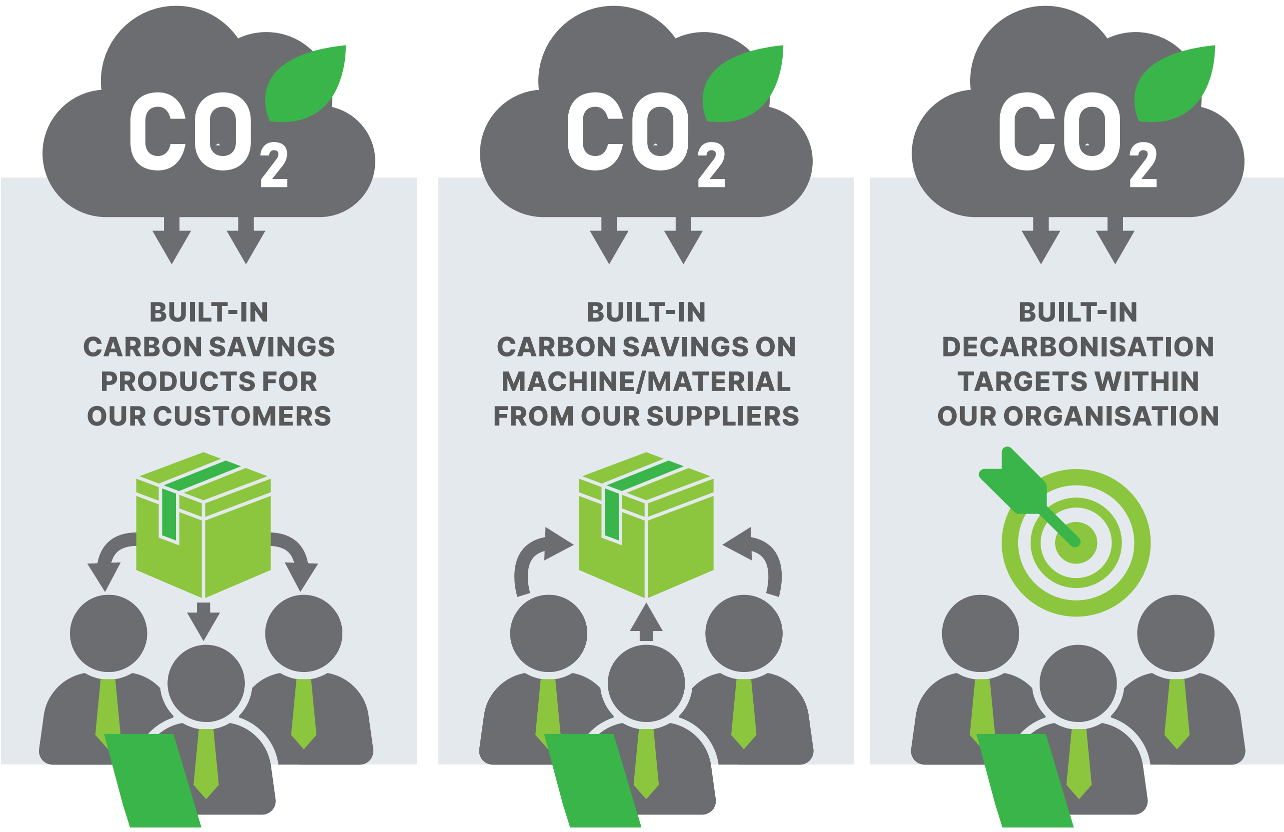
FORWARD-LOOKING STATEMENTS

The contents of this Report may indicate forward-looking statements with respect to D&O's future performance pertaining but not limited to; financial position, business strategies and operations. These statements derive from realistic measures of the current business landscape and at the time of the issuance of this Report. Actual results may differ materially from the forward-looking statements expressed as future circumstances are subject to change due to various risks and uncertainty.

OUR APPROACH TO SUSTAINABILITY

At D&O, we embrace sustainability as it is built into everything we do. Generally, we consider the impact of Environmental, Social and Governance considerations on our business and our stakeholders and we strive to create positive outcomes where we can. However, as a manufacturer of automotive LED solutions, our focus is naturally more inclined towards reducing our impact on the environment from energy, water, waste and emissions viewpoints. From a broader perspective, the products we create has a direct impact on our customers and therefore we are also interested in doing what we can to help our customers realise their own decarbonisation journeys.

This is where our built-in approach comes into play:



Thus, before we even roll out any product, we will find ways to reduce emissions by utilising more efficient machines and processes, optimal amounts of materials and designing more energy efficient LEDs. We will continue to stand guided by this approach which we believe will hold us in good stead for the years to come.

More disclosures on the Group's Environmental, Social and Governance (ESG) efforts can be found in our 2022 Sustainability Report.

WHO WE ARE

CORPORATE OVERVIEW

OUR VISION

No. 1 solution provider for Opto Semiconductors Products.

OUR MISSION

To provide design innovation and high quality Opto Semiconductors Products, contributing towards a greener world.

OUR VALUES

We uphold the highest standards of integrity, transparency and accountability in the conduct of the Group's business and operations to ensure business sustainability. We are committed to conduct our affairs in an ethical, responsible and transparent manner.

INTRODUCTION TO THE GROUP

Known for its cutting-edge innovation, state-of-the-art manufacturing facilities, strong development capabilities and extensive industry experience in Surface Mount Technology ("SMT") Light Emitting Diodes ("LED"), Dominant Opto Technologies Sdn Bhd ("Dominant Malaysia"), being D&O's principal operating subsidiary, is amongst the world's leading automotive LED manufacturers.

Established in year 2000, Dominant Malaysia now has a 2,700-strong workforce and has presence in all major automotive markets around the globe, namely China, Europe, the USA, Japan, Republic of Korea and India.

Dominant Malaysia is one of the few global automotive LED manufacturers that offer a full range of colour spectrum and brightness intensity, catering for both interior (e.g. instrument cluster, infotainment system, climate control, switches, and ambient lighting) and exterior applications (e.g. head lamp, tail lamp, rear combination lighting, brake light central and license plate lamp). Dominant Malaysia's seddLED is the world's first automotive Smart Digital LED (Integrated Circuit ("IC") + LED embedded in a single package). This versatile new cutting-edge technology is expected to pave the way for development of new applications such as ambient lighting, car projection lighting and smart illumination.

We have further strengthened our position as a world-leading player in the global automotive LED industry with the establishment of supporting business units that focus on design and manufacturing of LED modules, and the design and development of IC. With these capabilities, the Group is now one-stop smart solution platform for lighting application, thus providing our customers value add services that also complements our core business.

As an IATF 16949 and ISO 14001 certified company, products that are sold under the DOMINANT brand promise uncompromised product quality and reliability. Dominant Malaysia's manufacturing concept focuses on integrating automation into every manufacturing process. The majority of automation activities are performed in-house, a strong reflection of Dominant Malaysia's internal capabilities and competencies. The Group is also fully committed to being socially and environmentally responsible as we strive to lower our own carbon emissions while helping our customers along their respective decarbonisation journeys.

CORPORATE MILESTONE

2000
Dominant Malaysia (currently a 90% owned subsidiary of D&O) was established.

2004
D&O was listed on the Second Board of Bursa Malaysia on 29 Dec 2004.

2008
Embarked into LED thin-film-transistor ("TFT") back light for TV.

2012
Embarked into LED lighting components and lighting solution (consumer segment).

2013
Entered into patent license agreements with Osram.

Gradually exit from consumer segment and streamline/ focus into automotive market segment.

2016
Dominant Malaysia was part of the founding members of ISELED (Intelligent Smart Embedded Alliance).
An open industrial alliance with the objective of building a comprehensive ecosystem for innovative automotive lighting based on ISELED technology.

2018
World's 6th largest automotive LED manufacturer.

2022
World's 5th largest automotive LED manufacturer.

>100 Tier-1 customers serving global tier end automakers.

All products have Automotive Qualification of AEC-Q102.

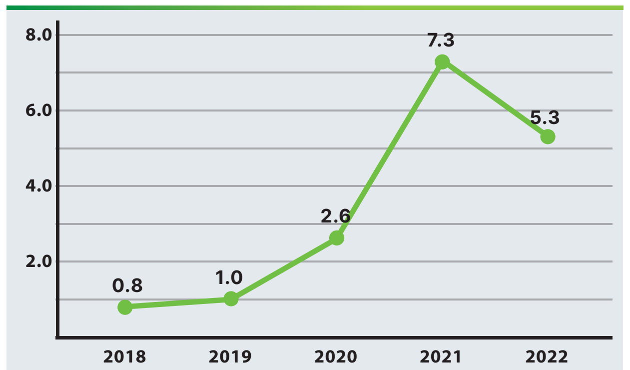
State-of-the-art manufacturing facilities with growing capacity.

Regional presence with 7 offices serving the global markets.

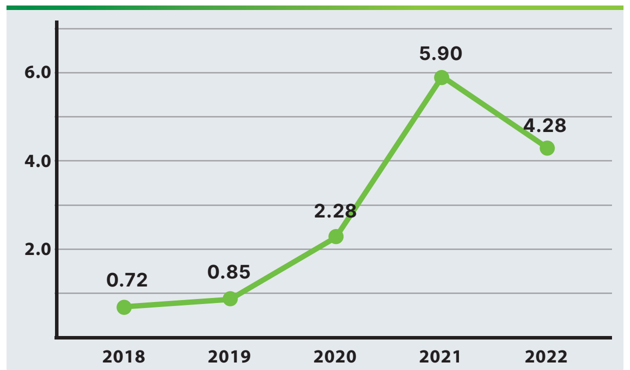
Renovation in progress for plant 2 to cater for 2023 capacity expansion.

Inclusion into FTSE4GOOD index.

Market capitalisation
RM billion



Share price
At 31 December (RM)



ISELED ALLIANCE

Dominant Malaysia, is part of ISELED (Intelligent Smart Embedded Alliance), an open industrial alliance which was formed in 2016 with the objective of building a comprehensive ecosystem for innovative automotive lighting based on ISELED technology. Dominant Malaysia (LED manufacturer) was one of the five initial members when ISELED was launched, an initiative led by BMW. There are 46 members year to date.

Source: iseled.com/alliance.html

FINANCIAL AND BUSINESS HIGHLIGHTS

PRESENCE IN
7 COUNTRIES
WITH
2,700 EMPLOYEES

MARKET CAPITALISATION AT END 2022
RM5.3 BILLION

CAPITAL EXPENDITURE INVESTMENT IN 2022
RM198 MILLION

RM983 MILLION
IN REVENUE

RM83 MILLION
IN NET PROFIT

ADMISSION INTO THE
BURSA FTSE4GOOD INDEX
AS A CONSTITUENT FOR THE FIRST TIME

AWARDS AND RECOGNITION:

THE EDGE BILLION RINGGIT CLUB 2022
Highest Return to Shareholders over 3 years.

OUR INNOVATIVE PRODUCTS

DOMINANT's technological roadmap is to focus on miniaturisation, integration and digitalisation of our products. We believe that this approach will create products that not only fulfill customer needs but also help with reducing weight, power consumption and total system cost, while enhancing their vehicle designs.

seddLED (Smart Embedded Digital Driver LED)

The World's First Smart Digital LED (Integration of LED and IC driver) for Automotive application.

The launch of seddLED has given our customers the ability to solve variations of intensity and wavelength within the colour and brightness groupings as well as forward current and temperature dependencies. SeddLED benefits includes simplifying control, expanding the functionality of RGB lighting, calibrated to maximum brightness which has better dimming resolution and allows high accuracy white colour coordinate.

SpicePlus 2520

A key feature of the SpicePlus 2520 is its single footprint. DOMINANT is the first LED manufacturer to offer product families with a single footprint across 4 different power levels (0.1W, 0.2W, 0.5W, 1W) and 5 different colors (Amber, Yellow, Super Red, White and InGAn Yellow). This spectrum of options with just a single footprint would cover the full array of Rear Combination Lamp applications. With a "One Package Fits All" concept, circuit design would be simplified, giving the customer cost advantages as well as having common optical center. With this standardised footprint and same optical center, customers can simplify the optical, lens, lamp design, ease replications, reuse design modules and pattern platforms, resulting in cost savings for car manufacturers across the various areas.

Another notable feature of the SpicePlus 2520 is its low thermal resistance and excellent heat dissipation properties which drives lower driving current and this will reduce the total power consumption of a car.

Power Right Angle DomiLED

Power Right Angle DomiLED features a package with excellent luminous efficiency in high optimisation in its optical design. Its features includes super high brightness surface mount LED, compact package outline, excellent moisture sensitivity design, low thermal resistance and superior corrosion robustness. This allows customers to design rear combination lamp according to different direction of the light source required.

Zero Binning

Zero binning, introduced by Dominant Malaysia in 2019, is considered an innovation in LED manufacturing because it offers single luminous intensity bin and single colour bin. This concept will enhance the homogeneity of interior lightings and in turn, the driving experience.

CORPORATE INFORMATION AND STRUCTURE

BOARD OF DIRECTORS

Non-Independent Non-Executive Chairman

Tan Sri Mohammed Azlan bin Hashim

Group Managing Director

Tay Kheng Chiong

Non-Executive Directors

Goh Chin San

Jesper Bjoern Madsen**

Yeow See Yuen*

Jennifer Chong Gaik Lan*

Goh Chin Loong

Au Siew Loon*

AUDIT COMMITTEE

Au Siew Loon* (Chairman)

Jesper Bjoern Madsen**

Jennifer Chong Gaik Lan*

REMUNERATION COMMITTEE

Yeow See Yuen* (Chairman)

Jesper Bjoern Madsen**

Goh Chin San

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") COMMITTEE

Tay Kheng Chiong

Yeow See Yuen

Goh Chin San

NOMINATION COMMITTEE

Jesper Bjoern Madsen ** (Chairman)

Goh Chin Loong

Au Siew Loon*

COMPANY SECRETARY

Tan Pei Choo (MAICSA 7023284)

SSM PC NO: 202008001020

PRINCIPAL PLACE OF BUSINESS

Lot 6, Batu Berendam
Free Trade Zone
Phase III 75350 Melaka

Tel: 06-283 3566

Fax: 06-284 7988

Email: corp@do.com.my

Website: www.do.com.my

REGISTERED OFFICE

No. 15, Bukit Ledang
Off Jalan Duta
50480 Kuala Lumpur

Tel: 03-2094 3268

Fax: 03-2094 3188

REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
197101000970(11324-H)

Unit 32-01, Level 32,
Tower A Vertical Business Suite
Avenue 3, Bangsar South
No 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel: 03-2783 9299

Fax: 03-2783 9222

AUDITORS

Crowe Malaysia PLT

201906000005 (LLP0018817–LCA) & AF1018

Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

Tel : 03-2788 9999

Fax : 03-2788 9998

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

Hong Leong Bank Berhad

OCBC Bank (Malaysia) Berhad

Citibank Berhad

Bank of China (Malaysia) Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Main Board Sector: Technology

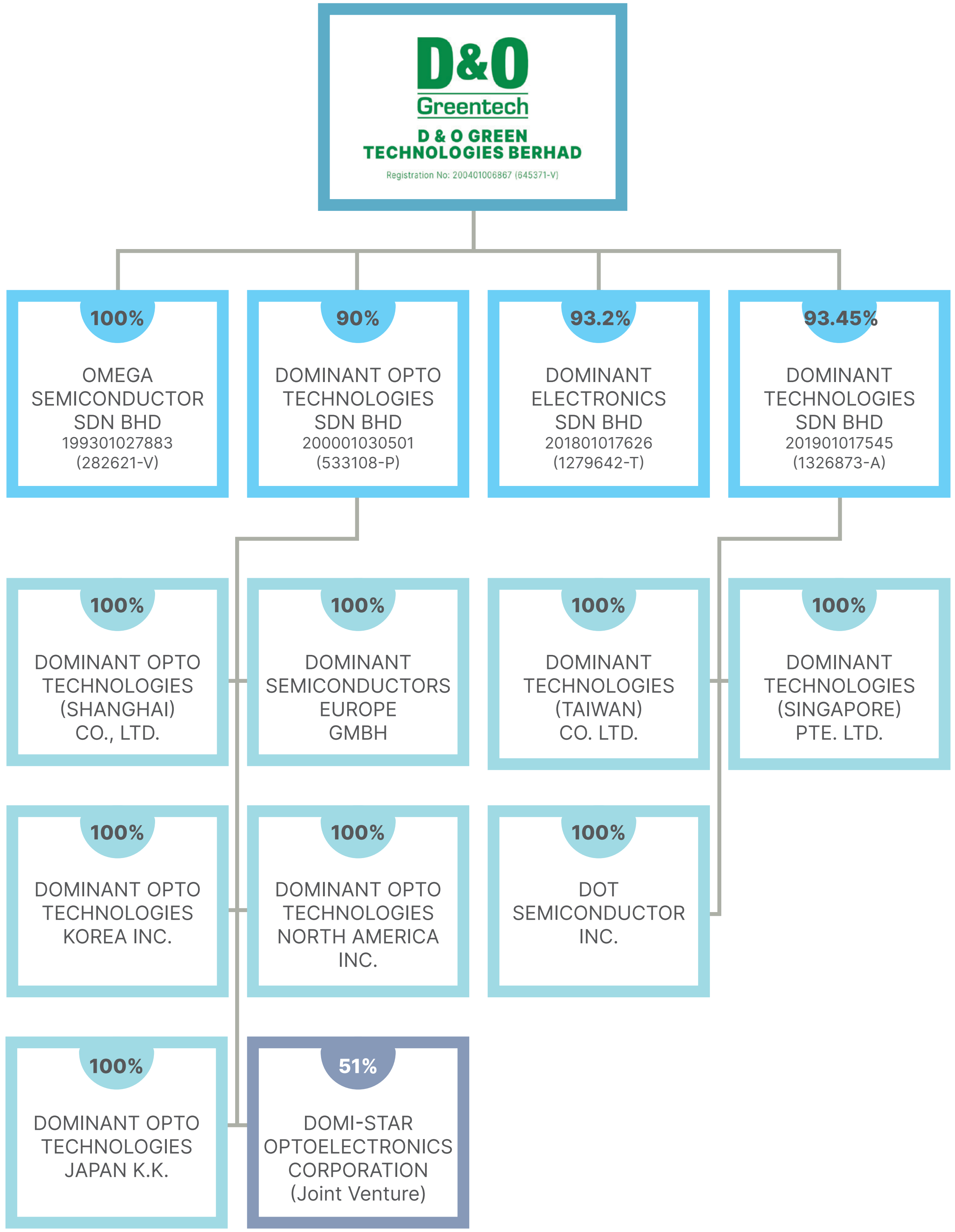
Stock code: 7204

Stock name: D&O

* Independent and Non-Executive Director

** Senior Independent and Non-Executive Director

CORPORATE STRUCTURE



HOW WE CREATE VALUE

OUR MATERIAL MATTERS

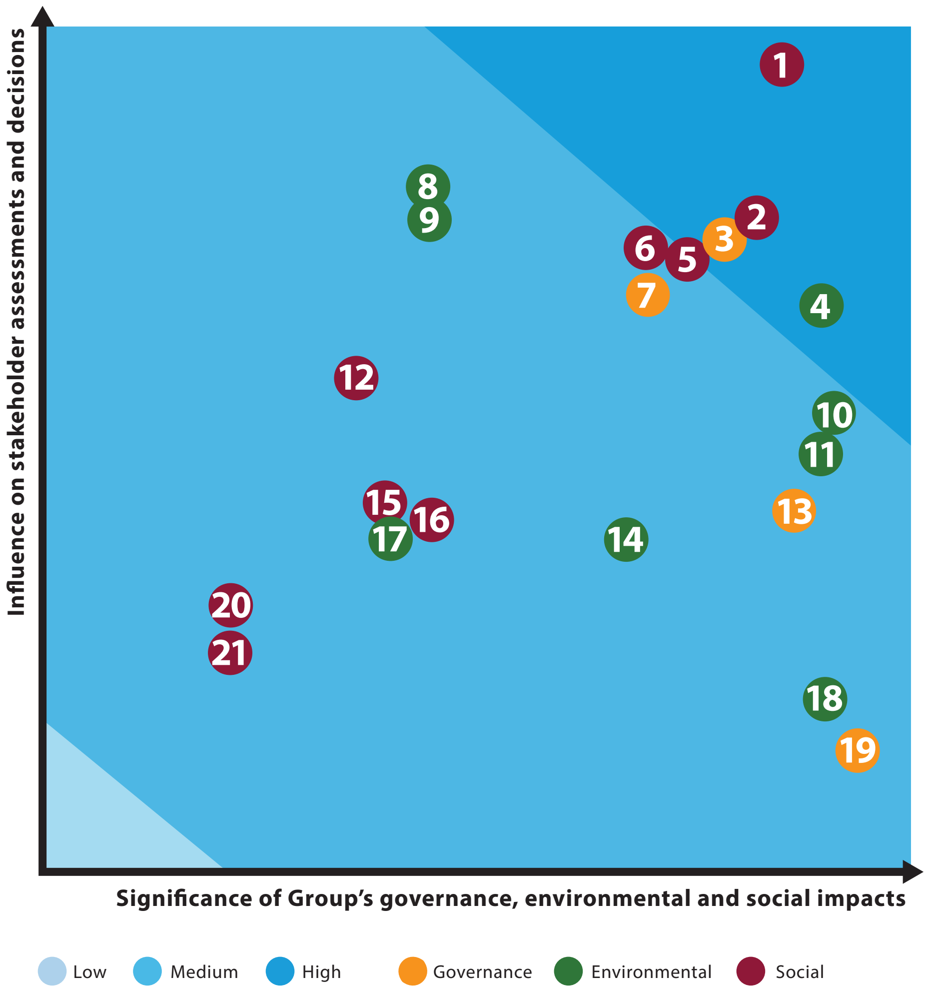
The Group conducts a materiality assessment every year to ensure we are able to identify the most important risks and opportunities to our business. Our materiality assessment is informed through direct engagement with HODs and external stakeholders and sustainability issues are assessed against a detailed rating system based on various criteria such as impact to revenue, reputation and whether it presents a risk or opportunity.

In 2022, the assessment showed an upwards shift in significance across both axes of key social topics such as labour practices, human rights and compliance (Social). This is reflective of the current global and regional focus on ensuring fair labour practices and respecting human rights. Stakeholders also rated Product and Services Responsibility (Environmental), Energy Management and Water Management higher this year, signalling a focus towards a more environmentally-friendly organisation.

Further details on how we assess our material issues can be found in our Sustainability Policy which can be found online:

www.do.com.my/cdn/corporate/Sustainability%20Policy_Aug_2021.pdf

Scan this QR code to access the Sustainability Policy.



1. Occupational Safety & Health
2. Labour Practices
3. Procurement & Spending Practices
4. Compliance (Environmental)
5. Compliance (Social)
6. Human Rights
7. Anti-corruption
8. Waste & Effluent
9. Emissions
10. Product & Services Responsibility (Environmental)
11. Materials Compliance
12. Impact on local community
13. Anti-competitive behaviour
14. Energy Management
15. Product & Services Responsibility (Social)
16. Supply Chain (Social)
17. Water Management
18. Supply Chain (Environmental)
19. Corporate Governance
20. Community Investment
21. Employee Diversity

STAKEHOLDER ENGAGEMENT

We undertake a number of formal and informal stakeholder engagements across the year with our stakeholder groups. For some of our key stakeholders such as our customers, suppliers, financial institutions and employees, we do engage specifically on ESG matters and consider their feedback to be very important.

Stakeholder	Engagement methods	Frequency	Areas of stakeholder concern	Outcome of engagements
Customers	• Regional sales offices and R&D Centre • Key account management • Participating in Worldwide Automotive Exhibitions • Customer ESG survey and assessment	• Annually • Ongoing	• Material and product quality/compliance • Product pricing • Product innovation/ customisation • Sustainable business practices	• Ensure all our direct materials comply to RoHS, REACH and Halogen regulations. • Improve productivity, product yield and quality. • Implement multi source strategy to avoid single dependency and improve material cost competitiveness. • Ensure our key material suppliers certified by IATF 16949 (automotive standard) and Quality System Procedure. • Launch of new and innovative products that meet our customer requirements. • Improve our sustainability practices, as a result, successfully included into Bursa FTSE4GOOD in 2022. Improve product/ material design to reduce metal content through innovative R&D activities (cost reduction while environmentally friendly).
Employees	• Employees' survey (Google forms) • Employees' dialogue • Annual appraisal • Interactive event and gathering during festive season	• Annually • Ongoing	• Employment benefits and career progression • Occupational health and safety	• Improve employee benefits beyond statutory requirement. • Strive to provide competitive and market rate remuneration. • Organise training programmes that aligns with employees' career advancement. • Frequent meeting by EHS committee to review and improve safety measures. As a result, maintained a low LTIFR over the last three years.
Government and Regulatory Bodies	• Official report submission • Public dialogue, public announcement • Meetings and electronic mail system • Government survey	• Annually • Ongoing	• Compliance to all rules and regulations	• Adhere to laws and changes to regulations while ensuring strict compliance. • No incidents of non-compliance with laws and regulations in 2022.

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder	Engagement methods	Frequency	Areas of stakeholder concern	Outcome of engagements
Local Community	• Corporate social responsibility • Meeting and press release	• Ongoing	• Contribution to local community	• Engage local community by supporting various community groups, civil organisations and non-governmental organisations in cash and in kind. • The Group prioritises local procurement wherever possible as well as prioritising employment of local workers.
Suppliers	• Supplier's assessment and appraisal • Sustainability survey and assessment • Meetings, emails and quotations • Supply chain sustainability commitment	• Annually • Ongoing	• Business opportunities • Compliance with sustainable business practices	• Continue receive quality products and services with competitive pricing from suppliers. • Based on questionnaires to five direct material suppliers, representing almost half of the Group total spend, they fulfilled the Group ESG expectations for suppliers.
Shareholders & Investors	• Annual report, general meetings, shareholders' dialogue meetings • Analyst briefings, press release and public announcements	• Annually • Quarterly • Ongoing	• Financial performance and business direction • Sustainable business practices	• Constantly update shareholders and investors about the Group's financial performance. In 2022, the Group's business continues to expand well despite lower worldwide automotive light vehicle sales. • Engagement with investors and analysts at our quarterly earnings announcement. • Improve reporting method by adopting integrated report and sustainability report.
Financial Institutions	• Annual report, press release, public announcements • Meeting, official submission, electronic mail system, sustainability survey and assessment	• Ongoing	• Sustainable growth • Compliance to all laws and regulations	• Based on sustainability survey and assessment, the Group's principle bankers are generally satisfied on the Group's sustainability efforts. • Bankers are satisfied with the Group's performance and they are willing to expand the current business with the Group.

PROGRESSING OUR STRATEGY

In the year under review, the D&O Group has continued to progress its P1-7 strategy which is our overall strategic framework that guides our value creation activities. In summary, we have strengthened our revenue, improved productivity, sustained the R&D momentum and optimised cost.

Critical Success Factors	Initiatives	Outcomes
P1 – Penetration Channel • Efficiency in Design In/Design Win • Direct/Distributor Strategy • Effectiveness in Design Win/ Business Win • Key Account Management • Worldwide Coverage	• Participated in all design-in invitation from existing or potential customers. • Maintaining sales offices in key automotive countries worldwide.	• Dominant Malaysia has over 100 Tier-1 external application customers. • Dominant Malaysia has risen from 6th position in global automotive LED supplier rankings in 2018 to 5th position in 2021.

RANKINGS	2018	2021
1	OSRAM Opto Semiconductors	ams-OSRAM
2	Nichia	Nichia
3	Lumileds	Lumileds
4	Stanley	Stanley
5	Seoul Semiconductor	Dominant
6	Dominant	Seoul Semiconductor
7	Samsung	Samsung LED
8	Everlight	Everlight
9	CREE	CREE LED
10	Citizen	Lextar

Source: TrendForce August 2019 December 2021

Critical Success Factors	Initiatives	Outcomes
P2 – Product • Comprehensive Product Portfolio, Full Range/ Spectrum • High Reliability • Value Proposition • Time-to-Market • System Integrated Packages • Innovation	• Strengthening the R&D team by retaining experienced R&D engineers as well as hiring new R&D talent. • Exploring the potential for infrared LED products, LED for new applications and strengthening Smart Digital LED products.	• Maintained quality systems certifications. • Increased our R&D headcount from 135 in 2020 to 213 in 2022. • New product segment introduced which are the SMART Digital LED for display panel and Infra-Red in 2021 & 2022. • We are also exploring products to be introduced for car body lighting in the future.
P3 – Process • Quality • Industry 4.0/AI • Sustainable Supply Chain Management	• Improving key components of our manufacturing processes through: ◦ Highly automated manufacturing line. ◦ 100% in-house manufacturing for better quality control. ◦ Strong equipment and process automation capability. ◦ Extensive adoption of IT systems. • Installation of quad line casting machine from single-deck single-line casting machine.	• Successfully converted single-deck single-line casting machine to quad line casting machine thereby increasing the output by four times with similar floor space. • Automate the Visual Inspection ("VI") over the last 3 years which has reduced headcount for VI by approximately 90% from 2020 to 2022.

PROGRESSING OUR STRATEGY (CONT'D)

Critical Success Factors	Initiatives	Outcomes
P4 – Production • High Density Common Manufacturing Platform	• Continuous R&D effort to increase density of leadframe and improve machine design to reduce wastage and improve output. • Using of common assembly manufacturing platform to reduce investment in machineries and headcount cost while expanding product portfolio and improving resources utilisation.	• Savings from selected products with high density leadframe is estimated to reduce copper usage by 14 tonnes per year while avoiding emission by 32 tCO_2e. • High Density Common manufacturing platform saving of 30%-50% CAPEX and headcount.
P5 – People • Innovative Team • Customer Relationship • Team Competency in Design in, Design win and Business win	• Employing local employees to better serve local market. • Attractive retention programme including ESOS plan to all qualified executive employee and above. • The Group focuses on talent development by instilling a culture of continuous development through various training and development programme to help employees develop their full potential. • Nurture and strengthen R&D team. • Improving retention of R&D and Sales senior employees as well as key employees.	• All our sales offices employ locals while key customers are dedicated with key customer service officer to ensure customers queries are addressed within 24 hours. • Founders of the Group are still actively leading and serving to ensure the Group achieves its mission and vision. • Long serving Sales, Marketing and R&D senior managers who have served an average duration of 15 years with the Group.
P6 – Pricing & Positioning • Dynamic Response • Customer Service with Speed and Competitive Pricing • Market Driven Approach	• Active participation in worldwide market through our channel team, enabling us to be competitive from a price point perspective. • Maintaining good rapport with customers.	• Increased market share and revenue over the past five years.
P7 – Promotional • Branding Promotion • Strategic Location for Exhibitions	• Participation in international exhibitions to promote Dominant brand and joined ISELED, an open industrial alliance with the objective of building a comprehensive ecosystem for innovative automotive lighting based on ISELED technology.	• Dominant Malaysia (LED manufacturer) is one of the five initial members when ISELED was launched, an initiative led by BMW. • In 2022, we have participated in international exhibitions in France, China and USA.

TRENDS AND OPPORTUNITIES

Considering our leading role in a rapidly growing, dynamic and competitive industry, we continue to stay abreast of the various long term market trends as they are indicative of future business opportunities for the D&O Group and will influence our strategies going forward.

Trend	Opportunity	Our response
Growing acceptance and wider application of LEDs	Today, LED is no longer just about illumination. The versatility of LED gives automakers almost limitless applications. LED technology is increasingly being used to enhance the safety features of a car (for drivers, pedestrians and its surroundings), for brand differentiation, to enhance the aesthetic appearance of a car and as an effective communication tool. The clearest example of this is the expected CAGR of 10.9% until 2030 which is inclusive of vehicle infotainment display panels that will significantly boost demand for LEDs.	We are backed by a strong R&D team and we are one of the few automotive LED manufacturers globally that is capable of providing a full spectrum of products, from low to high brightness intensity, encompassing both interior as well as exterior applications. Continued product innovation and customer centricity, coupled with an established distribution network, will enable us to meet evolving customer demands and gain greater market share.
Environmental concerns driving increased demand for Electric Vehicles (EV) and lower carbon emissions	EV is the future of the automotive industry especially as countries around the world implement measures to achieve their net zero emissions targets. The EV market share as a percentage of total vehicle sales is projected to increase sharply over the next 10 years with major car companies committing to ambitious volume targets. Unlike combustion engines, EV cars require highly energy-efficient lighting technology so as to reserve maximum electrical energy for the running of the car. LED is the best lighting choice for EVs due to its low energy consumption, thereby allowing EV to minimise power consumption on lighting applications, thus reducing carbon from energy generation.	Dominant Malaysia's LED and Smart Digital LED products are designed precisely for this purpose. With our flagship product, seddLED, we are able to drastically reduce the cabling required for lighting, effectively reducing weight of lighting applications. This reduces energy consumption, thus allowing longer mileage on a single battery charge while prolonging its lifespan. As a result, the Group is well positioned to capitalise on the anticipated explosive growth of EVs.

OUR VALUE CREATION MODEL

Our Value Creation Model provides an overall snapshot of how the D&O Group creates, grows or preserves the value of its Six Capitals. In the year under review, we are pleased to report that we continue to add value to our Capitals through carefully considered investments and trade-offs.

CAPITAL

Financial
Financial capital is the pool of funds available to aid all aspects of the value creation process.

Intellectual
Intellectual capital defines the innovations and processes unique to our organisation.

Human
Our human capital is the backbone of the business.

Social & Relationship
Social and relationship capital recognises the relationships we have with our stakeholders such as the authorities, suppliers, customers and communities.

Natural Capital
Natural capital provides the raw materials required to produce our products.

Manufactured Capital
Manufactured capital includes the Group's physical assets and infrastructure such as machinery, equipment and factory space that enables the Group to manufacture its products.

INPUT (AS OF 31 DECEMBER 2022)

MARKET CAPITALISATION
RM5.3 BILLION

RM35 MILLION INCURRED IN RESEARCH & DEVELOPMENT

STRONG R&D TEAM WITH TOTAL 213 HEADCOUNT

>2,700 EMPLOYEES AS AT 31 DEC 2022

Offline and online training and development activities.

Adhered to minimum wage increase.

Strong commitment to diversity and inclusion, employee well-being, benefits and engagement.

Reward and recognition programmes linked to performance.

Strong commitment to occupational safety and health.

Commitment to contribute to less fortunate communities.

Active engagement with non-profit organisations that are able to positively impact communities.

38M kWh ENERGY CONSUMED BY MELAKA PLANT

279K m^3 CITY WATER WITHDRAWN BY MELAKA PLANT

CAPITAL EXPENDITURE
RM198 MILLION

Critical equipment is designed and assembled in-house such as quad-line casting machine to improve efficiency.

STRATEGIC PRIORITIES

P1 – Penetration Channel
- Efficiency in Design In/Design Win
- Direct/Distributor Strategy
- Effectiveness in Design Win/Business Win
- Key Account Management
- Worldwide Coverage

P2 – Product
- Comprehensive Product Portfolio, Full Range/ Spectrum
- High Reliability
- Value Proposition
- Time-to-Market
- System Integrated Packages
- Innovation

P3 – Process
- Quality
- Industry 4.0/AI
- Sustainable Supply Chain Management

P4 – Production
- High Density Common Manufacturing Platform

P5 – People
- Innovative Team
- Customer Relationship
- Team Competency in Design in, Design win and Business win

P6 – Pricing & Positioning
- Dynamic Response
- Customer Service with Speed and Competitive Pricing
- Market Driven Approach

P7 – Promotional
- Branding Promotion
- Strategic Location for Exhibitions

OUTPUT & OUTCOME (AS OF 31 DECEMBER 2022)

REVENUE **RM983 MILLION**

PROFIT **RM83 MILLION**

DIVIDEND **RM21 MILLION**

Wide range of products and innovations to meet unique customer requirements and enables us to remain competitive, such as seddLED, SpicePlus 2520, Power Right Angle and Zero Binning.

Gender diversity (within Malaysia):
- **46%** of all employees are women
- **22%** women in management role
- **10%** Board of Directors are women

AVERAGE TRAINING HOURS PER EMPLOYEE
3.2 HOURS

0.86 LOSS TIME INJURY FREQUENCY RATE (LTIFR)

Job opportunities for the lesser abled.

Monetary contributions to schools for students from lower income families, and donations to other charitable organisations.

We support 1,400 suppliers of which 24% are local, especially machine and tooling suppliers.

23% WATER RECYCLING

3% IMPROVED EMISSIONS INTENSITY compared to 2021

5% IMPROVED WATER INTENSITY compared to 2021

REVENUE PER EMPLOYEE

2020:	2021:	2022:
RM335K	RM354K	RM351K*

*Increased number of headcount by adopting two shifts but with three crews instead of two shifts with two crews to ensure compliance to 104 overtime hours per month, while improving employee work life balance.

MANAGING OUR RISKS

The D&O Group is cognisant of the various risks that can impact the business. Managing our risk is a crucial part of the value creation process as we seek to safeguard our business and protect the interests of our stakeholders. Every year, we evaluate and assess the impact of our major risks while also ensuring that we have the appropriate controls and mitigations in place. Below we describe the risks for 2022, the potential impact and our mitigating actions.

Risks	Impact	Mitigation
Economic Risk	The potential slowdown in economic growth globally will impact the business of component manufacturers like D&O as demand for automotive vehicles may decline.	• Closely monitor local and global economic climate through economic reports and news media including trend analysis and consumption statistics. • Introduce new product design that suit market expectations. • Initiatives to improve overall efficiency and productivity to minimise cost. • Strengthen the sales and marketing division and defining clear product roadmap and strategy every six months. • Retrieve the latest information through participation in automotive lighting exhibition around the world.
Competition Risk	In a highly competitive industry, new product technology or better pricing offered by our competitors will pose a risk that can impact our market share and/or future business prospects.	• Keeping abreast with market developments. • Strategic alliance with other parties to design and develop new products. • Improving quality of products. • Pricing products competitively. • Leveraging on long standing relationship with existing customers.
Currency Exchange Risk	Due to the global nature of our business, we are exposed to currency exchange risk.	• Rebalance the Group's currency exposure to better hedge against the impact of future foreign exchange volatility to its operations and balance sheet. • Exploring banking facilities in different currencies. • Entered into forward foreign currency contracts.
Quality Risk	Automotive components need to be produced in adherence to the highest international quality standards. Failure to attain and retain the highest levels of discipline in this area can lead to loss of business.	• Ensure adherence to IATF16949 (automotive standard) and Quality System Procedure. • Conduct adequate product testing before marketing/ delivery. • Set KPIs to achieve lowest customer reject rates. • Monthly Proactive Six Sigma Quality Drive (PSQD) Meetings aimed at achieving zero defect target. • Continuous improvement and innovative R&D solutions for better products and process. • Prudent quality assurance process.

Risks	Impact	Mitigation
Human Capital Risk	Our industry constantly requires highly skilled and competent employees in order to stay ahead, and therefore faces the risk of talent loss which can impact business continuity and operations.	• Establishing robust talent management, succession planning and training programmes. • Providing competitive remuneration packages including employee share options. • Providing a conducive working environment with strong employee engagement initiatives. • Reviewing and providing additional employee benefits where possible.
Geopolitical Risk	Global automakers require some level of political stability in the areas they operate in, and more broadly, geopolitical stability as well. This is due to the long sales & development cycle which requires long-term forecasts to be made. The lack of stability can impact their business and subsequently, the business of component manufacturers like D&O.	• Keeping close tabs on major geopolitical news that may affect D&O Group. • Maintain good relationship with local authorities. • Actively participating in all automotive region. No single dependencies on any particular customer or supplier in particular region.
Inflationary and Supply Chain Risk	Inflationary pressure causing increasing material prices, thus lowering margins. In addition, although COVID-19 is now in its third year, it still poses a risk as outbreaks of new variants could impact the health of our employees, Group operations and supply chains.	• Continuous improvement in product/material design to reduce precious metal contents through innovative R&D activities (cost reduction while environmentally friendly). • Established a business recovery plan covering all aspects of operations. • Enforcing standard operating procedures with regards to hygiene including mandatory mask wearing in the plant. • Maintaining a reliable multi-source supply chain. • Remaining in constant contact with customers and suppliers.

OUR PERFORMANCE

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The year 2022 marked a period of economic recovery amid a retreating pandemic and a return to normalcy. Governments, businesses and society were able to move beyond lockdowns, with economic growth and demand for goods returning to pre-pandemic levels. Global Gross Domestic Product (GDP) growth in 2022 is expected to moderate to 3.2% according to the International Monetary Fund, while in Malaysia, GDP growth came in at 8.7%, much stronger than the 3.1% recorded in 2021.

The strong demand for goods all over the world as consumption returned to pre-pandemic levels created inflationary pressures as high commodity prices led to higher input costs for manufacturers which were subsequently passed on to consumers. The onset of the Russia-Ukraine conflict further exacerbated the issue with commodity prices spiking temporarily in the first half of 2022 and staying elevated for the rest of the year while also causing other complications that affected global food security and the supply chain.

For D&O Group, the conflict did not impact us in a major way as we do not depend on single source suppliers. Furthermore, we had prepared for supply chain disruptions as part of our response to the pandemic and continued this practice throughout 2022 by holding increased inventory and having consignment arrangements with certain suppliers. The spike in energy prices also did not impact the Group and only affected our sales office in Germany to a minor extent. We were however affected from a forex perspective by the sharp devaluation of the Malaysian Ringgit which trended downwards throughout the year and fell to a historic low of RM4.75 to the US Dollar in November 2022, before recovering towards the end of the year.

In terms of the automotive industry, global car sales were also affected by worldwide supply chain interruptions, leading to several revisions in the 2022 sales forecast. As a result, there was an overall decline of 0.6%[1] in global car sales compared to 2021. Of the total sales number in 2022, almost 13%, or 10 million vehicles were Electric Vehicles (EV) according to the BloombergNEF Zero-Emission Vehicles Factbook. This marks an increase of about 52%[2] from 2021 levels and this upward trend bodes well for D&O given that LEDs continues to be applied more widely and in greater numbers in EV cars due to its versatility and low-energy consumption characteristics. LEDs are the preferred source of lighting for EV cars where in 2021, LED lighting had achieved a 90%[3] penetration rate of the new energy vehicle market.

1 https://www.marklines.com/en/report/global_report_202212

2 https://www.theedgemarkets.com/article/passenger-ev-sales-track-more-10-million-units-2022-says-bnef

3 https://evertiq.com/news/51107

KEY ACHIEVEMENTS IN 2022

- Introduced new products for infra-red, SMART Digital LED, display panel and car body lighting.
- Expenses for R&D was RM35 million. This was for product and process development including but not limited to exploring into new product segments and introducing more efficient products to replace existing products.
- Restructured production area, thus freeing up an additional 9,500 square feet in Plant 1 to ensure enough production capacity in anticipation of automotive LED market growth trends.
- A total capital expenditure of RM198 million was invested for the floor space expansion, new equipment, and the upgrading of equipment and renovations in Plant 1 and Plant 2 as well as purchase of a hostel.
- We onboarded new direct material suppliers to ensure our multi-source supply chain remains robust. We continue to maintain qualified backup suppliers for all our key materials.
- Installation of rooftop solar system on Plant 2 with an annual generation capacity of 102,000 kWh to advance our decarbonisation target.
- Other initiatives to reduce emissions include purchasing and subsequently renovating a new hostel for our employees nearer to our manufacturing facilities to reduce transportation-related emissions. We have also implemented energy, water and waste management initiatives as well as embedding carbon-savings within our machines, materials, processes and products.
- Admission into the Bursa FTSE4Good Index as a constituent for the first time.

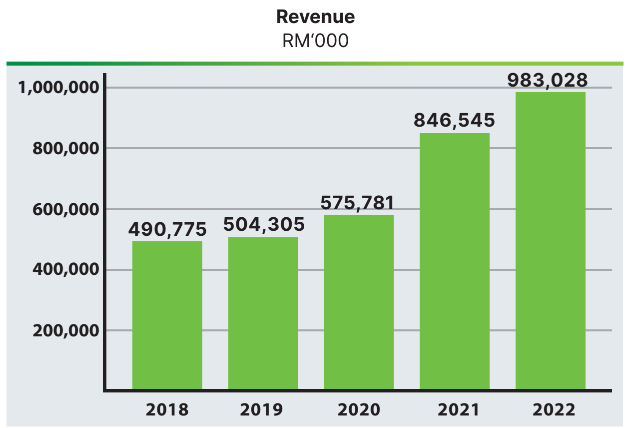
KEY CHALLENGES & MITIGATION

- To overcome potential shortages of raw materials, we have continued to hold additional buffer stock since 2021 as well as consignment arrangements with certain suppliers which was a practice we had instituted since the pandemic began.
- To lessen the impact of the minimum wage increase, management has implemented several measures to minimise overtime expenses, boost productivity and optimise headcount by automating and streamlining the production process.
- To minimise the inflation impact in packaging material costs, management strictly enforce multi-source supply chain strategy and continuous improvement in product/material design to reduce precious metal contents through innovative R&D activities and material recycling programme.
- To mitigate forex losses as a result of the sharp devaluation of the Malaysian Ringgit in 2022, management has taken the necessary steps to rebalance the Group's currency exposure to better hedge against the impact of future foreign exchange volatility to its operations and balance sheet. With these proactive actions, the impact of foreign currency fluctuations was substantially reduced towards the end of the year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE REVIEW

	2020	2021	2022
	RM'000	RM'000	RM'000
Total Revenue	575,781	846,545	983,028
Gross Profit	157,864	251,679	261,116
Profit Before Tax	66,336	138,102	90,532
Profit After Tax	55,375	123,800	83,444
EBITDA	109,366	188,622	156,898



The D&O Group recorded double-digit revenue growth of 16.1% to reach RM983.0 million in 2022 compared to RM846.6 million the year before. This was accomplished despite a 0.6% year-on-year decline in global car sales volume. The Group's revenue performance demonstrates Dominant Malaysia's robust business-win pipeline and the wider trend of rising LED intensity in newer car designs.

Gross profit was higher but at a lower magnitude compared to revenue growth mainly due to the implementation of the minimum wage increase in May 2022. We also experienced margin contractions arising from lower plant utilisation as we sought to normalise inventory levels following lower than expected sales orders in the fourth quarter of 2022. To mitigate some of the impact of the minimum wage increase, we implemented measures such as optimising headcount by automating and streamlining production processes, which saw a reduction in headcount of about 200 workers by the end of 2022.

Profit before tax was lower by about 34%, impacted by forex losses of RM38.9 million in 2022 compared to a loss of RM0.4 million in 2021, mainly due to unrealised translation loss of US Dollar denominated loans following the sharp devaluation of the Malaysian Ringgit.

The increase in the Group's property, plant and equipment was due to RM187.6 million CAPEX spent on tools and equipment for new product lines, machinery upgrades, plant automation and quality control improvements partially offset by RM61.3 million depreciation charge.

The Group generated a positive RM192.5 million cash flow before changes in working capital from its operations in 2022. After factoring in changes in working capital and interest and income tax payments, there was a net cash outflow of RM35.9 million. The rise in working capital requirement was primarily due to higher inventory and trade receivables. To enhance the Group's operating cash flow, Management has implemented measures to reduce production to normalise inventory levels and enforcing tighter control over raw material purchases and capital expenditure investments. The cash outflow from investing activities was partially financed by additional bank borrowings and proceeds of RM24 million from the issuance of preference shares by Dominant Malaysia. The Group's balance sheet remained healthy. Net assets rose by RM63.8 million to RM877.8 million and net debt to equity ratio stood at 0.2.

DIVIDENDS

Ordinary Shares

(a) The first interim dividend of 0.78 sen per ordinary share for the financial year ended 31 December 2022 (2021: 0.75 sen) was paid on 30 June 2022; and

(b) The second interim dividend of 0.52 sen per ordinary share for the financial year ended 31 December 2022 (2021: 0.75 sen) was paid on 28 December 2022.

DIVIDENDS (CONT'D)

Irredeemable Convertible Preference Shares ("ICPS")

(a) The first interim dividend of 0.78 sen per ICPS for the financial year ended 31 December 2022 (2021: 0.75 sen) was paid on 30 June 2022; and

(b) The second interim dividend of 0.52 sen per ICPS for the financial year ended 31 December 2022 (2021: 0.75 sen) was paid on 28 December 2022

based on the terms of the ICPS.

OUTLOOK

The outlook for economic growth going forward remains uncertain with a looming global recession in 2023 as interest rate hikes that were aggressively implemented throughout 2022 slows demand. In Malaysia, the expectation is for moderate growth of 4.5% in 2023, although inflation is still expected to remain at elevated levels. The longer-term outlook for the LED market, however, remains positive overall. There are several key drivers for this which include:-

- **Higher car sales in 2023 –** Following a decline in global car sales in 2022, the market is optimistic and is forecasting a 4% increase in global car sales in 2023, led by China, the world's largest automotive market. Based on an analyst forecast, China car sales will likely be soft in the first quarter of 2023[1], followed by higher growth in the second quarter as the negative impact of the pandemic gradually subsides and the economy recovers. The automotive market is then expected to return to normal growth levels by the third quarter of 2023.

- **Increased adoption of LED lights in new vehicle models –** the versatility of the LED light has seen a larger number of automakers applying it to their cars, whether it is for internal or external use, ambient lighting or other applications to make the car more aesthetically pleasing. This has then led to greater numbers of LED lights being used in every vehicle.

- **Growing EV penetration –** Opportunities for the LED lighting industry are closely tied with the robust growth of the EV segment which is expected to capture 17% of global sales in 2023 compared to 10% achieved in 2022. The lower energy consumption of LED lights is an ideal fit for EVs which need to be as energy efficient as possible.

- **The future of cars in a connected world –** With the increasing reliance on software to manage almost all aspects of the car, automakers will also need to determine the most effective interfaces to deliver the most user-friendly experiences. This is likely to involve multiple interactive panels to display current information or entertainment options, which will drive further demand for LED light which are a key component of these display panels.

For D&O Group, we see good growth opportunities base on increasing global car sales and EV penetration coupled with the growth of LED applications in the automotive sector. To cope with the projected growth in the next 10 years, plans are underway to construct a third plant situated between the Group's two existing manufacturing Plant 1 and Plant 2 with a total built up area of approximately 360,000 square feet. The 10-storey Plant 3 is expected to be completed by 2025.

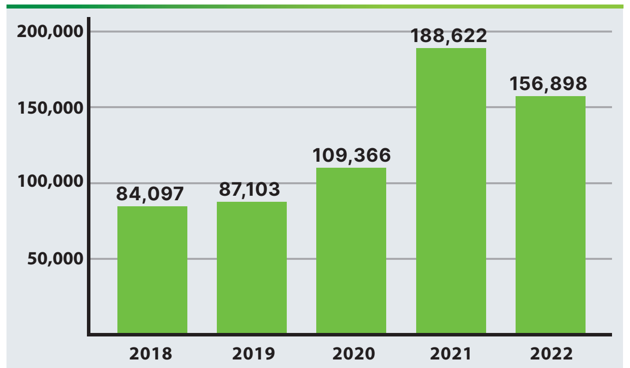
1 https://www.daas-auto.com/hot_news/news_detail/news/13772.html

FIVE-YEAR FINANCIAL HIGHLIGHTS

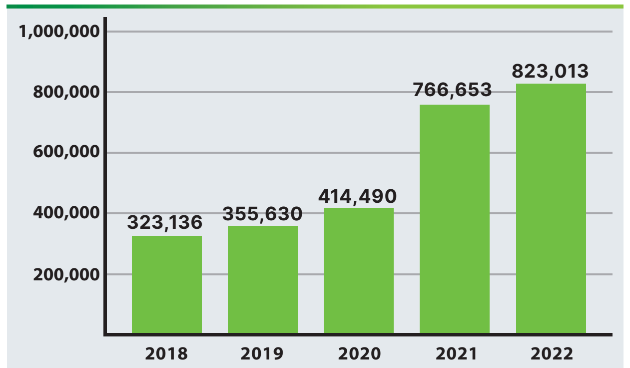
The financial results for the year 2018 to 2022 were based on the audited financial statements of the Group for the respective financial year under review.

	The Group				
	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Total Revenue	490,775	504,305	575,781	846,545	983,028
Profit Before Tax	52,123	47,070	66,336	138,102	90,532
Profit After Tax	42,202	39,057	55,375	123,800	83,444
Profit Attributable to Owners of the Company	35,961	34,871	49,652	110,529	75,148
Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	84,097	87,103	109,366	188,622	156,898
Equity Attributable to Owners of the Company	323,136	355,630	414,490	766,653	823,013
Weighted Average Number of Shares in Issue ('000)	1,046,160	1,109,648	1,133,097	1,186,022	1,237,182
Earnings Per Share ("EPS") (Sen)	3.06	2.81	4.17	8.84	5.68

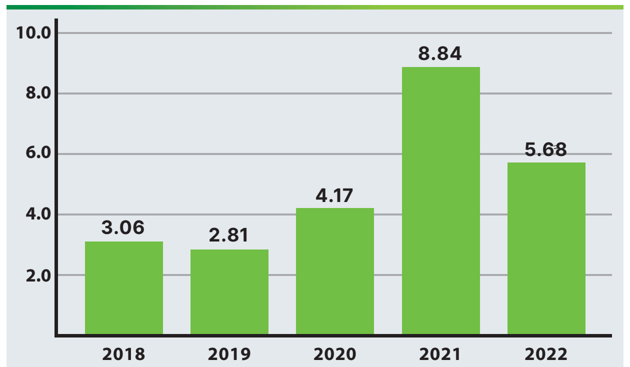
EBITDA
RM'000



Equity Attributable to Owners of the Company
RM'000



EPS
Sen



HOW WE GOVERN

PROFILE OF DIRECTORS

TAN SRI MOHAMMED AZLAN BIN HASHIM — Malaysian, Male
Non-Independent and Non-Executive Chairman

Tan Sri Mohammed Azlan bin Hashim, aged 66, was appointed as the Non-Independent Non-Executive Chairman of D&O on 16 September 2004. Tan Sri Azlan is also the Chairman of IHH Healthcare Berhad, Marine & General Berhad, Telekom Malaysia Berhad and currently serving on the Board of Directors of Khazanah Nasional Berhad and Employees Provident Fund.

He has extensive experience in the corporate sector, including financial services and investment. Positions that he has held include, Chief Executive of Bumiputra Merchant Bankers Berhad, Group Managing Director of Amanah Capital Malaysia Berhad and Executive Chairman of Bursa Malaysia Group.

Tan Sri Azlan holds a Bachelor of Economics (Monash) and qualified as a Chartered Accountant (Australia). He is a Fellow Member of the Institute of Chartered Accountants, Australia, Member of The Malaysian Institute of Accountants, and Fellow Member of the Institute of Chartered Secretaries and Administrators.

Tan Sri Azlan has attended all six meetings of the Board of Directors of the Company held during the financial year ended 31 December 2022.

Please refer to pages 167 to 169 of this Integrated Report for his securities holding.

TAY KHENG CHIONG — Malaysian, Male
Group Managing Director

Tay Kheng Chiong, aged 59, was appointed as the Group Managing Director of D&O on 16 September 2004. Mr. Tay graduated from the University of Sunderland, United Kingdom with a Bachelor of Engineering (Honours) degree majoring in Electrical and Electronics in 1989. In 1999, he obtained a Masters of Business Administration from the University of Strathclyde, Scotland. He is a registered Chartered Engineer with The Institution of Engineering and Technology, United Kingdom.

Upon graduation, he joined a multinational semiconductor company (Siemens) in 1989 as a Product Development Engineer and was promoted to Senior Director of Opto Business Unit in 1999. He is one of the main co-founders of Dominant Malaysia. He joined Dominant Malaysia on 1 March 2001.

He has more than 30 years of experience in the opto semiconductor industry. With his sound technical background and vast experience in the opto semiconductor industry, his forte lies in the management of the overall operations, business development and strategic direction of the D&O Group.

Mr. Tay is also a Director and Non-Executive Deputy Chairman of Mega First Corporation Berhad ("MFCB"), a company listed on Main Market of Bursa Malaysia.

Mr. Tay has attended all six meetings of the Board of Directors of the Company held during the financial year ended 31 December 2022.

Please refer to pages 167 to 169 of this Integrated Report for his securities holding.

PROFILE OF DIRECTORS (CONT'D)

YEOW SEE YUEN

Malaysian, Male

Independent and Non-Executive Director

Yeow See Yuen, aged 55, was appointed as an Independent Non-Executive Director of D&O on 4 February 2009. He is the Chairman of Remuneration Committee, a member of the Audit Committee, Nomination Committee and appointed as a member of the ESOS Committee on 24 March 2023.

Mr. Yeow holds a first class honours degree in Accountancy from the National University of Singapore. He started his career with Cooper & Lybrand in Singapore in the audit division. He left the firm in 1994 to join Deutsche Securities Asia Limited ("Deutsche Securities") where he spent 9 years working in the Equity Research Department. During the period, he progressed through a series of positions including Deputy Head of Indonesia Research, Head of Malaysian Research and Head of Consumer Research Asia. Since leaving Deutsche Securities in 2003, he has been actively involved in investment banking related work, including investor relations corporate advisory and research consultancy.

Mr. Yeow is presently an Independent Non-Executive Director of MFCB and holds directorships in several private limited companies incorporated in Malaysia and overseas.

Mr. Yeow has attended all six meetings of the Board of Directors of the Company held during the financial year ended 31 December 2022.

Please refer to pages 167 to 169 of this Integrated Report for his securities holding.

JESPER BJOERN MADSEN

Danish, Male

Senior Independent and Non-Executive Director

Jesper Bjoern Madsen, aged 69, was appointed as an Independent Non-Executive Director of D&O on 21 August 2014 and as Senior Independent Non-Executive Director on 24 March 2023. He is the Chairman of Nomination committee, a member of Audit Committee and Remuneration Committee.

Mr. Madsen obtained a Master degree in Law from Copenhagen University, Denmark and later studied Scottish/English Law at the University of Edinburgh, Scotland.

Mr. Madsen has been working with the Carlsberg A/S Group for over 20 years. He was the senior vice president of Carlsberg Breweries A/S with responsibility for Asia, among other markets. Mr. Madsen was during his tenure as the said senior president also a non-executive chairman, non-executive vice chairman or non-executive director in a number of Carlsberg's subsidiaries in Asia. He has vast experience in overseas investments and markets.

Mr. Madsen has attended five out of six meetings of the Board of Directors of the Company held during the financial year ended 31 December 2022.

Please refer to pages 167 to 169 of this Integrated Report for his securities holding.

GOH CHIN SAN

Malaysian, Male

Non-Independent and Non-Executive Director

Goh Chin San, aged 29, was appointed as a Non-Independent Non-Executive Director of D&O on 24 August 2020. He is a member of the Remuneration Committee and ESOS Committee.

Mr. Goh graduated from the University of Pennsylvania with a Bachelor of Arts in Mathematics and Economics. He started his career with Pricewaterhouse Coopers Singapore in the Mergers and Acquisitions Strategy team from 2016 to 2018. He is currently the Business Development Manager and Head of the Renewable Energy (Solar) division with MFCB.

Mr. Goh is the brother of Mr. Goh Chin Loong, son of Mr. Goh Nan Kioh and Madam Lim Yam Chiew. Mr. Goh Nan Kioh and Madam Lim Yam Chiew are both substantial shareholders of the Company.

Mr. Goh has attended all six meetings of the Board of Directors of the Company held during the financial year ended 31 December 2022.

Please refer to pages 167 to 169 of this Integrated Report for his securities holding.

JENNIFER CHONG GAIK LAN

Malaysian, Female

Independent and Non-Executive Director

Jennifer Chong Gaik Lan, aged 59, was appointed as an Independent Non-Executive Director of D&O on 15 September 2021. She is a member of the Audit Committee.

Madam Chong graduated from University Kebangsaan Malaysia with a Bachelor of Science (Honours) degree in Statistics. She has a Masters of Business Administration from the University of Strathclyde UK, majoring in General and Strategic Management.

Madam Chong has more than 30 years of experience in procurement, internal audit and supply chain management. She started her career at General Electric, Muar in 1987 as a supply chain planner. She later joined Denso in Bangi as head of procurement, responsible for setting up the department to support the localisation strategy. Her last position before her retirement in 2018 was with Infineon Technologies (Malaysia) Sdn Bhd as Director, head of the logistics department. Prior to logistics she was Internal Audit Manager for Infineon Corporate Audit Asia Pacific.

Madam Chong has attended all six meetings of the Board of Directors of the Company held during the financial year ended 31 December 2022.

Please refer to pages 167 to 169 of this Integrated Report for his securities holding.

PROFILE OF DIRECTORS (CONT'D)

GOH CHIN LOONG — **Malaysian, Male**
Non-Independent and Non-Executive Director

Goh Chin Loong, aged 29, was appointed as a Non-Independent Non-Executive Director of D&O on 1 September 2022. He was appointed as a member of the Nomination Committee on 22 February 2023.

Mr. Goh graduated from University of Pennsylvania with a Bachelor of Degree in Computer Science and Economics. He started his career in 2016 as a software engineer at SAP in USA before moving on to Google in 2019. In 2022, he joined MFCB as the Head of Technology division and currently is the General Manager of Innovation and Technology division of MFCB. He holds directorship in a private limited company in Malaysia.

Mr. Goh is the brother of Mr. Goh Chin San, son of Mr. Goh Nan Kioh and Madam Lim Yam Chiew. Mr. Goh Nan Kioh and Madam Lim Yam Chiew are both substantial shareholders of the Company.

Mr. Goh has attended all Board of Directors meetings of the Company that he is eligible to attend held during the financial year ended 31 December 2022.

Please refer to pages 167 to 169 of this Integrated Report for his securities holding.

AU SIEW LOON — **Malaysian, Male**
Independent and Non-Executive Director

Au Siew Loon, aged 62, was appointed as an Independent Non-Executive Director of D&O on 20 December 2022 and subsequently as a member of Audit Committee and Nomination Committee on 22 February 2023. Mr. Au was then appointed as Chairman of the Audit Committee on 24 March 2023.

Mr. Au commenced his articleship with Ernst and Young, Malaysia in 1981 and qualified as a Chartered Accountant in 1985. He is a member of The Malaysian Institute of Certified Public Accountants and a member of The Malaysian Institute of Accountants. He was seconded to Ernst and Young, London in 1986 for a period of 18 months. He left the profession in 1989. He was the Chief Financial Officer of Hap Seng Consolidated Berhad ("HSCB") since 3 September 2012 before his retirement from the position on 31 May 2022.

Prior to him joining the HSCB group of companies, he had held various senior management positions in companies involved in the financial services, insurance and food and beverage industries. He spent more than two decades in QSR Brands Sdn Bhd, a large fast food operator and food processor/manufacturer, and had held various senior positions in the areas of internal audit, finance, upstream and downstream operations of the group.

Mr. Au was appointed after the final Board of Directors meeting was held, therefore was not eligible to attend any of the Board of Directors meetings held during the financial year.

Please refer to pages 167 to 169 of this Integrated Report for his securities holding.

Notes:-

- *Save as disclosed above, none of the Directors holds directorship in public companies and other listed issuers.*
- *Save as disclosed above, none of the Directors has any family relationship with any Director and/or major shareholder of the Company.*
- *None of the Directors of the Company has been convicted of any offence within the past five (5) years other than traffic offence, if any.*
- *The Group has entered into recurrent related party transactions and/or related party transactions with parties in which the Directors of the Company, namely Tay Kheng Chiong, Yeow See Yuen, Goh Chin San and Goh Chin Loong have direct or indirect interest in the transactions presented in Note 37 in the accompanying Financial Statements. Save as disclosed above, none of the other Directors have any conflict of interest within the Group.*

PROFILE OF KEY SENIOR MANAGEMENT

CHEAM DAU PENG Malaysian, Male

Executive Deputy Chairman of Dominant Malaysia

Cheam Dau Peng, aged 70, was appointed as an Executive Director of D&O on 16 September 2004 and ceased to be Executive Director of D&O on 24 March 2023 in order to concentrate on his new role as Executive Deputy Chairman of Dominant Malaysia.

Mr. Cheam started his career as a Production Supervisor with a multinational semiconductor company immediately after he completed his secondary school education. Backed by more than thirty (30) years of experience in the semiconductor industry, he has vast hands-on experience in plant operations. Mr. Cheam has been playing an active role in the growth and expansion of D&O Group since 2001.

LOW TEK BENG Malaysian, Male

Chief Operating Officer of Dominant Malaysia

Low Tek Beng, aged 52, graduated from the University of Leeds, United Kingdom with a first-class honours Bachelor of Mechatronic degree in 1994. He began his career in that same year with a multinational semiconductor company as a Product Development Engineer and was subsequently promoted to Product Development Manager before he left the company in 2000.

Mr. Low joined Dominant Malaysia on 1 April 2001 as the director of Research and Development with the responsibility of overseeing the entire research and development of Dominant Malaysia. He is also one of the co-founders of Dominant Malaysia.

Mr. Low currently is the Chief Operating Officer in Dominant Malaysia, responsible for all manufacturing operations, engineering, global sales, marketing and product development activities. In addition, Mr. Low is also the Managing Director for Dominant Electronics Sdn Bhd and Dominant Technologies Sdn Bhd.

SIAY SAY FEI Malaysian, Male

Vice President Quality Assurance of Dominant Malaysia

Siay Say Fei, aged 54, was appointed as Vice President Quality Assurance of Dominant Malaysia on 1 July 2015. Mr. Siay graduated from the Queen's University of Belfast, United Kingdom with Master of Science in Manufacturing Systems Engineering in 1994.

He began his career with SIEMENS Component Sdn Bhd in 1994 as Process Engineer. In 1997 - March 2001, he joined ON Semiconductor Corporation (formerly a division of Motorola) as Project Management and Total Productive Maintenance Manager, he was involved in phase in New Product Introduction to production. Subsequently, he joined Dominant Malaysia on 1st April 2001 as Senior QA & Purchasing Manager. He has more than 27 years of experience in the semiconductor industry.

LEE HAN YUNG Malaysian, Male

Group Financial Controller

Lee Han Yung, aged 43, was appointed as Group Financial Controller in March 2010. He is responsible for the overall finance and accounting matters of D&O Group, including assisting Group Managing Director to execute Risk Management Policy and implementation of internal controls.

Mr. Lee holds a first class honours degree in Accountancy from Multimedia University. He joined Omega Semiconductor Sdn Bhd in 2004 as an Accounts Executive and subsequently promoted to Financial Controller in 2007. He has over 18 years of experience in finance and accounting especially in the semiconductor industry.

VISHALINI SANKARAN Malaysian, Female

Senior Human Resource Manager

Vishalini Sankaran, aged 46, was appointed as the Senior Human Resource Manager with a sub division of responsibility over the plant's security department on 1 December 2015. Madam Vishalini graduated with a Bachelors of Science Honors Degree majoring in Psychology from Upper Iowa University, United States of America. She further pursued her Masters in Managerial Psychology from HELP University and is a member of the American Psychology Association (APA).

Vishalini Sankaran was the outgoing Vice President of Malaysian Employer's Federation (MEF) Negeri Sembilan branch before relocating to Melaka. Her 20 years career spans from being the HR and Training Manager at the Shangri-La Hotels & Resorts, Senior HR Manager at Johnson Matthey Sdn Bhd and finally with Dominant Malaysia. People Development being her forte, she is a certified master trainer for all the Development Dimension International (DDI) programs as well as honored the Blue Sapphire Trainer under the Certified Hospitality Trainer establishment. She is the outgoing Chairman of Malaysian Employer's Federation (MEF) Melaka.

Notes:-

- *None of the Key Senior Management of the Group holds any directorship in public companies and other listed issuers, have any family relationship with any Director and/or major shareholder of the company.*
- *None of the Key Senior Management of the Group has been convicted of any offence within the past five (5) years other than traffic offence, if any.*
- *The Group has entered into recurrent related party transactions and/or related party transactions with parties in which the Key Senior Management of the Group, Cheam Dau Peng have direct or indirect interest in the transactions presented in Note 37 in the accompanying Financial Statements. Save as disclosed above, none of the other Key Senior Management have any conflict of interest within the Group.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of D&O is committed to applying good corporate governance practices throughout the Company and its subsidiaries ("the Group") and form the fundamental basis of the corporate sustainability pursued by the Group for long term shareholders' value creation. Hence, the Board fully supports the principles of good corporate governance practices (including the Intended Outcomes) as promulgated by the MCCG to direct and manage the business and affairs of the Group towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders.

This statement sets out the overview of the manner in which the Company had applied the principles set out in the MCCG and the extent of compliance with the principles of MCCG advocated therein in accordance with paragraph 15.25 and Practice Note 9 of the MMLR of Bursa Securities. Further, this statement stated other additional compliance statement as required under MMLR.

Furthermore, the application of each practice set out in the MCCG during the financial year are disclosed in the Corporate Governance Report prescribed by Bursa Securities ("CG Report") and published together with the announcement of this Integrated Report in accordance with paragraph 15.25 and Practice Note 9 of MMLR. The CG Report for the financial year under review and previous financial years are available for download from the "Corporate Governance" section of Company's website at **www.do.com.my**.

The Corporate Governance Overview Statement ("CG Overview Statement") should be read in tandem with the CG Report to provide comprehensive disclosure of the application of each principle and practice set out in the MCCG during the financial year.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is responsible for the overall performance of the Group and exercises oversight over the Management. It focuses mainly on the strategic management, performance measurement and monitoring, risk management and internal control system, standards of conduct, sustainability management and critical business issues and decisions. The Board comprise of Directors who are entrepreneurs and experienced professionals in the fields of business management, legal, economics, audit, accountancy, corporate, engineering, information technology, internal audit and supply chain management in diverse industries. These different skills put together to enable the Board to effectively lead and control the Group. The Board is guided by the *Board Charter* approved by the Board and led by a Non-Independent Non-Executive Chairman to ensure its effectiveness. Together with other Directors, the Non-Independent Non-Executive Chairman leads the Board by promoting effective communication between stakeholders and at the same time instilling good corporate governance practice, leadership and effectiveness across the Board. A summary of the responsibilities of Chairman is disclosed in Practice 1.2 of CG Report.

It is the responsibility of the Board to lead the Group towards its vision and mission and is responsible for the success of the Group by providing entrepreneur leadership, direction and management oversight. On the other hand, the Group Managing Director and Executive Director are delegated with the authority and responsibility to ensure proper execution of strategies as well as effective and efficient operations throughout the Group. The authorisation procedures for key processes are stated in the Group's policies and procedures.

The Board reviews and approves the Group's charter and policies (including subsequent updates), whereas the Board of each subsidiary of the Group is responsible to ensure the respective operating procedures are in line with the Group's charter and policies.

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

Board Responsibilities (Cont'd)

The Board is assuming the following, amongst other roles and responsibilities:-

1) Establishing and reviewing the strategic direction of the Group.
2) Promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.
3) Reviewing, challenging and deciding on proposals by the Directors and Key Senior Management and monitoring its implementation.
4) Overseeing the conduct of the business of the Group and to evaluate whether the business is being properly managed.
5) Understanding and identifying principal risks faced by the Group and ensuring the implementation of appropriate controls and systems to monitor and manage these risks.
6) Overseeing the development and implementation of Corporate Disclosure Policy and Sustainability Policy.
7) Overseeing the implementation of internal and external stakeholders' engagement by the Group.
8) Reviewing the adequacy and the integrity of internal control systems and management information systems, including systems for ensuring compliance with applicable laws, regulations, rules, directives and guidelines.
9) Evaluating economic, environmental, social and governance issues of the Group, to ensure that the strategic plan of the Group supports long term sustainability and to stay abreast with the sustainability issues relevant to the Group, including climate-related risks and opportunities.
10) Reviewing the policy and procedures for appointment and re-appointment of Director and appointment of member of Key Senior Management.
11) Ensuring succession planning of the Directors and Key Senior Management are in place.
12) Reviewing the Group's Code of Ethics and Conduct and implementing appropriate internal control systems to support, promote and ensure its compliance.
13) Reviewing and approving formal and transparent remuneration policy and procedure to attract and retain Director and member of Key Senior Management.
14) Reviewing the adequacy and effectiveness of the Group's Anti-Bribery and Corruption Management system.

The roles and responsibilities of the Board and the application of the MCCG's practice are disclosed in Practice 1.1 of the CG Report.

Aside from the core roles and responsibilities listed above, significant matters that require deliberation and approval from the Board are clearly defined by the Board in the *Board Charter*.

The Board has delegated specific duties to the Board Committees which operate within a clearly defined terms of reference approved by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Responsibilities (Cont'd)

To ensure that there is a balance of power and authority within the Board, the position of the Chairman and the Group Managing Director is separated and there is a clear division of responsibilities between the Chairman who is the Non-Independent Non-Executive Director and the Group Managing Director who is the Executive Director. The Chairman of the Board is responsible for the governance, orderly conduct and effectiveness of the Board while the Group Managing Director is responsible for managing the Group's business operations and implementation of policies and strategies approved by the Board. A summary of the roles and responsibilities of the Chairman of the Board and separation of the roles of Chairman and Group Managing Director is disclosed in Practice 1.2 and 1.3 of CG Report, respectively.

In compliance with MCCG, the Non-Independent and Non-Executive Chairman is not a member of the Audit Committee, Nomination Committee, Remuneration Committee, Employee Share Option Committee nor did he attend the meetings of such board committees by way of invitation during the financial year under review in order to maintain objective oversight roles of the Chairman of the Board in leading the Board of the Company. Kindly refer to Practice 1.4 of CG Report for further details.

The Independent and Non-Executive Directors plays an important role in ensuring that the strategies proposed by the Management are fully deliberated and examined, to ensure that the interest of all stakeholders are given due considerations during the decision-making process.

In addition, Senior Independent Director is identified by the Board to whom concerns may be conveyed.

All board members shall notify the Chairman of the Board before accepting any new directorship or significant commitments outside the Company, including an indication of the time that will be spent on the new appointment. The Chairman shall also notify the Board if he or she has any new significant commitments outside the Company.

All Directors had confirmed that their directorship in listed companies do not exceed 5 to meet the expectation on time commitment.

In discharging its duties efficiently and effectively, the Board is assisted by a licensed Company Secretary and the details of the Company Secretary are disclosed in Practice 1.5 of CG Report.

- ***Board Charter***

  The Board is guided by a formal *Board Charter* approved by the Board. The *Board Charter* sets out the composition, roles, functions, responsibilities and authorities of the Board and the Board Committees of the Company as well as roles and responsibilities of the Chairman of the Board, the Group Managing Director (including the Executive Director), the Senior Independent Director and the Company Secretary. The Charter further defines the specific responsibilities and matters reserved for the Board, appointment and re-appointment, new directorship, independence and tenure of Independent Director, governance structure of the Board and Board Committee, qualification, vacation of office and removal of Directors, the Board proceedings, financial reporting responsibilities, unrestricted rights to access to information and independent advice, Board evaluation and performance, the Board remuneration, Directors' training and continuing education, general meetings and attendance, stakeholder's engagement, conflict of interest, code of ethics and conduct of Directors and group governance's responsibility.

  Further details of the *Board Charter* are disclosed in Practice 2.1 of CG Report.

  The *Board Charter* is available for download from the Company's website at **www.do.com.my** under the "Corporate Governance" section with last review performed on 22 March 2023.

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

Board Responsibilities (Cont'd)

- ***Code of Ethics and Conduct and Whistle-Blowing Policy***

  The Board is fully committed to the highest standards of integrity, transparency and accountability in the conduct of the Group's business and operations to ensure business sustainability through their conducts, individually or collectively, focusing on the key principles of serving with integrity and competency, avoiding conflict of interest, preserving confidentiality and privacy, safe and healthy working environment, workers are treated with respect and dignity and business operation are conducted ethically.

  The Board incorporated the above key principles of expected conducts into the Company's *Code of Ethics and Conduct* ("the Code"), last updated on 24 March 2021, to govern the standards of ethics and good conduct expected that is applicable to all the Group's employees and other stakeholders worldwide. The Code forms the integrity and ethical values expected from the employees which are incorporated in the *Policy and Procedure for Employees*.

  To further enhance the ethical value throughout the Group, formal *Anti-Bribery and Corruption Framework and Fair Competition Policy* had been put in place by the Management to reduce the risk of bribery, conflict of interest and to promote fair competition practices within the Group.

  Please refer to Practice 3.1 of CG Report for details.

  To foster an environment where integrity and ethical behavior are maintained, the Board has put in place a formal *Whistle-Blowing Policy* to encourage employees and other interested parties to disclose concerns about illegal, unethical or improper business conduct within the Group.

  Please refer to Practice 3.2 of CG Report for details.

  The *Code of Ethics and Conduct*, *Anti-Bribery and Corruption Framework* and *Whistle-Blowing Policy* are available for download from the "Corporate Governance" section of the Company's website at **www.do.com.my**.

- ***Board's Meetings and Supply of Information***

  The Chairman of the Board, on the advice of the Company Secretary, determined the agenda of the meetings of the Board during the financial year under review and ensure that sufficient time was allocated during the meeting proceedings so that each agenda items or issues brought up were discussed or deliberated in necessary depth before decisions were made.

  Audit Committee meetings of the Company were not combined with the Board Meetings during the financial year under review. Directors and employees were only allowed to attend any particular Audit Committee meeting at the Audit Committee's invitation specific to relevant agenda item of the meeting in order for the Audit Committee to discharge its delegated oversight duties by the Board.

  The Board members in their individual capacity have unrestricted access to complete information on a timely basis in the form and quality necessary for the discharge of their duties and responsibilities. Prior to each Board meeting, all Board members are furnished with the relevant documents and sufficient information, i.e. minutes of previous Board and individual committee meeting as well as board papers, no less than five (5) business days before the meeting to enable them to have sufficient time in obtaining a comprehensive understanding of the issues to be deliberated upon in order to arrive at a decision.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Responsibilities (Cont'd)

- ***Board's Meetings and Supply of Information (Cont'd)***

Besides direct access to management staff, external independent professional advisers are also made available to render their independent views and advice to the Board, whenever deemed necessary and in appropriate circumstances, at the Company's expense.

The Directors also have access to the advice and services of the Company Secretary who is responsible for ensuring that the Board's procedures are adhered to.

Kindly refer to Practice 1.6 of the CG Report for detailed disclosure on the Board's meetings and supply of information.

The Board meets regularly to perform its main function on the approval and monitoring of strategic plans, formulation of policies, overseeing the conduct and operations of the businesses of the Group, sustainability oversight, succession planning and ensuring appropriateness of internal control and effectiveness of risk management while being mindful of the importance of business sustainability in conducting the Group's business.

To carry out its functions and responsibilities, the Board met six (6) times during the financial year ended 31 December 2022 and the attendance of each Director at the Board Meetings is as follows:-

Director	No. of Meetings Eligible to Attend	Attendance
Tan Sri Mohammed Azlan bin Hashim	6	6
Tay Kheng Chiong	6	6
Cheam Dau Peng*	6	5
Goh Nan Yang**	4	4
Wong Meng Tak*	6	6
Yeow See Yuen	6	6
Jesper Bjoern Madsen	6	5
Goh Chin San	6	6
Jennifer Chong Gaik Lan	6	6
Goh Chin Loong***	1	1
Au Siew Loon****	Not Applicable	Not Applicable

** Resigned with effect from 24 March 2023.*

*** Retired with effect from 8 June 2022.*

**** Appointed with effect from 1 September 2022.*

***** Appointed with effect from 20 December 2022 after the final Board meeting held for financial year ended 31 December 2022.*

The Board plans to meet at least four (4) times a year at quarterly intervals, with additional meetings convened when urgent and important decisions are required to be made between the scheduled meetings. All meetings of the Board are duly recorded in the Board minutes by the Company Secretary. The Company Secretary also attended all the Board Meetings of the Company. The Company Secretary ensures that all Board meetings are properly convened, and that accurate and proper records of the deliberations, proceedings and resolutions passed are recorded and maintained in the statutory registers at the registered office of the Company.

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

Board Responsibilities (Cont'd)

- ***Composition of the Board***

The appointment and re-appointment of Directors of the Company and its subsidiaries are governed by *Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director* and *Fit and Proper Policy* approved by the Board. It is the duty of the Nomination Committee to ensure that the composition of the Board is refreshed periodically based on the strategies and results of the Board evaluation and performance as well as the tenure of each Director. The tenure of the Directors of the Company was evaluated by the Nomination Committee in March 2022 and the recommendations for the re-appointment of Directors during the Annual General Meeting ("AGM") were made after the Nomination Committee and the Board were satisfied that the current board composition and the tenure of each director was able to fulfil the current and future needs of the Group and that performance and contribution of directors seeking re-appointment were satisfactorily to the proper governance and oversight responsibilities of the Board. Please refer to Practice 5.1 of the CG report for the detailed disclosure on review of Board composition and tenure of individual Directors and that re-appointment is based on satisfactory evaluation of the Director's performance and contribution to the Board.

As at the date of this Statement, the Board has eight (8) members comprising one (1) Group Managing Director/Executive Director, four (4) Independent Non-Executive Directors, and three (3) Non-Independent Non-Executive Directors subsequent to the appointment of a new Non-Independent Non-Executive Director on 1 September 2022 and a new Independent Non-Executive Director on 20 December 2022 as well as resignation of an Executive Director and an Independent Non-Executive Director on 24 March 2023. The profile of each Director is presented on page 25 to 29 of this Integrated Report. The composition of Independent Non-Executive Directors is in compliance with the minimum prescribed requirement in the MMLR to ensure that there is sufficient independent element in the Board to provide the necessary check and balance within the Board.

It is the responsibility of the Board to ensure that all members of the Board possess the necessary leadership experience, skill and diverse background, integrity and professionalism to discharge their duties and responsibilities diligently and effectively.

Although the above composition is a departure from Practice 5.2 of MCCG which requires that majority of the Board comprise of Independent Directors, the Board is in the opinion that adequate degree of independence is maintained notwithstanding the fact that only 50.0% of the Board are Independent Directors. The Board came to this conclusion after taking into consideration through formal assessments conducted on the Board, the Board Committees and the independence of the Independent Directors. Besides that, the Board noted that the Independent Directors are professionals who have a diverse range of skill, knowledge and experience in relevant fields and the Independent Directors had demonstrated their independence and objectivity and actively participated during the Board and Board Committees' proceedings. Therefore, there is no disproportionate imbalance of power and authority on the Board between the Non-Independent and Independent Directors. It is the medium-term focus of the Board to seek for new Independent Directors to be appointed to the Board in order to comply with Practice 5.2.

Please refer to Practice 5.2 of CG Report for further details.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Responsibilities (Cont'd)

- ***Board Diversity***

  It is the Board's responsibility to ensure that the diversity within the Board is preserved so that required mix of knowledge, skills, expertise and experience as well as age, ethnic and gender diversity are brought to the Board. The appointment of new Director and member of Key Senior Management or the re-appointment of Directors are governed by *Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director*. The criteria for the appointment and re-appointment are fit and proper (governed by *Fit and Proper Policy* with requirement on probity, personal integrity, reputation, financial integrity, experience and competency, time and commitment (including directorship in public and private limited companies)), skilled and diverse backgrounds, requirements on Boardroom and Key Senior Management diversity, knowledge and skill on sustainability oversight and management and independence for independent director.

  Appointment of the new Non-Independent Non-Executive Director and the new Independent Non-Executive Director during the financial year ended 31 December 2022 and the recommendation for the re-appointment of Directors that will be put forth at the AGM by the Board have been subjected to the above nomination, appointment and re-appointment process.

  It is the policy of the Board that active politician shall not be appointed as a member of the Board of the Company and its subsidiaries. At present, there is no active politician on the Board of the Company or its subsidiaries.

  Please refer to Practice 5.5 of the CG Report on procedure and criteria for appointment of Director and member of Key Senior Management and re-appointment of Director and Practice 5.10 of the CG Report on disclosure of policy on board diversity per *Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director.*

  Based on *Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director*, the Board aims to achieve the target of at least 30% women representation at the Board of the Company within three (3) years from the date of such policy (i.e. August 2024). At present, one (1) member of the Board of the Company is female and one (1) member of the Key Senior Management of the Group is female.

  Please refer to Practice 5.9 of the CG Report for the detailed disclosure on the gender diversity.

- ***Independent Directors***

  Independence of Independent Director candidates is assessed by Nomination Committee prior to their appointment based on formal nomination and appointment process with the results of the review reported to the Board for consideration and decision. During the financial year ended 31 December 2022, a new Independent Director was appointed to the Board of the Company via appointment process per *Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director.*

  On annual basis, all Independent Non-Executive Directors are subjected to independent assessment based on prescribed criteria for the Nomination Committee's review and recommendation to the Board to form an opinion on the independence and objectivity of the Independent Non-Executive Directors. Based on the above assessment performed during the financial year ended 31 December 2022, the Board is satisfied with the level of independence and objectivity demonstrated by all Independent Non-Executive Directors, and their ability to bring independent and objective judgement during Board deliberations.

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

Board Responsibilities (Cont'd)

- ***Independent Directors (Cont'd)***

  The tenure of an Independent Director as stated in the *Board Charter*, shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to such Director re-designated as a Non-Independent Director. If the Board continues to retain the Independent Director after the nineth (9^{th}) year, the Board should seek annual shareholders' approval through a two-tier voting process, subject to a maximum cumulative period of twelve (12) years. Thereafter, such Independent Director must resign or re-designated as a Non-Independent Director.

  Notwithstanding the *Board Charter* have been updated to limit Independent Directors to a maximum cumulative period of twelve (12) years, Mr. Yeow See Yuen, the Independent Non-Executive Director who had served for a cumulative term of more than twelve (12) years, is given grace period to remain as an Independent Director to ensure smooth transition and is to be re-designated as Non-Independent Non-Executive Director on or before 29 May 2023.

  Please refer to Practice 5.3 of CG Report for further details.

- ***Appointment of Directors and Key Senior Management and Re-Appointment of Directors***

  Appointment of new Director to the Board and member of Key Senior Management are recommended to the Nomination Committee for consideration and approved by the Board in accordance with *Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director* and *Fit and Proper Policy* developed by Nomination Committee and approved by the Board.

  The processes and criteria (including conflict of interest check) for the nomination and appointment of Director and Key Senior Management are specified in *Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director* and *Fit and Proper Policy*. It is the policy established by the Board that recommendations from independent sources shall be sought (in addition to the recommendations from existing Directors and major shareholders) in relation to candidates for new directorship.

  Nomination Committee may also seek independent professional advice, at the Company's expense, to perform its responsibilities under nomination and appointment procedure.

  All Board members who are newly appointed are subjected to retirement at the subsequent annual general meeting of the Company. All Directors (including the Group Managing Director) will retire at regular intervals by rotation at least once every three years and shall be eligible for re-election. The process and criteria for re-appointment of director is included in *Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director* and *Fit and Proper Policy.*

  The recommendations of re-appointment of retiring directors at forthcoming 19^{th} AGM were made by the Nomination Committee to the Board and subsequently by the Board to the shareholders of the Company upon satisfactory results of fit and proper and conflict of interest check, independence assessment (for Independent Directors) and performance evaluation of such Directors by the Nomination Committee. To facilitate the informed decision by the shareholders on the re-appointment of retiring directors at forthcoming 19^{th} AGM, disclosures were made in the notes to the agendas of the general meeting in relation to interest, position or relationship of such Directors individually seeking for re-appointment that might influence the independent judgement to be brought to the Board and might influence such Director to act in the best interests of the Group and that such recommendations of re-appointment are based on the satisfactory results of fit and proper and conflict of interest check, independence assessment (for Independent Directors) and performance evaluation of such directors performed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Responsibilities (Cont'd)

- ***Appointment of Directors and Key Senior Management and Re-Appointment of Directors (Cont'd)***

  Please refer to Practice 5.6 and 5.7 of CG Report for the details on the nomination, appointment and re-appointment process of the Director and member of Key Senior Management.

- ***Performance Assessment and Evaluation of the Board and Group Financial Controller***

  On annual basis, the Company Secretary circulates to each Director the relevant assessment and review forms/questionnaires in relation to the Board and Board Committee assessments/evaluations with sufficient time for all the directors to complete in advance of the meeting of the Nomination Committee and the Board in order for the Company Secretary to collate the assessments/evaluations results for the Nomination Committee to review and report to the Board.

  The following assessments and evaluations were performed during the financial year:

  1. Board performance evaluation with recommended evaluation criteria per Corporate Governance Guide issued by Bursa Malaysia Berhad, with necessary adaptation;
  2. Peer review of the performance, knowledge, competency and skills of fellow Directors based on recommended evaluation criteria per Corporate Governance Guide issued by Bursa Malaysia Berhad with necessary adaptation;
  3. Performance evaluation of the Chairman of the Board by using *Chairman Evaluation Form* in relation to his discharge of duties and responsibilities as the Chairman of the Board of the Company;
  4. Performance evaluation of board committees, i.e. the Audit Committee, Nomination Committee, Remuneration Committee and Employees' Share Option Scheme ("ESOS") Committee based on the recommended evaluation criteria adopted from Corporate Governance Guide issued by Bursa Malaysia Berhad, with necessary adaptation;
  5. Self-financial literacy evaluation by Audit Committee members with evaluation criteria adopted from Corporate Governance Guide issued by Bursa Malaysia Berhad, with necessary adaptation;
  6. Independence assessment of individual Independent Non-Executive Directors based on the criteria adopted from Corporate Governance Guide issued by Bursa Malaysia Berhad, with necessary adaptation;
  7. Self and peer evaluation of the individual members of the Audit Committee based on the criteria adopted from Corporate Governance Guide issued by Bursa Malaysia Berhad, with necessary adaptation;
  8. Evaluation of Audit Committee by Directors who are not a member of Audit Committee based on the criteria adopted from Corporate Governance Guide issued by Bursa Malaysia Berhad, with necessary adaptation; and
  9. Performance evaluation of the Group Financial Controller via *Group Financial Controller's Evaluation Form*.

  With the above evaluation/review processes, the Board, through the Nomination Committee, reviewed and assessed its required mix of skills, competencies, experience and other qualities, including core competencies of individual Director, the Group Financial Controller, and the Board as a whole to ensure that they are able to lead the Group effectively.

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

Board Responsibilities (Cont'd)

- ***Performance Assessment and Evaluation of the Board and Group Financial Controller (Cont'd)***

  Based on the above evaluations conducted for financial year ended 31 December 2022, the Board, via reports by the Nomination Committee, was satisfied with the composition, performance and effectiveness of the Board, the Chairman of the Board, the Board Committees, the Directors and the Group Financial Controller. In particular, based on the above assessments performed on Audit Committee and its members, the Board is of the opinion that the Audit Committee and its members had carried out their duties in accordance with their terms of reference based on MMLR.

  Please refer to Practice 6.1 of CG Report for the details on the performance assessment and evaluation of the Board and the Group Financial Controller.

- ***Directors and Key Senior Managements Remuneration***

  The Board assumes the overall responsibility to establish and implement effective remuneration policy that serves to attract, retain and motivate the Directors and Key Senior Management in pursuing medium to long-term objectives of the Group. The Board had put in place a *Board and Key Senior Management Remuneration Policy* for adoption by Remuneration Committee which serves as a guidance when reviewing the proposed remuneration package of the members of the Board and Key Senior Management. Major components of the remuneration package for Executive Director, member of Key Senior Management and Non-Executive Director are specified in the Policy.

  The Remuneration Committee is responsible for recommending to the Board the remuneration packages of the members of the Board and Key Senior Management. The Board as a whole determines the remuneration of the Directors and Key Senior Management. Individual Directors are abstained from deliberation and approval of his own remuneration. Director who are shareholder and controlling shareholder with a nominee or connected Director on the Board will abstain from voting at general meetings to approve the remunerations to be paid to such interested Director.

  Please refer to Practice 7.1 and 7.2 of CG Report for the details of *Board and Key Senior Management Remuneration Policy* and summary of details of terms of reference of Remuneration Committee.

  Please refer to Practice 8.1 of CG Report for the breakdowns of remuneration of individual Directors (including fees, salary, bonus, benefits in-kind and other emoluments) on named basis for the financial year ended 31 December 2022.

  Disclosure on named basis of the Key Senior Management's remuneration component in bands of RM50,000 is not adopted as the Board is of the opinion that the disclosure may jeopardise the personal security of the individual Key Senior Management and increase the risk of loss of key personnel if their remuneration packages are published publicly.

  Please refer to Practice 8.2 of CG Report for the explanation on the departure in relation to disclosure on named basis of the Key Senior Management's remuneration component in bands of RM50,000.

- ***Directors' Training***

  As per the *Board Charter*, the Board is assigned with the responsibility to assess the training needs of the Directors and thereafter to enhance the Directors' knowledge and skills via continuing education program in the form of training programs and field trips identified.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Responsibilities (Cont'd)

- ***Directors' Training (Cont'd)***

All Executive Directors have been with the Company for many years and are familiar with their duties and responsibilities as Directors. In addition, any newly appointed Director will be given briefings and orientation by the Chairman of Nomination Committee on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as a Director.

As at the date of this report, all the Directors had completed the Mandatory Accreditation Program prescribed by Bursa Securities and they are mindful that they should receive appropriate continuous training and to attend seminars and briefings in order to broaden their perspective and to keep abreast with new developments for the furtherance of their duties.

During the financial year ended 31 December 2022, all Directors received regular briefings and updates on the Group's business and operations and received updates on new regulations and statutory requirements. The Board identified the training needs of the members of the Board through the formal peer assessment of skills possessed by individual Directors submitted by the members of the Board and reviewed by Nomination Committee to identify the knowledge and skills required by the Board to discharge its responsibilities.

During the financial year, all members of the Board have attended training(s) that were organized by regulatory bodies or professional organisations. The trainings attended by individual Board member are shown in the following table:-

Director	Name of Conference/Talk/Seminar Attended or Participated	Organiser
Tan Sri Mohammed Azlan bin Hashim	Public Listed Companies-Transformation Programme Launch & Guidebook	Bursa Malaysia Berhad
	Board Continuous Development Programme Series #5 : Taskforce for Climate-related Financial Disclosures	Khazanah Nasional Berhad
	Visit to Singapore hospital and laboratory facilities	IHH Healthcare Berhad
	MSWG Webinar-Cyber Security : "What's Directors Need to Know"	Minority Shareholders Watch Group
	Thought Leadership (TLS #3) | Board and Leadership Talk - Wellness Leadership	Khazanah Nasional Berhad
	Visit to Acibadem hospital and laboratory facilities	IHH Healthcare Berhad
	KNB Board Continuous Development Programme 7	Khazanah Nasional Berhad
	Forbes Global CEO Conference	Forbes Asia
	KNB Megatrend Forum 2022	Khazanah Nasional Berhad
Tay Kheng Chiong	TCFD 102 : Building Experience in Climate-Related Financial Reporting	Bursa Malaysia Berhad
Cheam Dau Peng	Directors' Duties and Climate Change	Bar Council
Wong Meng Tak	Directors' Duties and Climate Change	Bar Council
	Supercharge ESG Ambitions with Technology	MICPA & KPMG

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

Board Responsibilities (Cont'd)

- ***Directors' Training (Cont'd)***

Director	Name of Conference/Talk/Seminar Attended or Participated	Organiser
Yeow See Yuen	Directors' Duties and Climate Change	Bar Council
	Supercharge ESG Ambitions with Technology	MICPA & KPMG
	Strengthening Stakeholder Management & Investor Relations	Bursa Malaysia Berhad
	Audit Oversight Board's Conversation with Audit Committees	Securities Commission Malaysia
	Blackrock's Evolving Approach to Stewardship in Asia	Macquerie
Jesper Bjoern Madsen	Supercharge ESG Ambitions with Technology	MICPA & KPMG
Goh Chin San	Directors' Duties and Climate Change	Bar Council
Jennifer Chong Gaik Lan	Understanding IFRS/MFRS for Directors and Management	Malaysian Institute of Accountants
	Directors' Duties and Climate Change	Bar Council
	Supercharge ESG Ambitions with Technology	MICPA & KPMG
Goh Chin Loong*	Mandatory Accreditation Program	Institute of Corporate Directors Malaysia
Au Siew Loon**	Not Applicable	Not Applicable

** Appointed with effect from 1 September 2022*

*** Appointed with effect from 20 December 2022*

- ***Board Committees***

In discharging its fiduciary duties, the Board has delegated specific duties to four (4) subcommittees (Audit, Remuneration, Nomination and ESOS). The Committees have the authority to examine particular issues under their terms of reference and report to the Board with their recommendation. The ultimate responsibility for the final decision on all matters lies with the entire Board.

All Committees have written terms of references and the Board receives reports on their proceedings and deliberations. The Chairman of the respective Committees is to brief the Board on the matters discussed at the Committee meetings.

- ***Audit Committee***

The terms of reference, the number of meetings held, and activities carried out during the financial year and the attendance of each member can be found on pages 57 to 63 of the Audit Committee Report.

Please refer to Practice 9.1, 9.2, 9.3, 9.4 and 9.5 of CG Report on disclosure in relation to Audit Committee.

- ***Nomination Committee***

The Nomination Committee comprises exclusively of Non-Executive Directors, a majority of whom are Independent Non-Executive Directors as required under MMLR. The Nomination Committee is guided by written terms of reference duly approved by the Board defining its rights, authorities and responsibilities. The Nomination Committee is chaired by a Senior Independent Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Responsibilities (Cont'd)

- ***Nomination Committee (Cont'd)***

The Nomination Committee's Terms of Reference are published in the "Corporate Governance" section of the Company's website at **www.do.com.my**.

The Nomination Committee members and the attendance records for meeting held during the financial year ended 31 December 2022 are as follows:-

Nomination Committee	No. of Meetings Eligible to Attend	Attendance
Wong Meng Tak (Chairman)*	3	3
Jesper Bjoern Madsen (Chairman)**	1	1
Yeow See Yuen	3	3
Goh Nan Yang***	1	1
Au Siew Loon#	Not Applicable	Not Applicable
Goh Chin Loong#	Not Applicable	Not Applicable

** Resigned with effect from 24 March 2023.*

*** Appointed as member of Nomination Committee with effect from 23 August 2022 and appointed as Chairman of Nomination Committee on 24 March 2023.*

**** Retired with effect from 8 June 2022.*

 # Appointed with effect from 22 February 2023.

During the financial year ended 31 December 2022, the Nomination Committee conducted evaluation/ review on the performance of the Board, the Board Committees and the Group Financial Controller, the skills possessed by each Directors and the independent assessment of the Independent Directors based on the pre-determined processes and evaluation/review criteria. The Nomination Committee reported the results of all the evaluation/review to the Board for review and deliberation to enable effective actions (including trainings to be attended) to be formulated and implemented for the proper and effective functioning of the Board and its Committees. Meeting of Nomination Committee was held during the financial year under review on the appointment of new Independent Director with its results of review reported to the Board for its consideration and decision based on *Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director* and *Fit and Proper Policy.* The appointment of new Non-Independent Non-Executive Director and new Independent Non-Executive Director were assessed by the Nomination Committee per *Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director and Fit and Proper Policy* prior to its recommendation to the Board for consideration and approval. Further, the Nomination Committee reviewed the proposed directors recommended to fill the casual vacancy in Chairman of Remuneration Committee and member of Nomination Committee subsequent to the retirement of Mr. Goh Nan Yang and recommended to the Board for consideration and decision during the financial year under review.

Please refer to Practice 5.1, 5.2, 5.3, 5.5, 5.6, 5.7, 5.8 and 6.1 of CG Report for details on the Nomination Committee and its activities.

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

Board Responsibilities (Cont'd)

- ***Remuneration Committee***

The Remuneration Committee was formed to assist the Board in determining, developing and recommending an appropriate remuneration policy and remuneration package that will attract, retain and motivate the Directors and Key Senior Management. The Remuneration Committee is guided by formal terms of reference. Further disclosure on the Remuneration Committee (and its activities) and remuneration policies and procedure can be found in Practice 7.1 and 7.2 of CG Report.

The Remuneration Committee comprises exclusively of Non-Executive Directors, majority of whom are independent. The members and their attendance records are as follows:-

Remuneration Committee	No. of Meetings Eligible to Attend	Attendance
Goh Nan Yang (Chairman)^	1	1
Yeow See Yuen (Chairman)^^	2	2
Jesper Bjoern Madsen	2	2
Goh Chin San^^^	Not Applicable	Not Applicable
Au Siew Loon^^^	Not Applicable	Not Applicable

^ Retired with effect from 8 June 2022

^^ Redesignated as Chairman of the Remuneration Committee on 23 August 2022

^^^ Appointed with effect from 23 March 2023

The Remuneration Committee's *Terms of Reference* is published in the "Corporate Governance" section of the Company's website at **www.do.com.my**.

The Remuneration Committee held a meeting on 22 February 2022 to review the proposed Directors' fees for Non-Executive Directors where the recommended Directors' fees were reported to the Board for approval and recommendation to the shareholders for approval. In the same meeting, the Remuneration Committee also reviewed the proposed bonus framework for financial year 2022, Employees' Share Option Scheme and Long-Term Incentive Plan (including incentive proposed for meeting climate-related target) by the Management for talent retention and reported the results of the review to the Board for consideration and decision.

- ***ESOS Committee***

The ESOS Committee was established on 28 June 2011, consists of one (1) Executive Director and two (2) Non-Executive Directors with the primary responsibility to administer the ESOS scheme established by the Company, Dominant Electronics Sdn Bhd ("DESB") and Dominant Technologies Sdn Bhd ("DTSB"). The composition of the ESOS Committee is set out in the Corporate Information section of this Integrated Report.

The authorities of the ESOS Committee are to do all acts and things, execute all documents and delegate any of its authorities and duties relating to the ESOS Schemes as it may, in its discretion consider to be necessary or desirable for giving effect to the ESOS Schemes.

ESOS committee is allowed to obtain advice from experts and advisers, both internal and external and to have full and unrestricted access to information to enable the Committee to fulfill its objectives and duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Responsibilities (Cont'd)

- ***ESOS Committee (Cont'd)***

  The functions of the ESOS Committee are:

  1. To implement and administer the ESOS Schemes in such manner as it shall in its discretion deem fit in accordance with the ESOS By-Laws, including to deal with the issue and allotment of new shares arising from the exercise of option by grantees;
  2. To decide on the number of shares to be offered to eligible participants and to make offers to eligible participants in accordance with the ESOS By-Laws;
  3. To recommend the subscription price of the ESOS to the Board;
  4. To recommend to the Board where it deems necessary, any amendment, modification, addition or deletion of the ESOS By-Laws;
  5. To enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate its authorities relating to the ESOS Schemes subject to the provisions of the ESOS By-Laws; and
  6. To take all other actions within the purview of the Committee pursuant to the ESOS By-Laws, for the necessary and effective implementation and administration of the ESOS Schemes.

  During the financial year under review, the ESOS Committee reviewed and authorised the allotment of new ordinary shares pursuant to the exercise of options by the grantees of the ESOS of the Company, the offer of new options of 2,665,000 new ordinary shares in the Company in accordance with the By-Laws of the ESOS and the adjustment to number of options granted in relation to changes in the share capital in DESB and DTSB.

- ***Sustainability Oversight and Management***

  In order to promote sustainability of the Group's businesses, one of the business strategies adopted by the Board is to ensure the sustainability aspects of the businesses undertaken are well taken care of. The Group upheld the principle to maintain effective sustainability management continuously in order to contribute positively to the socio-economic development of the communities, to promote environmentally friendly business practices and to uphold good social practices.

  One of the key responsibilities of the Board of the Company is to regularly evaluate economic, environmental, social and governance issues of the Group, to assume the ultimate responsibilities for and the oversight roles on the sustainability management on group wide basis. The sustainability management of the Group is governed by the *Sustainability Policy*. Formal governance structure, stakeholders' engagement and process to identify, assess and formulation and monitoring of responses to material sustainability issues are prescribed in such policy with the assessment results and responses are fed into risk management process of the Group for continuous monitoring. As an important communication with stakeholders of the Group, Sustainability Report was published along with the Integrated Report for the financial year under review.

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

Board Responsibilities (Cont'd)

- ***Sustainability Oversight and Management (Cont'd)***

  One of the responsibilities of the Board of the Company is to evaluate the sustainability risks and opportunities regularly, including taking into consideration of the changes in the external business environment or the interests of the stakeholders. Periodic review, led by the Group Managing Director, the designated senior management personnel on the strategic management, of the sustainability matters (including climate change risks and opportunities) faced by the Group and corresponding strategies and responses formulated were performed with escalation mechanism put in place to report timely on sustainability matters and their corresponding strategies and responses as well as performances from the heads of departments to the Board. The review of the sustainability and stakeholders' engagement activities, sustainability strategies and responses and actual performances of responses to sustainability matters was performed by the Audit Committee and the Board during the financial year under review.

  Please refer to the Practice 4.1, 4.2, 4.3, 4.4 and 4.5 of the CG Report and the Sustainability Report for the governance structure and process employed as well as the identification, assessment, management and reporting of sustainability matters during the financial year under review.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit Committee is tasked with the oversight role on the effectiveness of Audit and Risk Management. It is the policy that former partner of the external audit firm (including its affiliate firm) of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

The composition and terms of reference of Audit Committee, the number of meetings held, attendance, and activities carried out during the financial year are available in the Audit Committee Report on page 57 to 63 of this Integrated Report and Practice 9.1 to 9.5 of CG Report.

- ***Relationship with Auditors***

  The Group maintains a close and transparent relationship with its external auditors and internal audit function in seeking professional advice and ensuring compliance with the Group's policies and procedures, approved accounting standards and relevant regulations in Malaysia and the countries it is operating. The roles and responsibilities of the Audit Committee in relation to the external auditors and internal audit function are prescribed in the Audit Committee's *Terms of Reference*.

  The engagement of the external auditors is governed by the engagement letter with terms of engagement (which includes, amongst others, the scope of coverage, the responsibilities of the external auditors, confidentiality, independence and the proposed fees) reviewed by the Audit Committee and its recommendation to the Board.

  The Audit Committee met with the external auditors thrice during the financial year under review (including two (2) private sessions without management's presence) to discuss on audit plans, audit findings, financial statements and other special matters that require the Audit Committee's attention. The Audit Committee also encourages free flow of information and views between Audit Committee and external auditors to allow external auditor to freely express their opinion without undue pressure.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

- ***Relationship with Auditors (Cont'd)***

The oversight of the external auditors was enhanced by the conduct of performance evaluation of the external auditors (including the review of Annual Transparency Report of the external auditors) by the Audit Committee and subsequently reported to the Board. The external auditors of the Group confirmed to the Audit Committee on their independence in relation to the audit works to be performed and their commitment to communicate to the Audit Committee on their independence status on ongoing manner.

The Audit Committee had also considered the nature of other non-audit services provided during the year by the external auditors and the quantum of the fees as tabulated in the table below and was satisfied that the provision of these services did not in any way compromise their independence.

The audit and non-audit fees incurred for services rendered by the external auditors and their affiliated firms and companies to the Company and its subsidiaries for the financial year were as follows:

	Company	Group	Description
Audit Fees (RM)	57,000	195,000	Financial Statement Audit Fees
Non-Audit Fees (RM)	5,000	5,000	Review of Statement of Risk Management & Internal Controls
	6,800	38,500	Tax Agent Fees
		15,000	Transfer Pricing Documentation
		35,000	Assistance on Transfer Pricing Audit and Tax Advisory services on Double Deduction
		1,400	Verification on Costs of Renovation and Refurbishment for tax YA 2021 purposes

- ***Risk Management***

The Board recognises the importance of Risk Management in pursuing its Company's objective and has in place a formal *Risk and Opportunity Management Policy and Procedure*. The details of the *Risk and Opportunity Management Policy and Procedure* and risk management process are disclosed in Practice 10.1 and 10.2 of CG Report and the Statement on Risk Management and Internal Control on page 64 to 72 of this Integrated Report.

- ***Internal Control & Internal Audit Function***

The Board recognises the importance of having a sound internal control system for good corporate governance. As such, the internal audit function is established to perform the review of the adequacy and integrity of the internal control system in managing the principal risks of the Group. The internal audit function is outsourced to a professional firm to assist the Audit Committee in reviewing the state of internal control of the Group and to highlight areas for management and operational improvements.

The state of system of internal control and internal audit function of the Group is explained in greater detail in Statement on Risk Management and Internal Control on page 64 to 72 of this Integrated Report and Practice 11.1 & 11.2 of CG Report.

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

- ***Uphold Integrity in Financial Reporting***

The Directors strive to ensure that a balanced, clear and meaningful assessment of the financial positions and prospects of the Group are made in all disclosures to shareholders, investors and the regulatory authorities.

All financial statements, both audited financial statements to shareholders and the quarterly announcement of financial results, were reviewed by the Audit Committee and approved by the Board to ensure accuracy, adequacy and completeness of information and compliance with relevant accounting standards and regulations prior to its public release or submission to the regulatory authorities.

The Board, through the review by the Audit Committee and consultation with the Management and the external auditors, had performed fair and meaningful assessment of the Group's financial performance and position.

A summary of the works of the Audit Committee in the discharge of its functions and duties in relation to financial reporting during the financial year is set out in the Audit Committee Report on pages 57 to 63 of this Integrated Report.

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

- ***Corporate Disclosure and Stakeholders Communication***

The core communication channel with the stakeholders employed by the Company is via the announcements made in Bursa Securities and all announcements to be made in Bursa Securities are to be approved by the Board prior to its release. The Board is observing all disclosure requirements as laid down by MMLR and Capital Markets and Services Act 2007 where all material events and information are to be disseminated publicly and transparently on timely basis to ensure fair and equitable access by all stakeholders without selective disclosure.

The Board has adopted the *Corporate Disclosure Policy* which set out the policies and procedures for the disclosure of material information of the Group.

The Integrated Report is the main communication tool between the Company and its stakeholders. The Integrated Report communicates comprehensive information on the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the Integrated Report are governed by the MMLR.

To facilitate the communication with the stakeholders, the Company's website incorporates "Investor Relations" and "Contact" section which provides all relevant information about the Company and contact information of designated personnel for investor relation, sales and research and development. It is accessible by the public via **www.do.com.my**. In order to promote greater participation of the stakeholders in engaging with the Group Managing Director, virtual meetings on quarterly results were held with meeting identification and passcode published in the "News/Press Release" of the "Investor Relations" section of the Company's website.

On the other hand, "Corporate Governance" section of the Company's website publishes all announcements made by the Company, Annual Reports and Integrated Report of the Company and relevant *Board Charter* and policies as well as terms of reference of relevant Board Committees established and implemented by the Board for the public to access.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

- ***Corporate Disclosure and Stakeholders Communication (Cont'd)***

  To facilitate engagement with stakeholder groups, the Management had identified and prioritised such stakeholders via identification and prioritisation process and develop relevant engagement methods in order to seek feedback or concerns from them. The "Contact" section of the Company's website allows stakeholders to communicate any of his feedback or concern to the Company.

  Please refer to Practice 12.1 of CG Report on further disclosure of corporate disclosure and stakeholders' communication.

  The Company was classified as Large Company on 1 January 2021 and the Annual Report for financial year ended 31 December 2021 was prepared with incremental compliance of applicable standards in relation to integrated reporting in mind. In line with the commitment of the Board of the Company to comply with the requirement on Large Company in relation to integrated reporting, the Integrated Report for financial year ended 31 December 2022 was prepared based on International Integrated Reporting Framework, in material aspects.

  Please refer to Practice 12.2 of CG Report on the preparation of integrated report by the Company.

- ***Encourage Shareholders Participation at General Meetings***

  The general meetings are the principal forum for dialogue with shareholders. The shareholders are given the opportunity and are encouraged to participate in general meetings of the Company. The *Board Charter* includes the requirement that notice for the Annual General Meeting to be given to shareholders at least 28 clear days prior to the meeting. Notice for the 18th AGM was given to shareholders 28 clear days prior to the meeting and well in advance of the 21 days requirement under MMLR.

  To encourage shareholders' participation at general meetings, the Company allows a shareholder to appoint a proxy who may not be a member of the Company and no qualification of proxy is imposed.

  Adequate time is given during the general meetings to encourage and allow the shareholders to seek clarification or ask questions on pertinent and relevant matters. All directors of the Company attended the 18th AGM, either in physically or virtually, in compliance with the Guidance and FAQ on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia as the country entered the transition to the COVID-19 endemic phase. The external auditors were present virtually at the 18th AGM to provide professional and independent clarification on issues and concerns raised by the shareholders during the meeting.

  In addition to the above, the Company welcomes requests for meetings and interviews with professionals from the investment community and is always willing to meet up with institutional investors when required.

- ***Poll Voting***

  Pursuant to the Paragraph 8.29A(1) of MMLR, the Company is required to ensure that any resolution set out in the notice of general meetings is to be voted by poll. All resolutions put forth for shareholders' approval at the forthcoming 19th Annual General Meeting are to be voted by way of poll voting.

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

- ***Leverage on Information Technology for General Meetings***

  As part of the safety measure as the country entered the transition to the COVID-19 endemic phase on 1 April 2022, the Group conducted its 18th AGM in fully virtual platform on 8 June 2022. The virtual general meeting allows shareholders to exercise their right to participate, pose questions, and vote at the general meeting safely and remotely via Remote Participation and Voting ("RPV") facility after successfully registered online (subject to verification and onboarding process of the RPV facility). The AGM was broadcast via RPV facility with only essential individuals involved in conducting the meeting were physically present at the broadcast venue, with full adherence to the standard health and safety operating procedures and guidance. The poll administration and RPV facility service were provided by reputable professional firm in Malaysia with extensive experiences in poll administering services and comprehensive functionality and performance of its RPV facility. Administrative guide for attending 18th AGM was issued and published in the RPV facility so that the shareholders were guided on steps required from the shareholders before the date of general meeting and during the meeting. The shareholders were able to participate and interact with the Board actively in the general meeting via live streaming of general meeting proceeding on their devices and submission of their questions via query box of the RPV facility to the Board of the Company during the meeting. Sufficient time was allocated for the shareholders to pose questions to the Board of the Company via RPV facility and all pertinent questions were answered by the Board of the Company via the live streaming broadcasted before poll voting started.

  The minutes of the meeting of the 18th AGM and the key matters discussed during such meeting (attached as Appendix A to the minutes of general meeting) were uploaded to the "Annual General Meeting" section of the "Investor Relations" of the Company's website at **www.do.com.my** within 30 days from the date of the general meeting held.

  The details of the features and activities of the virtual general meeting and RPV facility are disclosed in Practice 13.3, 13.4 and 13.5 of CG Report while the publication of minutes of the meeting is disclosed in Practice 13.6 of CG Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:-

i. the annual financial statements of the Group and the Company are prepared in accordance with the provisions of the Companies Act 2016 and applicable approved accounting standards of Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2022, and of the results of their operations and cash flows for the year ended on that date;

ii. proper accounting and other records are kept by the Group which enable the preparation of the financial statements of the Group and the Company with reasonable accuracy and complied with the Companies Act 2016; and

iii. reasonable steps are taken to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

DIRECTORS' RESPONSIBILITY STATEMENT (CONT'D)

In preparing the annual audited financial statements, the Directors have:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgments and estimates that are reasonable and prudent;
- prepared the annual audited financial statements on a going concern basis; and
- obtained representation from the Group Financial Controller on matters on financial reporting through self-assessment by the Group Financial Controller.

Key Focus Areas and Future Priorities

One of the key focus areas of the Board in relation to corporate governance practice during the financial year was to gradual increase the independent element of the Board to more than half of members of the Board and to comply with the revision to the definition of "Independent Director" under paragraph 1.01 of MMLR whereby tenure of the Independent Director is limited to twelve (12) years, which will take effect from 1 June 2023. Apart from that, efforts were channeled during the financial year to prepare Integrated Report for financial year ended 31 December 2022 based on International Integrated Reporting Framework, in material aspects.

It is the immediate focus of the Board to identify and appoint new Independent Directors to fill the casual vacancy due to resignation of an Independent Director with tenure more than twelve (12) years on 24 March 2023. Mr. Yeow See Yuen, the Independent Non-Executive Director who had served for a cumulative term of more than twelve (12) years, is given grace period to remain as an Independent Director to ensure smooth transition and is to be re-designated as Non-Independent Non-Executive Director on or before 29 May 2023.

In the medium term, the Board is to take steps to comply with Practice 5.2 whereby at least half of the members of the Board are Independent Director. To enhance board evaluation process as well as complying with Practice 6.1, the Board shall engage independent experts once every three (3) years to facilitate objective and board evaluations. It is also the focus of the Board during such time horizon to take steps to increase female representation to the Board to at least 30%.

ADDITIONAL COMPLIANCE STATEMENT

- **Material Contracts with Related Parties**

  Apart from recurrent related party transactions as disclose on page 164 of this Integrated Report, the followings are the material contracts subsisting at the financial year ended 31 December 2022 or entered into since the end of the previous financial year by the Company and its subsidiaries which involve the interests of Directors and major shareholders:

  - **Share Option Agreement for Grant of Options to Directors and Senior Management to Subscribe for New Ordinary Shares in Dominant Opto Technologies Sdn Bhd ("Dominant Malaysia")**

    On 8 August 2018, the Company and its subsidiary, Dominant Malaysia, entered into a share option agreement which gave the right for the Board of Dominant Malaysia to grant the following Directors and Senior Management ("Grantees") options to subscribe for new ordinary share in Dominant Malaysia ("Dominant Options") at an exercise price of RM5.95 per share:

Grantee	Maximum Options
Tay Kheng Chiong	1,320,000
Low Tek Beng	1,100,000
Siay Say Fei	880,000

    The share option agreement shall be in force for a period of 10 years from 8 August 2018. Under the terms of share option agreement, the Dominant Options shall vest from the date of grant. Dominant Option approved by Dominant Malaysia's shareholder and the Company's shareholder on 21 February 2018.

    As at the date of this Statement, the Board of Dominant Malaysia has yet to grant any Dominant Options to the Grantees.

  - **Subscription Agreements for the Issuance and Allotment of New Ordinary Shares in Dominant Electronics Sdn Bhd ("DESB") and Dominant Technologies Sdn Bhd ("DTSB") to Directors**

    On 31 March 2022, DESB and DTSB had entered into Subscription Agreements for the issuance and allotment of new ordinary shares in DESB and DTSB ("Subscription Shares") to the following Directors at the subscription prices and subscription considerations as follows:

    i) DESB

Subscribers	No. of DESB Subscription Shares	Issue price per DESB Share (RM/ Subscription Share)	Subscription Consideration (RM)
Tay Kheng Chiong	334,656	0.38	127,169
Low Tek Beng	249,035	0.38	94,633
Total	**583,691**		**221,802**

    ii) DTSB

Subscribers	No. of DTSB Subscription Shares	Issue price per DTSB Share (RM/ Subscription Share)	Subscription Consideration (RM)
Tay Kheng Chiong	484,592	0.38	184,145
Low Tek Beng	356,500	0.38	135,470
Total	**841,092**		**319,615**

ADDITIONAL COMPLIANCE STATEMENT (CONT'D)

- **Material Contracts with Related Parties (Cont'd)**

  - **Subscription Agreements for the Issuance and Allotment of New Ordinary Shares in Dominant Electronics Sdn Bhd ("DESB") and Dominant Technologies Sdn Bhd ("DTSB") to Directors (Cont'd)**

    The subscription for the Subscription Shares in DESB and DTSB and the completion are conditional upon all of the conditions being fulfilled ("Condition Precedent") or waived on or prior to 90 days from the date of the Subscription Agreements. Subject to the fulfilment of the Conditions Precedent or its waiver thereof by DESB and/or DTSB, completion shall take place within 5 business days after the last of the Condition(s) Precedent are received, obtained, fulfilled, waived or satisfied (as the case may be).

    The approval of the Board of Directors and shareholders of DESB and DTSB for the allotment and issuance of the Subscription Shares was obtained on 31 March 2022 while the approval of the shareholders of the Company was obtained on 8 June 2022. The allotment and issuance of the Subscription Shares was completed on 20 October 2022 following the receipt of the subscription consideration in respect of the Subscription Shares in DESB and DTSB.

- **Employees' Share Option Scheme ("ESOS")**

  During the financial year under review, there was three (3) subsisting ESOS.

  - **ESOS of the Company - D&O Employees' Share Option Scheme 2022 ("D&O ESOS")**

    D&O ESOS was approved by the Company's shareholders on 8 June 2022 and the effective date for the implementation of the D&O ESOS was 15 June 2022, being the date on which the Company fully complied with the requirements under Paragraph 6.43(1) of MMLR. D&O ESOS are expiring on 14 June 2032.

    During the financial year, the Company has granted 2,665,000 options under D&O ESOS and the number of options accepted was 2,590,000. Options granted and accepted are exercisable pursuant to the terms and conditions imposed by ESOS Committee from the date of grant and if the employee remains in service.

    With regards to the options granted to the Directors and Senior Management, the aggregate allocation applicable to them since commencement of the scheme was 575,000 options, which is equivalent to 2.32% of the new ordinary shares of the Company available under the scheme.

    Please refer to pages 128 to 129 of the audited financial statement of the Company for the year ended 31 December 2022 for the additional details of the D&O ESOS.

  - **ESOS of DESB established on 26 February 2020 and expiring on 25 February 2030 for eligible directors and employees of DESB ("DESB ESOS")**

    The maximum number of ESOS Shares to be offered and allotted to eligible directors and employees under DESB ESOS shall not exceed in aggregate 10% of the total number of issued shares of DESB (excluding treasury shares), at any point of time throughout the duration of the DESB ESOS.

    The maximum number of new DESB Shares that may be offered and allotted to an eligible participant shall be determined at the discretion of the ESOS Committee after taking into consideration, the performance, seniority and number of years in service of the eligible participant and/or such other factors that ESOS committee may deem relevant, subject always the aggregate allocation to the directors and senior management of the DESB shall not exceed 50% of the new DESB Shares available under the DESB ESOS. The Subscription Price shall be determined by the Board of the Company upon the recommendation of the ESOS Committee, but shall not be lower than the higher of DESB's net assets per share at the relevant time and RM1.00 per DESB Share.

- **Employees' Share Option Scheme ("ESOS") (Cont'd)**

  - **ESOS of DESB established on 26 February 2020 and expiring on 25 February 2030 for eligible directors and employees of DESB ("DESB ESOS") (Cont'd)**

    During the financial year ended 31 December 2022, 29,185 options were granted pursuant to adjustment to the number of options due to change in share capital in DESB during the financial year whereby 27,726 were granted to the Directors. Total allocation granted to the Directors and Senior Management of DESB as at 31 December 2022 since the commencement of DESB ESOS representing 5% (Maximum allocation: 5%) of the issued share capital of DESB.

	Number of Options								
	Financial Year Ended 31.12.2022					Cumulative at 31.12.2022			
	At 1.1.2022	Granted	Forfeited	Exercised	At 31.12.2022	Granted	Forfeited	Exercised	Outstanding as at 31.12.2022
All Options Granted	400,000	29,185^	-	-	429,185	429,185	-	-	429,185
There in:									
Directors	380,000	27,726	-	-	407,726	407,726	-	-	407,726

^ Adjustment to the number of options granted due to change in share capital during the financial year

    There was no option offered to and exercised by Non-Executive Directors of the Company under DESB ESOS during financial year ended 31 December 2022.

  - **ESOS of DTSB established on 26 February 2020 and expiring on 25 February 2030 for eligible directors and employees of DTSB ("DTSB ESOS")**

    The maximum number of ESOS Shares to be offered and allotted to eligible directors and employees under DTSB ESOS shall not exceed in aggregate 10% of the total number of issued shares of DTSB (excluding treasury shares), at any point of time throughout the duration of the DTSB ESOS.

    The maximum number of new DTSB Shares that may be offered and allotted to an eligible participant shall be determined by the ESOS committee after taking into consideration, the performance, seniority and number of years in service of the eligible participant and/or such other factors that ESOS committee may deem relevant, subject always the aggregate allocation to the directors and senior management of the DTSB shall not exceed 50% of the new DTSB Shares available under the DTSB ESOS. The Subscription Price shall be determined by the Board of the Company upon the recommendation of the ESOS Committee but shall not be less than the higher of DTSB's net assets per share at the relevant time and RM1.00 per DTSB Share.

    DTSB granted 42,055 options to Directors of DTSB during the financial year ended 31 December 2022 pursuant to adjustment to the number of options granted due to change in share capital in DTSB. Since the commencement of the DTSB ESOS, the cumulative number of options granted under DTSB ESOS as at 31 December 2022 to the Directors and Senior Management of DTSB representing 5% (Maximum allocation: 5%) of the issued share capital in DTSB after the allotment of Subscription Shares.

	Number of Options								
	Financial Year Ended 31.12.2022					Cumulative at 31.12.2022			
	At 1.1.2022	Granted	Forfeited	Exercised	At 31.12.2022	Granted	Forfeited	Exercised	Outstanding as at 31.12.2022
All Options Granted	600,000	42,055^	-	-	642,055	642,055	-	-	642,055
There in:									
Directors	600,000	42,055	-	-	642,055	642,055	-	-	642,055

^ Adjustment to the number of options granted due to change in share capital during the financial year

ADDITIONAL COMPLIANCE STATEMENT (CONT'D)

- **Employees' Share Option Scheme ("ESOS") (Cont'd)**
  - **ESOS of DTSB established on 26 February 2020 and expiring on 25 February 2030 for eligible directors and employees of DTSB ("DTSB ESOS") (Cont'd)**

    There was no option offered to and exercised by Non-Executive Directors of the Company under DTSB ESOS since the commencement of the DTSB ESOS and up to the date of this Integrated Report.

- **Utilisation of proceeds**
  - The net proceeds received during the financial year under review from the exercise of options by eligible Directors and employees granted in accordance with the By-Laws of subsisting D&O ESOS (after deducting expenses incurred in the issuance of new shares, if any) were utilised for the purpose of funding the continuing growth and expansion and working capital requirement of the Group.
  - On 1 December 2021, the Company completed a private placement exercise involving the issuance of 38,500,000 new ordinary shares in the Company ("Placement Shares"), representing approximately 3.2% of the total number of the Company's issued ordinary shares as at 29 October 2021, at issue price of RM5.62 per Placement Share, raising gross proceeds of RM216,370,000 from third party investors falling within Schedule 6 and Schedule 7 of the Capital Markets and Services Act, 2007 ("the Private Placement").

    The status of the utilisation of proceeds raised from the Private Placement as at 31 December 2022 is as follows:

Details	Proposed Utilisations (RM'000)	Actual Utilisations (RM '000)	Unutilised Proceeds (RM '000)	Intended timeframe of utilisation from the listing date of the Placement Shares
1. Capital Expenditures ^	214,008	47	213,961	Within 4 years
2. Estimated expenses relating to the Private Placement	2,362	2,362	-	Within 2 months
Total	**216,370**	**2,409**	**213,961**	

^ To part-finance the construction of the Group's third manufacturing plant to cater for the production of LEDs.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present below the report of Audit Committee.

COMPOSITION

The members of the Audit Committee are as follows:-

Name	Position
Wong Meng Tak (Senior Independent and Non-Executive Director)	Chairman*
Au Siew Loon (Independent and Non-Executive Director)	Chairman**
Yeow See Yuen (Independent and Non-Executive Director)	Member
Jesper Bjoern Madsen (Senior Independent and Non-Executive Director)***	Member
Jennifer Chong Gaik Lan (Independent and Non-Executive Director)	Member

* Resigned with effect from 24 March 2023.

** Appointed as member of Audit Committee with effect from 22 February 2023 and appointed as Audit Committee Chairman with effect from 24 March 2023.

*** Re-designated as Senior Independent and Non-Executive Director with effect from 24 March 2023.

The composition of Audit Committee is in compliance with the paragraph 15.09 of Main Market Listing Requirements ("MMLR"), whereby the Audit Committee consists of four (4) Independent Non-Executive Directors, with the Audit Committee Chairman fulfill the requirements under paragraph 15.09 (1)(c)(iii) and paragraph 7.1 of Practice Note 13 of MMLR.

The Audit Committee Chairman is an Independent Director and no alternate director had been appointed as a member of the Audit Committee. In compliance with Practice 9.1 of the Malaysian Code on Corporate Governance 2021 ("MCCG"), the Audit Committee Chairman is not the Chairman of the Board of Directors of the Company.

The Audit Committee's Terms of Reference is published on the Company's corporate website (**www.do.com.my**) under "Corporate Governance" section of "Investor Relations".

The profile of the members can be found on pages 25 to 29 of this Integrated Report.

1. Attendance of Meetings

There were five (5) meetings held by the Audit Committee members during the financial year ended 31 December 2022 and details of their attendance are as follows:-

Name	Attendance of Audit Committee meetings
Wong Meng Tak^	5/5
Au Siew Loon^^	Not Applicable
Jesper Bjoern Madsen	4/5
Yeow See Yuen	5/5
Jennifer Chong Gaik Lan	5/5

^ Resigned with effect from 24 March 2023.

^^ Appointed as member of Audit Committee with effect from 22 February 2023 and appointed as Audit Committee Chairman with effect from 24 March 2023.

AUDIT COMMITTEE REPORT (CONT'D)

1. Attendance of Meetings (Cont'd)

The meetings were conducted with the quorum of minimum two (2) members and all members present at the meeting were Independent Non-Executive Directors.

The meetings were appropriately structured through the use of notices of meeting and agendas, which were distributed together with the minutes of the previous meeting and relevant papers and reports to the members at least five (5) business days before the meetings. This allowed the members to have sufficient review time for the proper discharge of their duties and responsibilities diligently and effectively in compliance with the MMLR and its terms of reference.

The Group Financial Controller and representatives from external and internal auditors were also invited to attend the meetings and brief the members on their reports and specific issues during the meetings.

The Secretary of the Audit Committee is the Company Secretary and is responsible, together with the Chairman, to draft the agenda and circulating it prior to each meeting.

2. Summary of the works of the Audit Committee

The followings are the works performed by the Audit Committee and reported to the Board for its discussion and decision during the financial year ended 31 December 2022:-

a) Reviewed the adequacy and relevance of the scope, functions, resources, internal audit plan and results from the internal audit reviews with the internal auditors.

During the financial year, the outsourced internal audit function reported the findings, recommendations and management action plans in relation to the internal audit cycles carried out based on the approved internal audit plan. Apart from that, the outsourced internal audit function reported to the Audit Committee on the progress of the approved internal audit plan for their review and subject to the revision of the internal audit focus and scope by the Audit Committee if it deems necessary based on the risk consideration. In addition, the outsourced internal audit function reported to the Audit Committee, through progress update report, the resources, experience, competency and continuous professional development of the outsourced internal audit function for its review on adequacy.

Please refer to the Statement on Risk Management and Internal Control from pages 64 to 72 for the oversights of the Audit Committee on the outsourced internal audit function.

b) Reviewed with management on the quarterly financial reports for announcement to the regulatory authorities and the annual financial statements prior to the commencement of the annual audit and year-end statutory accounts.

During the scheduled quarterly meetings, the Group Financial Controller presented the draft quarterly financial statements (including statement of financial position, statement of comprehensive income, statement of cash flow and notes to the account) for the Audit Committee's review. The key focuses during the review were on accounting policies used, analysis of major changes in components of statement of financial position, statement of comprehensive income and statement of cash flow, major judgmental and risk areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards, compliance with MMLR and other legal requirements.

2. Summary of the works of the Audit Committee (Cont'd)

The followings are the works performed by the Audit Committee and reported to the Board for its discussion and decision during the financial year ended 31 December 2022 (Cont'd):-

b) Reviewed with management on the quarterly financial reports for announcement to the regulatory authorities and the annual financial statements prior to the commencement of the annual audit and year-end statutory accounts. (Cont'd)

The reviews of the quarterly financial reports performed by the Audit Committee were supplemented by the analysis of the financial performance of the key operating subsidiaries and debtor ageing as well as comparison of actual financial results against budgeted financial results. Furthermore, the Audit Committee was able to assess the reasonableness of the assumption and estimates made in the draft quarterly financial statements based on the report by the Group Managing Director on the operation, proposed business strategy, market analysis, inventories' level, key performance indicators, performance of investment, utilisation of bank facilities, capacity expansion and process/productivity improvement activities as well as product development activities undertaken/to be undertaken.

c) Reviewed with external auditors on their audit plan prior to the commencement of audit.

During the financial year, the external auditors presented the Audit Planning Memorandum to the Audit Committee for review and comment prior to the commencement of the audit to ensure that the audit scope is adequate and reasonable time was given to allow the audit carried out effectively and not under undue time pressure. The Audit Planning Memorandum by the external auditors covers the audit approach, areas of audit emphasis, group audit approach, assessment on information technology controls reliance, consideration of internal auditor's works, reporting and deliverables, management communication channels, engagement team, the proposed audit fees, fraud consideration, responsibilities of the directors and management as well as the external auditors, independence declaration under ISA 300: Planning an Audit of Financial Statements and By-Laws (On Professional Conduct and Ethics) by the Malaysia Institute of Accountants for the statutory audit for the financial year.

d) Reviewed the audited statutory financial statements, issues and reservations arising from audits (if any) and the management letter (if any) with the external auditors.

Prior to the announcement of final quarterly unaudited financial statements, the external auditors presented Audit Review Memorandum to the Audit Committee (which include key audit findings, summary of uncorrected misstatements, internal control observations, status of group audits and expected audit opinion).

For the review of the audited statutory financial statements by the Audit Committee, the external auditors presented the Closing Audit Review Memorandum whereby the external auditors presented the audited statutory financial statements, status update of the audit activities, key audit findings update, summary of uncorrected differences, internal control observations, comparison of audited profit after taxation between audited statutory financial statements and final quarterly unaudited financial statements, expected audit opinion on the financial statements, going concern, key audit matters, accounting records and other records and register, Statement on Risk Management and Internal Control and review of draft Annual Report.

During the financial year, the Audit Committee recommended for the Board's approval and adoption of the audited statutory financial statements of the Company and the Group after it was satisfied:-

1. with the adequacy of the internal audit coverage on the effectiveness and reliability of the supporting internal controls and records;

AUDIT COMMITTEE REPORT (CONT'D)

2. Summary of the works of the Audit Committee (Cont'd)

The followings are the works performed by the Audit Committee and reported to the Board for its discussion and decision during the financial year ended 31 December 2022 (Cont'd):-

d) Reviewed the audited statutory financial statements, issues and reservations arising from audits (if any) and the management letter (if any) with the external auditors. (Cont'd)

During the financial year, the Audit Committee recommended for the Board's approval and adoption of the audited statutory financial statements of the Company and the Group after it was satisfied (Cont'd):

2. that the audit had been adequately planned and carried out in accordance with the approved auditing standards after the review with the external auditors and the Management; and

3. that the audited statutory financial statements have been prepared in accordance with generally accepted accounting principles which have been consistently applied and in compliance with applicable accounting standards and statutory requirements after reviewing with the external auditors and the Management.

e) Conducted performance evaluation and independent assessment on external auditors.

During the financial year under review, the Audit Committee conducted performance evaluation and independent assessment on external auditors based on recommended evaluation criteria per Corporate Governance Guide issued by Bursa Malaysia Berhad, such as caliber of the firm, quality process and performance, knowledge and skill sets of audit team, independence and objectivity, audit scope and planning, audit fees and audit communication. The Audit Committee also received Transparency Report prepared by the external auditors and their presentation of such report during the financial year under review as part of performance evaluation by the Audit Committee.

In addition, during the meetings with the external auditors, the external auditors confirmed to the Audit Committee on their independence in relation to the audit works to be performed and their commitment to communicate to the Audit Committee on their independence status on ongoing manner.

Based on satisfactory results of the performance and independence of the external auditors, the Audit Committee recommended to the Board on the reappointment of the external auditors as auditors of the Company for the financial year ended 31 December 2022.

f) The Audit Committee met twice with the external auditors on 22 March 2022 and 21 November 2022 without the presence of the Executive Directors and Management where they are given the opportunity to raise any concern or professional opinion and thus, to be able to exert its functions independently.

g) Reviewed the disclosure of related party transactions and any conflict-of-interest situation.

During the scheduled quarterly meetings, the Group Financial Controller reported to the Audit Committee the value of the individual Recurrent Related Party Transactions ("RRPT") (from date of shareholders' mandate to end of the financial period) as compared to the approved value of transactions based on the shareholders' mandate obtained in the previous general meeting. This enabled the Audit Committee to identify RRPT that exceeded or about to exceed the approved amount per the shareholders' mandate so that prompt action can be taken in resolving the matter. Apart from this, the Group Financial Controller reported to the Audit Committee for their review on the 12 months' RRPT transactions value where shareholders' mandate and announcement were not required in accordance with the MMLR and Related Party Transaction (if any).

2. Summary of the works of the Audit Committee (Cont'd)

The followings are the works performed by the Audit Committee and reported to the Board for its discussion and decision during the financial year ended 31 December 2022 (Cont'd):-

g) Reviewed the disclosure of related party transactions and any conflict-of-interest situation. (Cont'd)

In addition, the proposed issuance and allotment of new ordinary shares in wholly-owned subsidiaries to Tay Kheng Chiong and Low Tek Beng and recurrent related party transaction were tabled to the Audit Committee for review during the financial year with advice from professionals engaged by the Company.

h) Reviewed the latest changes of pronouncements issued by the accountancy, statutory and regulatory bodies.

The Audit Committee was kept aware on accounting standards updates by the external auditors. The Audit Committee sought clarification of the application and impact of new and revised accounting standards with the external auditors shall the needs arise.

i) Reported to the Board on significant issues and concerns discussed during the Committee's meetings and where appropriate, made the necessary recommendations to the Board. Minutes of the Committee's meetings were made available to all Board Members for review and to seek clarification and confirmation from the Audit Committee Chairman should the need arise.

j) Reviewed the notice and agenda of Annual General Meeting, Corporate Overview and Structure, Value Creation Model and Business Strategy, Opportunities and Risks, Management Discussion and Analysis, Corporate Governance Report, Corporate Governance Overview Statement, Audit Committee Report, Statement on Risk Management and Internal Control, Sustainability Report, the Board's responsibility statement for the preparation of the annual audited financial statements and other information which requires disclosure (such as profile of Directors and Key Management, RRPTs, etc.) to ensure compliance with the MMLR, MCCG and other guidelines for publication in the Company's Integrated Report.

The reviews were performed through meeting held with the Management to seek confirmation and clarification while the internal audit function presented the results of the compliance review on Corporate Governance Report, Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control pursuant to the MMLR and MCCG.

k) Reviewed the draft circulars to shareholders – proposed renewal of Shareholders' Mandate for RRPTs of a revenue or trading nature and proposed establishment of an employees' share option scheme, proposed share buy-back of up to 10% of the issued shares of the Company and proposed issuance and allotment of new ordinary shares in wholly-owned subsidiaries to Tay Kheng Chiong and Low Tek Beng.

The Audit Committee reviewed the draft circulars with the Adviser, Company Secretary and the Management (as the case may be) to ensure the contents and presentation were in compliance with the MMLR.

AUDIT COMMITTEE REPORT (CONT'D)

2. Summary of the works of the Audit Committee (Cont'd)

The followings are the works performed by the Audit Committee and reported to the Board for its discussion and decision during the financial year ended 31 December 2022 (Cont'd):-

l) Identified high risk areas and sought mitigation and responses from the Management.

During the review and presentation of the financial performance, operational performance and business strategy of key operating subsidiaries, the Audit Committee identified areas or matters with high risk potential. The Audit Committee had sought clarification and mitigation plans from the Management on the potential high risk events with follow-up on subsequent meeting as matters arising therefrom until it is satisfied that such events are properly addressed based on the risk appetite of the Board.

m) Reviewed the Key Risk and Opportunity Profile Update Report of the Group.

During the financial year under review, the Audit Committee reviewed and deliberated the Key Risk and Opportunity Profile Update Report (including but not limited to, Risk and Control Score Sheet (consists of strategic risks and key operational risks and opportunities), existing control activities for risks mitigation and opportunities optimisation, likelihood and impact rating used and risk management process employed by the Management for the risk assessment exercise) on its adequacy and effectiveness. Based on the review, the Audit Committee was satisfied with the process and results of the risk assessment and its responses and subsequently reported the results of the review to the Board.

n) Reviewed the Sustainability Matters Assessment Result of the Group.

The Audit Committee reviewed the Sustainability Management Report presented by the Management. The review conducted by the Audit Committee was on the definition of sustainability, FTSE Russell ESG exposure analysis and rating, the governance structure, stakeholder engagement activities, results of the sustainability assessment, escalation mechanism, responses to the results of the sustainability assessment and sustainability activities undertaken or to be undertaken.

o) Reviewed the ESOS Allocation.

During the financial year under review, the Audit Committee reviewed the share options granted, the new ordinary shares issued in relation to the exercise of the options granted and adjustment to the number of options granted due to change in share capital in Dominant Electronics Sdn Bhd and Dominant Technologies Sdn Bhd during the financial year. The Audit Committee confirmed that the share options granted, the new ordinary shares issued and adjustment to the number of options granted during the financial year complied with the criteria set out in the ESOS By-Laws.

p) Reviewed the Anti-Bribery and Corruption Report.

During the financial year under review, the Audit Committee reviewed the Anti-Bribery and Corruption report from the Anti-Bribery & Corruption Committee where the Audit Committee was updated on the compliance with the Anti-Bribery and Corruption Framework (with non-compliance incident reported to Audit Committee (if any)), whistleblowing incident and results of investigation (if any), progress of management action plans to strengthen adequate procedures and review of continuous improvement to Anti-Bribery and Corruption Framework proposed by Anti-Bribery & Corruption Committee. The Audit Committee subsequently reported the results of the review to the Board.

3. The Internal Audit Function and Activities

The Group's internal audit function is outsourced to a professional firm. The outsourced internal audit function assists the Board and the Audit Committee in providing an independent assessment on the adequacy and effectiveness of the Group's system of internal control. The outsourced internal audit function reports directly to the Audit Committee. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review and approval by the Audit Committee for its reporting to the Board for ultimate approval.

The audit engagement of the outsourced internal audit function is governed by the engagement letter and Internal Audit Charter approved by the Board during the financial year under review. Key terms of the engagement include purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the Management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team. On the other hand, the Internal Audit Charter governs the internal audit function by specifying the purpose and mission of internal audit function, its roles, professionalism required (including adherence to The Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (hereinafter referred to as "Standards")), its authorities, the reporting structure, independence and objectivity required, its responsibilities, purpose of internal audit plan, reporting and monitoring and quality assurance and improvement programme.

The scope of review by the outsourced internal audit function, through the internal audit plan, is reviewed and approved by the Audit Committee with feedback from the Management. In addition, the Audit Committee enhanced their oversight by reviewing the resources of the outsourced internal audit function in terms of their qualification, experience/exposure and continuous professional development of the employees of the outsourced internal audit function during the financial year under review. The performance of the internal audit function is formally evaluated by the Audit Committee through prescribed evaluation form adapted from Corporate Governance Guide issued by Bursa Malaysia Berhad. Private session with the Internal Audit Function was held on 21 November 2022 by the Audit Committee to promote free exchange of views and opinions between the Audit Committee and the internal audit function.

To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee.

The outsourced internal audit function is accorded unrestricted access to all functions, records, property, personnel, Audit Committee and other specialised services from within or outside the Group and necessary assistance of personnel in units of the Group where they perform audits.

During the financial year, the outsourced internal audit function conducted scheduled internal audits in accordance with the internal audit plan (and any amendments thereof) approved by the Audit Committee. Areas of improvement in internal controls had been identified and formally tabled at the quarterly Audit Committee meetings. Follow up reviews were carried out to ascertain the status of implementation of agreed management action plans. The results of the follow up reviews were reported to the Audit Committee.

The further details on outsourced internal audit function and internal audit activities are disclosed in the Statement on Risk Management and Internal Control available in pages 64 to 72 of this Integrated Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26(b) and Practice Note 9 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") in relation to the requirement to prepare statement about the state of risk management and internal control of the listed issuer as a group, and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines") and the Malaysian Code on Corporate Governance 2021, the Board of D & O Green Technologies Berhad ("D&O" or "the Company") (collectively with its subsidiaries, "the Group") is pleased to present the statement on the state of the risk management and internal control of the Group for the financial year ended 31 December 2022. The scope of this Statement includes the Company and its operating subsidiaries.

BOARD RESPONSIBILITIES

The Board affirms its overall responsibility for maintaining a sound governance, risk management and internal control system and for reviewing their adequacy and effectiveness so as to provide assurance on the achievement of the Group's mission, vision, core values, strategies and business objectives as well as to safeguard all its stakeholders' interests and protecting the Group's assets. The Board is to establish risk appetite of the Group based on the risk capacity, strategies, internal and external business context, business nature and corporate lifecycle. The Board is committed to the establishment and maintenance of an appropriate control environment that is embedded into the corporate culture, strategies and processes of the Group as well as to articulate the importance of adequate and effective risk management and internal control system. The Board delegates the duty of identification, assessment and management of key business risks and opportunities to the Group Managing Director while the Audit Committee, through its terms of reference approved by the Board, is delegated with the duty to review the adequacy and effectiveness of risk management and internal control system of the Group and to provide assurance to the Board on the adequacy and effectiveness of such risk management and internal control system. Through the Audit Committee, the Board is kept informed on all significant control issues brought to the attention of the Audit Committee by the Management, the internal audit function and the external auditors.

The system of internal control covers, inter-alia, control environment, risk assessment, control activities, information and communication and monitoring activities. However, in view of the limitations that are inherent in any system of internal control, the system of internal control is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business objectives. Accordingly, the system of internal control can only provide reasonable and not absolute assurance against material misstatement of losses and fraud.

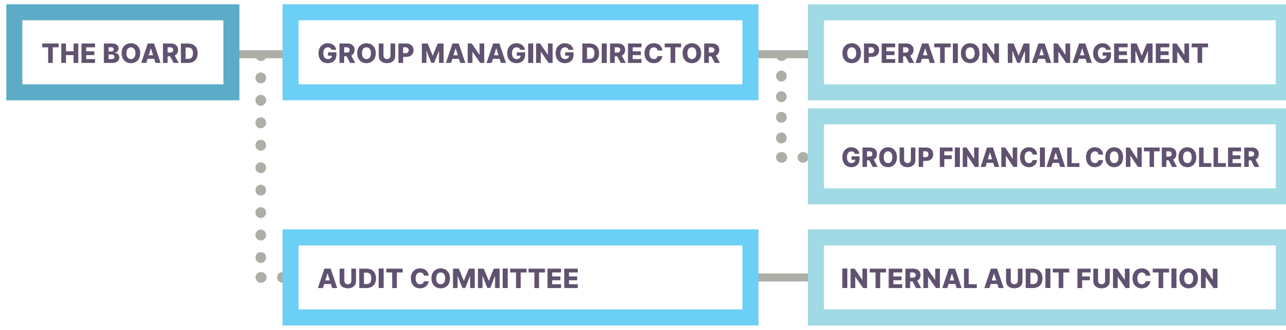
RISK MANAGEMENT

The Board recognises risk management as an integral part of internal control system and good management practice in the pursuits of its strategies and business objectives. The Board maintains an on-going commitment for identifying, evaluating and managing significant risks and opportunities faced by the Group systematically during the financial year under review. The Board had put in place a formal Risk and Opportunity Management Policy and Procedure ("ROMP") as the governance structure and processes for Group wide risk management in order to embed the risk management practice throughout the Group, to manage key business risks faced by the Group and to optimise key business opportunities available to the Group adequately and effectively. The duties and responsibilities for the identification, evaluation and management of the key business risks and opportunities are delegated to the Group Managing Director.

The principles, practices and process of ROMP established by the Board are, in all material aspects, guided by the IATF 16949:2016 Standard by International Automotive Task Force.

RISK MANAGEMENT (CONT'D)

The established ROMP lays down the objectives and processes defined by the Board with formalised governance structure of the risk and opportunity management activities of the Group as follows:-



Clear roles and responsibilities of the Board, the Audit Committee, the Group Managing Director, the Operation Management (as risk and opportunity owners), the Group Financial Controller (as key risk and opportunity officer) and internal audit function are defined in the ROMP. In particular, the roles and responsibilities of the Group Managing Director in relation to the risk and opportunity management are as follows:-

a) implement the risk and opportunity management framework as approved by the Board;

b) develop and implement the risk and opportunity management process which includes the identification of key risks and opportunities as well as devising appropriate action plan in cases where existing controls are ineffective, inadequate or non-existent and communicate the methodology to the Heads of Department;

c) ensure that risk and opportunities strategies adopted are aligned with the Group's strategies (e.g. vision/mission, corporate strategies/goals, etc) and ROMP;

d) periodic review and update of the Risk and Control Score Sheet of the Group and determination of corrective management action plan, if required; and

e) update the Board on changes to the risks and opportunities on periodic basis (at least on annual basis) via Risk Report or when appropriate (due to significant fluctuations to the register) and the course of action to be taken by Management in managing the changes.

In addition, the Operation Management team, i.e. the Heads of Department, is designated as risk and opportunity owners within their area of expertise and delegated with operational responsibilities with the following roles and responsibilities:-

a) manage the risks and opportunities of the business processes under his/her control;

b) identify risks and opportunities as well as evaluate existing controls and action plans. If controls and action plans deemed ineffective, inadequate or non-existent, report to the Group Managing Director of revised action plans and implement these action plans upon approval;

c) periodic update of the changes in the Risk and Control Score Sheet, management action plans and the status of these plans;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

d) ensure that staff working under the Heads of Department understand the risk exposure and opportunities of the relevant processes under his/her duty and the importance of the related controls and action plans; and

e) ensure adequacy of training for staff on risk and opportunity management.

Systematic risk and opportunity management process is stipulated in the ROMP, whereby each step of the risk and opportunity identification, evaluation, control identification, treatment and control activities are laid down for application by the Group Managing Director and the Operation Management. Risk identified includes sustainability matters identified during sustainability assessment process. Risk and opportunity assessment, at gross and residual level, are guided by the likelihood rating and impact rating established by the Board based on the risk appetite acceptable by the Board. In the risk and opportunity management process, Risk and Control Score Sheet were updated by the respective Head of Department with relevant key risks and opportunities identified and rated based on the agreed upon risk and opportunity rating. The Risk and Control Score Sheets are then compiled by the Group Financial Controller before reporting to the Group Managing Director for his review and subsequently reported to the Audit Committee via the Risk Report. The Risk and Control Score Sheets are primarily used for the identification of high residual risks which is above the risk appetite of the Group that require the Management and the Board's immediate attention and risk treatment as well as for future risk monitoring. In addition, key opportunities identified are registered in relevant Risk and Control Score Sheet to monitor the implementation of action plans to ensure its achievement. As an important risks and opportunities monitoring mechanism, the Management is scheduled to review the Risk and Control Score Sheet of key operating subsidiaries and assessment of emerging risks and opportunities identified at strategic and operational level on an annual basis or on a more frequent basis if circumstances required and to report to the Audit Committee on the results of the review and assessment.

During the financial year under review, the Management conducted a review and assessment exercise on existing strategic, governance and key operational risks as well as opportunities of D&O and its operating subsidiaries with emerging risks and opportunities assessed and incorporated into the Risk and Control Score Sheets for on-going monitoring and assessment, after taken into consideration the internal audit findings. Key Risk and Opportunity Profile (included but not limited to, Risk and Control Score Sheets (consists of strategic risks and key operational risks and opportunities), existing control activities for risks mitigation and opportunities optimisation, likelihood and impact rating used and risk management process employed for review and assessment by the Operation Management) was compiled and tabled to the Audit Committee for review and deliberation on its adequacy and effectiveness and thereafter reported the results of review to the Board, which assumes the primary responsibility of the Group's risk management. In addition, a review of the ROMP was performed by the Operation Management with updated ROMP (in terms of the scope of the interested parties and scope of application) tabled to the Audit Committee for review and its recommendation to the Board for approval.

At strategic level, business plans, business strategies and investment proposals with risks and opportunities as well as sustainability consideration are formulated by the Senior Management and presented to the Group Managing Director and the Board for review and approval to ensure proposed plans and strategies are in line with the Group's risk appetite approved by the Board. In addition, specific strategic and key operational risks and opportunities are highlighted and deliberated by the Audit Committee and/or the Board during the review of the financial performance of the Group in the scheduled meetings.

RISK MANAGEMENT (CONT'D)

Respective heads of departments/divisions (i.e. risk and opportunity owners) are responsible for managing the risks under their responsibilities. Risk and opportunity owners are responsible for effective and efficient operational monitoring and management by way of maintaining effective internal controls and executing risk and control procedures on a day-to-day basis. Changes in key operational risks or emergence of new key business risks are identified through daily operational management and controls and review of financial and operational reports by respective level of Management, generated by internal management information system, supplemented by external data and information collected. Respective risk and opportunity owners are responsible to assess the changes to the existing operational risks and emerging risks and to formulate and implement effective controls to manage these risks. Critical and material risks are highlighted to the Group Managing Director for the final decision on the formulation and implementation of effective internal controls and reported to the Board by the Group Managing Director.

The monitoring of the risk and opportunity management by the Group is enhanced by the internal audits carried out by the internal audit function with specific audit objectives and business risks identified for each internal audit cycle based on the internal audit plan approved by the Audit Committee.

The above process has been practiced by the Group for the financial year under review and up to the approval date of this statement. Key risks identified and the corresponding control activities implemented or to be implemented by the management are disclosed in page 18 and 19.

INTERNAL CONTROL SYSTEM

The key features of the Group's internal control system are made up of five core components, i.e. Control Environment, Information and Communication, Control Activities, Risk Assessment and Monitoring Activities with principles representing the fundamental concepts associated with each component are as follows:-

- **Board of Directors/Board Committees**

  The role, functions, composition, operation and processes of the Board are guided by a formal board charter whereby roles and responsibilities of the Board, the Non-Independent Non-Executive Chairman and the Executive Directors (including the Group Managing Director) are specified to maintain the independence of the Board from the Management and to enhance oversight roles of the Board.

  Board Committees (i.e. Audit Committee, Remuneration Committee, Nomination Committee and Employees' Share Option Scheme ("ESOS") Committee) are established to carry out duties and responsibilities delegated by the Board, governed by written terms of reference.

  Meetings of Board of Directors and Audit Committee are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective while meetings for Remuneration Committee, Nomination Committee and ESOS committee are carried out at least once annually or whenever required. Business plans and business strategies are proposed by the Group Managing Director for the Board's review and approval, after taking into consideration of risks and management feedback.

- **Integrity and Ethical Value**

  The tone from the top on integrity and ethical value are enshrined in a formal Code of Ethics and Conduct updated and approved by the Board on 24 March 2021. This formal code forms the foundation of integrity and ethical value for the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL SYSTEM (CONT'D)

- **Integrity and Ethical Value (Cont'd)**

  Integrity and ethical value are incorporated in the Policy and Procedure for Employees whereby the ethical practices of the employees with the customers, suppliers, society and environment are stated. Code of conduct of the employees in carrying out their duties and responsibilities assigned are also established and formalised in Policy and Procedure for Employees.

  To further strengthen the ethical principles throughout the Group, Management has established a comprehensive Anti-Bribery and Corruption Framework. This framework serves as a preventive measure against bribery and conflicts of interest, while a Whistle-blowing Policy has been implemented to provide a platform for stakeholders to voice any financial reporting irregularities, compliance violations, or unethical practices at the earliest opportunity.

  Code of Ethics and Conduct are monitored via control activity monitoring mechanism implemented with non-compliances timely detected and investigated with appropriate corrective action, including but not limited to disciplinary actions.

- **Organisation Structure, Accountability and Authorisation**

  The Group has a well-defined organisation structure in place with clear lines of reporting and accountability with the Board assuming the oversight roles. The Group is committed to employ suitable and qualified staff so that the appropriate level of authorities and responsibilities can be delegated while accountability of performance and controls are assigned accordingly to competent staff to ensure operational efficiency. The establishment and communication of job responsibilities and accountability of performance and controls for key positions are further enhanced via the job descriptions established by the Management.

  The authorisation limits for the key internal control points of crucial business processes are stated in the Group's policies and procedures.

- **Performance Measurement**

  Key performance indicators are established by the Management for the monitoring of operational performance at scheduled interval.

  Annual budget (profit and loss, planned capital expenditure, financial positions and cash flow) for the Group are presented to and approved by the Board on an annual basis and is applied to every key division of the Group. The actual performances are closely monitored against budgets to identify significant variances for prompt actions to be taken to mitigate unfavourable impact.

  To align the focus of the key management personnel on common business objectives and to promote sustainable performance-based remuneration for key management personnel, Long Term Incentive Plan with performance and sustainability target was proposed by the Group Managing Director to the Remuneration Committee for review before recommending to the Board for consideration and approval.

- **Succession Planning and Human Resource**

  It is the Management's commitment to identify and satisfy the needs of employees to continuously develop their knowledge, skills and competency for personal development and corporate excellence. Functional Replacement and Succession Plan is put in place to ensure key roles within the Group are supported by competent second-in-line to minimise the impact of abrupt departure of key personnel.

INTERNAL CONTROL SYSTEM (CONT'D)

- **Succession Planning and Human Resource (Cont'd)**

  Comprehensive guidelines on human resource management are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees with necessary knowledge, skill and experience (which are enhanced by continuous trainings thereafter) to carry out their duties and responsibilities effectively and efficiently.

  Performance evaluation which forms the basis of incentives and promotions are carried out for all levels of staff to identify performance gaps, training needs and to assist in talent development.

- **Risk Assessment and Control Activities**

  Risk assessment is performed by risk owners at scheduled interval or when there is a change in internal and/or business context in accordance with ROMP. Internal controls, as risk responses, are formulated and put in place to mitigate risks identified to a level acceptable by the Board.

  The Group's policies and procedures are regularly reviewed and updated to ensure it continues to support the Group's business activities in achieving the Group's business objectives.

- **Information and Communication**

  At operational level, clear reporting lines are established across the Group and operation reports are prepared for dissemination of critical information to relevant personnel for effective communication throughout the Group and for timely decision making and execution in pursuit of the business objectives. Matters that require the Board and the Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

  The Group puts in place effective and efficient information and communication infrastructures, communication channels (i.e. computerised systems, secured intranet, electronic mail system and modern telecommunication) and processing system, so that operation data and external data can be collected and processed into relevant and adequate information and communicated timely, reliably and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders. Apart from that, relevant financial and management reports are generated for different levels of management and employees for their review and decision making. The management and board meetings are held for effective two-way communication of information among different levels of management and management with the Board.

  Communication of policies and procedures of the Group are conducted via written format, information boards, electronic mail system and in-house trainings by respective risk or control owners.

- **Monitoring and Review**

  At operational level, monitoring activities are embedded into the policies and procedures established by the Management with incidents of non-compliance and exceptions are noted and escalated to appropriate level of management. Key performance indicators are formulated to monitor the performance of key divisions/departments against targets established for prompt management action to be addressed on unsatisfactory performance. Periodic management meetings are held to discuss and review budgets, financial and operational performance of key divisions/departments of the Group. The monitoring of compliance with relevant laws and regulations are further enhanced by reviewing specific areas of safety, health and environment by independent consultants engaged by the Group and enforcement bodies.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL SYSTEM (CONT'D)

- **Monitoring and Review (Cont'd)**

  Apart from the above, quarterly financial statement which contains key financial results is presented to the Board for their review. Operational and financial performance reports are also presented by the Group Managing Director during the Board meetings for the Board to assess the operational performance (including comparison against budgets), cash flow planning and monitoring, business strategies, future prospect, external business conditions, investment performance, capacity expansion, process/productivity improvement activities, stakeholder engagement and sustainability activities undertaken/to be undertaken. During quarterly meetings of the Audit Committee for the financial year under review, the Anti-Bribery and Corruption Committee tabled the results of the review on Anti-Bribery and Corruption Framework compliance to the Audit Committee for review and its subsequent reporting to the Board on the performance of the framework's compliance.

  In addition to the internal audits, significant control issues were highlighted by the external auditors as part of their statutory audits and by internal ISO auditors as well as independent consultants engaged by the Group for surveillance audit in relation to ISO certification.

INTERNAL AUDIT FUNCTION

The review of the adequacy and effectiveness of the Group's risk management and internal control system is outsourced to an independent professional firm, NeedsBridge Advisory Sdn Bhd, who, through the Audit Committee, provides the Board with much of the assurance it requires in respect of the adequacy and effectiveness of the Group's system on the risk management and internal control. To uphold the professional firm's independence and objectivity, the outsourced internal audit function is reporting directly to the Audit Committee. At least once annually, the Audit Committee will meet with the outsourced internal audit function without the presence of the Management to promote free flow of information.

The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing ("the Standards") established by the Institute of Internal Auditors Global. The engagement director, Mr. Pang Nam Ming, is a Certified Internal Auditor and Certification in Risk Management Assurance accredited by the Institute of Internal Auditors Global and a professional member of the Institute of Internal Auditors Malaysia. As a Certified Internal Auditor accredited by Institute of Internal Auditors, the engagement director is required to declare his conformance to the Standards to Institute of Internal Auditors during his renewal as Certified Internal Auditor. During the financial year under review, the resources allocated to the fieldworks of the internal audit by the outsourced internal audit function were one (1) senior manager, assisted by at least one (1) senior consultant and one (1) consultant per one (1) engagement with oversight performed by the director.

Based on the formal evaluation of internal audit function and review of the works performed and deliverables by the outsourced internal audit function during the financial year, the Audit Committee and the Board are satisfied:-

- that the outsourced internal audit function is free from any relationships or conflicts of interest which could impair their objectivity and independence;
- with the scope of the outsourced internal audit function;

INTERNAL AUDIT FUNCTION (CONT'D)

Based on the formal evaluation of internal audit function and review of the works performed and deliverables by the outsourced internal audit function during the financial year, the Audit Committee and the Board are satisfied (Cont'd):-

- that the outsourced internal audit function possesses relevant experience, knowledge, competency and authority to discharge its functions effectively, possesses sufficient resources and has unrestricted access to employees and information for the internal audit activities; and
- with the internal audit plan, processes, the results of the internal audit and/or investigation undertaken (if any).

Risk-based internal audit plan in respect of financial year ended 31 December 2022 was drafted by the outsourced internal audit function, after taking into consideration the existing and emerging key business risks identified in the Key Risk and Opportunity Profile, the Senior Management's opinion and the previous internal audits performed, and was reviewed and approved by the Audit Committee prior to execution. Each internal audit cycles within the internal audit plan are specific with regards to audit objective, key risks to be assessed and scopes of the internal control review.

The internal control review procedures performed by the outsourced internal audit function are designed to understand, document and evaluate risks and related controls in order to determine the adequacy and effectiveness of governance, risk management structures, control structures and control processes. The outsourced internal audit function shall provide recommendations formulated based on the root cause(s) of the internal audit observations. The internal audit procedures applied principally consist of process evaluations through interviews with relevant personnel involved in the process under review, review of the standard operating procedures and/or process flows provided and observations of the functioning of processes against the results of interviews, documented standard operating procedures and/or process flows. Thereafter, testing of controls for the respective audit areas through the review of the samples selected based on sample sizes calculated in accordance to predetermined formulation, subject to the nature of testing and verification of the samples.

During the financial year ended 31 December 2022, based on the internal audit cycles reviewed and approved by the Audit Committee for execution, the outsourced internal audit function has conducted reviews for inventory management, procurement management and treasury, credit control and collection management for the key manufacturing subsidiary based in Malaysia.

Upon the completion of the individual internal audit fieldwork during the financial year, the internal audit reports were presented to the Audit Committee during its scheduled meeting. During the presentation, the internal audit findings, priority level, risk/potential implication, internal audit recommendations, management responses/action plans, person-in-charge and proposed date of implementation were presented and deliberated with the members of the Audit Committee. This is to enable the Audit Committee to form an opinion on the adequacy and/or effectiveness of the governance, risk and control of the business process under review. Progress follow ups were performed by the outsourced internal audit function on the management action plans that were not implemented in the previous internal audit fieldworks by way of verification via physical observation or through verification of sample provided by person-in-charge to substantiate the implementation of the management action plan. The updates on the status of action plans were presented via the Action Plan Progress Report tabled at subsequent Audit Committee meeting for review and deliberation.

In addition, during the Audit Committee meeting, the outsourced internal audit function reported its staff strength, qualification and experience as well as continuous professional education for the Audit Committee to review.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT FUNCTION (CONT'D)

The cost incurred in maintaining the outsourced internal audit function for the financial year ended 31 December 2022 amounted to RM76,000.

ASSURANCE PROVIDED BY THE GROUP MANAGING DIRECTOR AND THE GROUP FINANCIAL CONTROLLER AND CONTROLS AND REGULATION ASSESSMENT BY THE KEY SENIOR MANAGEMENT

In line with the Guidelines, the Group Managing Director, being the highest ranking executive in the Company and the Group Financial Controller, being the person primarily responsible for the management of the financial affairs of the Company have provided assurance to the Board that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

In addition, during the financial year, the Key Senior Management conducted assessment of controls and regulation based on the criteria adopted from Corporate Governance Guide issued by Bursa Malaysia Berhad. The criteria assessed includes overall control environment (i.e. identification and evaluation of business risks, internal controls, information systems, insurance, corporate communication and corporate code of conduct), other regulatory areas (i.e. tax and duties and sustainability), legal and secretarial matters and stakeholders' engagement. The results of the assessment by the Key Senior Management were tabled to the Board for review.

OPINION AND CONCLUSION

Based on the review of the risk management activities and results, results of the internal audit activities, monitoring and review mechanism stipulated above, assurance provided by the Group Managing Director and the Group Financial Controller and the review by the Board on the results of the controls and regulation assessment completed by the Key Senior Management, the Board is of the opinion that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Integrated Report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control system in meeting the Group's business objectives.

The Board is committed towards maintaining an effective risk management and internal control system throughout the Group and where necessary to put in place appropriate plans to further enhance the Group's risk management and internal control system and improve the risk maturity in the Group. Notwithstanding this, the Board will continue to evaluate and manage the significant business risks faced by the Group in order to achieve its mission, vision, core values, strategies and business objectives.

ASSURANCE PROVIDED BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Integrated Report, issued by the Malaysia Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe this Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Companies to be set out, nor is factually incorrect.

OUR FINANCIAL PERFORMANCE

PAGE	FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors of D & O Green Technologies Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services (inclusive of manufacturing plant facility services). During the financial year, the Company transferred its manufacturing plant to its subsidiary and consequently ceased its related manufacturing plant facility services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	83,444	21,344
Attributable to:-		
Owners of the Company	75,148	21,344
Non-controlling interests	8,296	-
	83,444	21,344

DIVIDENDS

Dividends paid by the Company since 31 December 2021 are as follows:-

In respect of the ordinary shares

(a) A first interim dividend of 0.78 (2021 - 0.75) sen per ordinary share for the financial year ended 31 December 2022 amounting to RM9,649,705 was paid on 30 June 2022; and

(b) A second interim dividend of 0.52 (2021 - 0.75) sen per ordinary share for the financial year ended 31 December 2022 amounting to RM6,433,758 was paid on 28 December 2022;

In respect of Irredeemable Convertible Preference Shares ("ICPS")

(a) A first interim dividend of 0.78 (2021 - 0.75) sen per ICPS for the financial year ended 31 December 2022 amounting to RM2,941,175 was paid to ICPS holders on 30 June 2022; and

(b) A second interim dividend of 0.52 (2021 - 0.75) sen per ICPS for the financial year ended 31 December 2022 amounting to RM1,960,784 was paid to ICPS holders on 28 December 2022

based on the terms of the ICPS.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM464,011,396 to RM464,541,532 by way of issuance of 119,400 new ordinary shares at an exercise price of RM3.49, pursuant to the Employees' Share Option Scheme 2022 ("ESOS").

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

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company and its subsidiaries ("the Group") to any person to take up any unissued shares in the Group except for the share options granted pursuant to the Group ESOS below.

COMPANY'S EMPLOYEES' SHARE OPTION SCHEME

The Company's ESOS is governed by its ESOS By-Laws and was approved by shareholders on 8 June 2022. The ESOS Scheme will be in force for a period of 10 years effective from 15 June 2022 and expiring on 14 June 2032.

Details of the ESOS are set out in Note 18(c) to the financial statements.

SUBSIDIARIES' EMPLOYEES' SHARE OPTION SCHEME

Dominant Electronics Sdn Bhd ("Dominant Electronics")

Dominant Electronics' ESOS is governed by its ESOS By-Laws and was approved by shareholders on 26 February 2020. The ESOS Scheme will be in force for a period of 10 years effective from 26 February 2020 and expiring on 25 February 2030.

The maximum number of ESOS Shares to be offered and allotted to eligible employees under Dominant Electronics ESOS shall not exceed in aggregate 10% of the total number of issued shares of Dominant Electronics (excluding treasury shares), at any point of time throughout the duration of the Dominant Electronics ESOS.

		Number of Options over Ordinary Shares							
							← Cumulative at 31.12.2022 →		
Date of Offer	Exercise Price	At 1.1.2022	Adjustment*	Lapsed	Exercised	At 31.12.2022	Granted	Lapsed	Exercised
	RM	'000	'000	'000	'000	'000	'000	'000	'000
6.10.2020	1.00	400	29	-	-	429	429	-	-
		400	29	-	-	429	429	-	-

Note:

* During the financial year, Dominant Electronics granted 29,185 options to its eligible employees, following the allotment of new ordinary shares.

DIRECTORS' REPORT (CONT'D)

SUBSIDIARIES' EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Dominant Technologies Sdn Bhd ("Dominant Technologies")

Dominant Technologies' ESOS is governed by its ESOS By-Laws and was approved by shareholders on 26 February 2020. The ESOS Scheme will be in force for a period of 10 years effective from 26 February 2020 and expiring on 25 February 2030.

The maximum number of ESOS Shares to be offered and allotted to eligible employees under Dominant Technologies ESOS shall not exceed in aggregate 10% of the total number of issued shares of Dominant Technologies (excluding treasury shares), at any point of time throughout the duration of the Dominant Technologies ESOS.

		Number of Options over Ordinary Shares							
							← Cumulative at 31.12.2022 →		
Date of Offer	Exercise Price	At 1.1.2022	Adjustment*	Lapsed	Exercised	At 31.12.2022	Granted	Lapsed	Exercised
	RM	'000	'000	'000	'000	'000	'000	'000	'000
6.10.2020	1.00	600	42	-	-	642	642	-	-
		600	42	-	-	642	642	-	-

Note:

* During the financial year, Dominant Technologies granted 42,055 options to its eligible employees, following the allotment of new ordinary shares.

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

Tan Sri Mohammed Azlan bin Hashim
Tay Kheng Chiong
Cheam Dau Peng
Wong Meng Tak
Yeow See Yuen
Jennifer Chong Gaik Lan
Jesper Bjoern Madsen
Goh Chin San
Goh Chin Loong (Appointed on 1 September 2022)
Au Siew Loon (Appointed on 20 December 2022)
Goh Nan Yang (Retired on 8 June 2022)

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

Goh Keng Chye
Goh Nan Kioh
Goh Nan Yang
Low Tek Beng
Masashi Nakamachi
Tai Tzu Hsiang (Resigned on 7 November 2022)

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

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

a) Ordinary Shares

	Number of Ordinary Shares			
The Company	At 1.1.2022 /Date of Appointment	Bought	Sold	At 31.12.2022
Direct Interests				
Tan Sri Mohammed Azlan bin Hashim	78,484,302	300,000	-	78,784,302
Tay Kheng Chiong	24,189,352	71,000	-	24,260,352
Cheam Dau Peng	8,688,576	-	-	8,688,576
Wong Meng Tak	1,523,333	-	(75,000)	1,448,333
Yeow See Yuen	5,680,699	33,100	(1,412,400)	4,301,399
Jesper Bjoern Madsen	470,000	-	-	470,000
Jennifer Chong Gaik Lan	15,000	20,900	(600)	35,300
Au Siew Loon	13,333	-	-	13,333

	Number of Ordinary Shares			
Deemed Interests	At 1.1.2022	Bought	Sold	At 31.12.2022
Tan Sri Mohammed Azlan bin Hashim *	24,054,113	300,000	(2,000,000)	22,354,113
Jennifer Chong Gaik Lan **	33,800	12,800	(600)	46,000

Notes:

** Deemed interest by virtue of Section 8 of the Companies Act 2016 (shareholding held through his spouse, Puan Sri Nonadiah binti Abdullah).*

*** Deemed interest by virtue of Section 59(11)(c) of the Companies Act 2016 (shareholding held through her spouse and children).*

In addition to the above, the following directors are deemed to have interests in the shares of the Company and its related corporations to the extent of the options granted to them pursuant to the ESOS of the Company and share option agreements of related corporations, as follows:-

	Number of Options under ESOS			
Options in the Company	**At 1.1.2022**	**Granted**	**Exercised**	**At 31.12.2022**
Tay Kheng Chiong	-	200,000	-	200,000
Cheam Dau Peng	-	50,000	-	50,000
Options in the subsidiaries				
Dominant Electronics Sdn Bhd				
Tay Kheng Chiong	192,101	14,016*	-	206,117
Dominant Technologies Sdn Bhd				
Tay Kheng Chiong	303,149	21,248*	-	324,397

Note:

** In accordance to the respective subsidiary company's ESOS By-Laws following the new allotment of shares during the financial year.*

DIRECTORS' INTERESTS (CONT'D)

On 8 August 2018, the Company and its subsidiary, Dominant Opto Technologies Sdn Bhd ("Dominant Malaysia") entered into a share option agreement which gave the right for the Board of Dominant Malaysia to grant Tay Kheng Chiong ("Grantees") option to subscribe for up to 1,320,000 new ordinary shares in Dominant Malaysia ("Dominant Options") at an exercise price of RM5.95 per share.

The share option agreement will be in force for a period of 10 years from 8 August 2018. Under the terms of the share option agreement, the Dominant Options shall vest from the date of grant. The proposed grant of options was approved by the shareholders of the Company on 21 February 2018.

As at the date of this Report, the Board of Dominant Malaysia has yet to grant any Dominant Options to Tay Kheng Chiong.

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 37(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the share options granted to certain directors pursuant to the ESOS of the Company and its subsidiaries.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company and its subsidiaries during the financial year are as follows:-

	The Group RM'000	**The Company** RM'000
Fees	317	317
Salaries, bonuses and other benefits	2,292	582
Share options expenses	381	-
	2,990	899

INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM5,000,000 and RM9,088, respectively. No indemnity was given to or insurance effected for auditors of the Company.

DIRECTORS' REPORT (CONT'D)

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 42 to the financial statements.

AUDITORS

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

The auditors' remuneration of the Group and of the Company for the financial year were RM446,425 and RM62,000 respectively.

Signed in accordance with a resolution of the directors dated 22 March 2023.

Tan Sri Mohammed Azlan bin Hashim

Tay Kheng Chiong

STATEMENT BY DIRECTORS

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

We, Tan Sri Mohammed Azlan bin Hashim and Tay Kheng Chiong, being two of the directors of D & O Green Technologies Berhad, state that, in the opinion of the directors, the financial statements set out on pages 86 to 162 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 22 March 2023.

Tan Sri Mohammed Azlan bin Hashim **Tay Kheng Chiong**

STATUTORY DECLARATION

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

I, Lee Han Yung, being the officer primarily responsible for the financial management of D & O Green Technologies Berhad, do solemnly and sincerely declare that the financial statements set out on pages 86 to 162 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lee Han Yung, NRIC Number: 801118-04-5141,
at Melaka
on this 22 March 2023

Lee Han Yung

Before me

Pierre Lim Vey Yeow (M-085)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF D & O GREEN TECHNOLOGIES BERHAD
(Incorporated in Malaysia) Registration No: 200401006867 (645371-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of D & O Green Technologies Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 86 to 162.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters (Cont'd)

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

Goodwill impairment
Refer to Note 11 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
Goodwill balance as at 31 December 2022 stood at RM24.207 million. Management is required to conduct annual impairment assessment on the goodwill. For this purpose, management has estimated the recoverable amounts of the cash-generating unit in which the goodwill is attached to, using the value-in-use approach. This is derived from the present value of the future cash flows from the cash-generating unit. This assessment is significant to our audit as it is highly subjective, involves significant judgement and is based on assumptions that may be affected by future market and economic conditions. Further details are shown in Note 11 to the financial statements.	Our procedures included, amongst others:- • Reviewed management's estimate of the recoverable amount and tested the cash flows forecast for their accuracy; • Reviewed the key business drivers underpinning the cash flows forecast prepared to support the recoverable amount; • Evaluated the appropriateness and reasonableness of the key assumptions by considering prior budget accuracy, comparison to recent performance and our understanding of the business, trend analysis, and historical results; • Reviewed sensitivity analysis performed by management over the key assumptions to understand the impact of changes over the valuation model; and • Reviewed the adequacy of the Group's disclosures.

Inventories
Refer to Note 12 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter

The Group carries significant inventories as disclosed in Note 12 to the financial statements. The assessment of inventory write-downs due to excess quantities, obsolescence and decline in net realisable value below cost involved judgements and estimation uncertainty including forming expectations about future sales and demands.	Our procedures included, amongst others:-
	• Obtained understanding of:-
	  • the Group's inventory management process;
	  • the Group's process of identification and assessment of inventory write-downs; and
	  • the Group's procedure for the estimation of inventory write-downs.
	• Reviewed the net realisable value of inventories on sampling basis; and
	• Evaluated the reasonableness and adequacy of the allowance for inventories recognised for identified exposures.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF D & O GREEN TECHNOLOGIES BERHAD
(Incorporated in Malaysia) Registration No: 200401006867 (645371-V) (CONT'D)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF1018
Chartered Accountants

Chua Wai Hong
02974/09/2023 J
Chartered Accountant

Kuala Lumpur

22 March 2023

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2022

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	672,541	445,985
Investment in a joint venture	6	54	60	-	-
Property, plant and equipment	7	499,324	372,757	-	1,112
Right-of-use assets	8	18,220	8,776	-	2,680
Other investments	9	39,929	39,603	39,929	39,603
Intangible assets	10	13,774	11,319	-	-
Goodwill	11	24,207	24,207	-	-
Deferred tax assets	22	265	265	-	-
		595,773	456,987	712,470	489,380
CURRENT ASSETS					
Inventories	12	445,595	305,642	-	-
Trade receivables	13	274,456	224,618	-	-
Other receivables, deposits and prepayments	14	10,771	10,335	2,160	10
Amount owing by subsidiaries	25	-	-	22,127	6,768
Current tax assets		18,401	8,025	-	-
Deposits with financial institutions	15	211,598	226,548	-	222,282
Cash and bank balances		42,280	58,286	1,162	15,682
		1,003,101	833,454	25,449	244,742
TOTAL ASSETS		1,598,874	1,290,441	737,919	734,122

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

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	464,542	464,011	464,542	464,011
Irredeemable convertible preference shares	17	228,671	228,671	228,671	228,671
Reserves	18	129,800	73,971	43,764	40,733
Equity attributable to owners of the Company		823,013	766,653	736,977	733,415
Non-controlling interests	5	54,765	47,324	-	-
TOTAL EQUITY		877,778	813,977	736,977	733,415
NON-CURRENT LIABILITIES					
Redeemable preference shares	19	24,000	-	-	-
Lease liabilities	20	213	621	-	-
Long-term borrowings	21	135,205	61,039	-	-
Deferred tax liabilities	22	28,108	24,585	150	150
		187,526	86,245	150	150
CURRENT LIABILITIES					
Trade payables	23	242,796	244,753	-	-
Other payables and accruals	24	19,541	26,569	591	557
Lease liabilities	20	910	835	-	-
Current tax liabilities		372	58	201	-
Short-term borrowings	26	269,951	118,004	-	-
		533,570	390,219	792	557
TOTAL LIABILITIES		721,096	476,464	942	707
TOTAL EQUITY AND LIABILITIES		1,598,874	1,290,441	737,919	734,122

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
REVENUE	29	983,028	846,545	980	742
COST OF SALES		(721,912)	(594,866)	-	-
GROSS PROFIT		261,116	251,679	980	742
OTHER INCOME		6,869	9,798	25,261	7,213
		267,985	261,477	26,241	7,955
SELLING AND DISTRIBUTION EXPENSES		(20,314)	(15,237)	-	-
ADMINISTRATIVE EXPENSES		(52,529)	(51,186)	(3,308)	(3,625)
OTHER EXPENSES		(96,813)	(54,689)	(6)	(1,390)
FINANCE COSTS		(7,630)	(2,185)	#	#
SHARE OF RESULTS OF JOINT VENTURE		(6)	(16)	-	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	30	(161)	(62)	-	-
PROFIT BEFORE TAXATION	31	90,532	138,102	22,927	2,940
INCOME TAX EXPENSE	32	(7,088)	(14,302)	(1,583)	(86)
PROFIT AFTER TAXATION		83,444	123,800	21,344	2,854
OTHER COMPREHENSIVE INCOME/(EXPENSES)					
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Fair value changes of equity instruments		326	14,102	326	14,102
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Foreign currency translation differences		(1,544)	117	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		82,226	138,019	21,670	16,956

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

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		75,148	110,529	21,344	2,854
Non-controlling interests		8,296	13,271	-	-
		83,444	123,800	21,344	2,854
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		74,085	124,734	21,670	16,956
Non-controlling interests		8,141	13,285	-	-
		82,226	138,019	21,670	16,956
EARNINGS PER SHARE (SEN)	33				
BASIC		5.678	8.842		
DILUTED		4.654	7.071		

Note:

 # Amount less than RM1,000.

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Group	Note	Share Capital RM'000	ICPS RM'000	Non-distributable: ESOS Reserve RM'000	Non-distributable: Capital Reserve RM'000	Non-distributable: Foreign Exchange Translation Reserve RM'000	Non-distributable: Fair Value Reserve RM'000	Distributable (Accumulated Losses)/ Retained Profits RM'000	Attributable To Owners Of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2021		191,654	228,671	9,429	29,918	(1,380)	19,396	(63,198)	414,490	35,765	450,255
Profit after tax for the financial year		-	-	-	-	-	-	110,529	110,529	13,271	123,800
Other comprehensive income for the financial year:											
- foreign currency translation differences		-	-	-	-	103	-	-	103	14	117
- fair value changes of equity instruments		-	-	-	-	-	14,102	-	14,102	-	14,102
Total comprehensive income for the financial year		-	-	-	-	103	14,102	110,529	124,734	13,285	138,019
Balance carried forward		191,654	228,671	9,429	29,918	(1,277)	33,498	47,331	539,224	49,050	588,274

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

The Group	Note	Share Capital RM'000	ICPS RM'000	Non-distributable: ESOS Reserve RM'000	Non-distributable: Capital Reserve RM'000	Non-distributable: Foreign Exchange Translation Reserve RM'000	Non-distributable: Fair Value Reserve RM'000	Distributable: Retained Profits RM'000	Attributable To Owners Of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance brought forward		191,654	228,671	9,429	29,918	(1,277)	33,498	47,331	539,224	49,050	588,274
Contribution by and distribution to owners of the Company:											
- ESOS vested		-	-	5,119	-	-	-	-	5,119	-	5,119
- Issuance of shares:											
- Exercise of ESOS		43,981	-	-	-	-	-	-	43,981	-	43,981
- Private Placement		214,008	-	-	-	-	-	-	214,008	-	214,008
- Transfer to share capital for ESOS options exercised		14,368	-	(14,368)	-	-	-	-	-	-	-
- Dividend paid:											
- by the Company	34	-	-	-	-	-	-	(23,782)	(23,782)	-	(23,782)
- by the subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(876)	(876)
		272,357	-	(9,249)	-	-	-	(23,782)	239,326	(876)	238,450
Changes in subsidiaries' ownership interests that do not result in loss of control		-	-	-	-	-	-	(11,897)	(11,897)	(850)	(12,747)
Total transactions with owners		272,357	-	(9,249)	-	-	-	(35,679)	227,429	(1,726)	225,703
Transfer of ESOS Reserve for lapsed ESOS options		-	-	(180)	-	-	-	180	-	-	-
Balance at 31.12.2021		464,011	228,671	-	29,918	(1,277)	33,498	11,832	766,653	47,324	813,977

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

		← Non-distributable →						Distributable			
The Group	Note	Share Capital RM'000	ICPS RM'000	ESOS Reserve RM'000	Capital Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 31.12.2021/1.1.2022		464,011	228,671	-	29,918	(1,277)	33,498	11,832	766,653	47,324	813,977
Profit after tax for the financial year		-	-	-	-	-	-	75,148	75,148	8,296	83,444
Other comprehensive (expenses)/income for the financial year:											
- foreign currency translation differences		-	-	-	-	(1,389)	-	-	(1,389)	(155)	(1,544)
- fair value changes of equity instruments		-	-	-	-	-	326	-	326	-	326
Total comprehensive (expenses)/income for the financial year		-	-	-	-	(1,389)	326	75,148	74,085	8,141	82,226
Balance carried forward		464,011	228,671	-	29,918	(2,666)	33,824	86,980	840,738	55,465	896,203

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

		← Non-distributable →						Distributable			
The Group	Note	Share Capital RM'000	ICPS RM'000	ESOS Reserve RM'000	Capital Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance brought forward		464,011	228,671	-	29,918	(2,666)	33,824	86,980	840,738	55,465	896,203
Contribution by and distribution to owners of the Company:											
- ESOS vested		-	-	2,460	-	-	-	-	2,460	-	2,460
- Issuance of shares:											
- Exercise of ESOS		417	-	-	-	-	-	-	417	-	417
- Transfer to share capital for ESOS options exercised		114	-	(114)	-	-	-	-	-	-	-
- Dividend paid:											
- by the Company	34	-	-	-	-	-	-	(20,985)	(20,985)	-	(20,985)
- by the subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(858)	(858)
		531	-	2,346	-	-	-	(20,985)	(18,108)	(858)	(18,966)
Changes in subsidiaries' ownership interests that do not result in loss of control		-	-	-	-	15	-	368	383	158	541
Total transactions with owners		531	-	2,346	-	15	-	(20,617)	(17,725)	(700)	(18,425)
Transfer of ESOS Reserve for lapsed ESOS options		-	-	(52)	-	-	-	52	-	-	-
Balance at 31.12.2022		464,542	228,671	2,294	29,918	(2,651)	33,824	66,415	823,013	54,765	877,778

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

			Non-distributable			Distributable	
The Company	Note	**Share Capital** RM'000	**ICPS** RM'000	**ESOS Reserve** RM'000	**Fair Value Reserve** RM'000	**Retained Profits** RM'000	**Total Equity** RM'000
Balance at 1.1.2021		191,654	228,671	9,429	19,396	27,983	477,133
Profit after tax for the financial year		-	-	-	-	2,854	2,854
Other comprehensive income for the financial year:							
- Fair value changes of equity instruments		-	-	-	14,102	-	14,102
Total comprehensive income for the financial year		-	-	-	14,102	2,854	16,956
Contribution by and distribution to owners of the Company:							
- ESOS vested		-	-	5,119	-	-	5,119
- Issuance of shares:							
- Exercise of ESOS		43,981	-	-	-	-	43,981
- Private Placement		214,008	-	-	-	-	214,008
- Transfer to share capital for ESOS options exercised		14,368	-	(14,368)	-	-	-
- Dividend paid	34	-	-	-	-	(23,782)	(23,782)
Total transactions with owners		272,357	-	(9,249)	-	(23,782)	239,326
Transfer of ESOS Reserve for lapsed ESOS options		-	-	(180)	-	180	-
Balance at 31.12.2021/1.1.2022		464,011	228,671	-	33,498	7,235	733,415
Profit after tax for the financial year		-	-	-	-	21,344	21,344
Other comprehensive income for the financial year:							
- Fair value changes of equity instruments		-	-	-	326	-	326
Total comprehensive income for the financial year		-	-	-	326	21,344	21,670
Contribution by and distribution to owners of the Company:							
- ESOS vested		-	-	2,460	-	-	2,460
- Issuance of shares:							
- Exercise of ESOS		417	-	-	-	-	417
- Transfer to share capital for ESOS options exercised		114	-	(114)	-	-	-
- Dividend paid	34	-	-	-	-	(20,985)	(20,985)
Total transactions with owners		531	-	2,346	-	(20,985)	(18,108)
Transfer of ESOS Reserve for lapsed ESOS options		-	-	(52)	-	52	-
Balance at 31.12.2022		464,542	228,671	2,294	33,824	7,646	736,977

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		The Group		The Company	
	Note	**2022** RM'000	**2021** RM'000	**2022** RM'000	**2021** RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		90,532	138,102	22,927	2,940
Adjustments for:-					
Amortisation of intangible assets	10	1,344	1,192	-	-
Bad debt written off		-	17	-	-
Depreciation of property, plant and equipment	7	61,272	47,158	321	565
Depreciation of right-of-use assets	8	1,366	1,082	29	38
Employee benefits expense		2,460	5,119	-	1,443
Impairment losses on:					
- Trade and other receivables	13 & 14	498	360	-	-
- Investments in subsidiaries	5	-	-	1,905	3,505
Interest expense		6,835	1,747	-	-
Interest expense on lease liabilities		53	75	-	-
Inventories written down	12	-	54	-	-
Inventories written off	12	12,013	10,216	-	-
Property, plant and equipment written off		86	436	-	-
Share of results of equity accounted joint venture		6	16	-	-
Unrealised loss/(gain) on foreign exchange		22,149	1,863	-	(1)
Dividend income		(719)	(621)	(8,441)	(8,325)
Gain on disposal of property, plant and equipment		(181)	(78)	(11,658)	-
Government grant income		(380)	(338)	-	-
Interest income		(4,504)	(734)	(3,466)	(472)
Reversal of impairment losses on trade receivables	13	(337)	(298)	-	-
Operating profit/(loss) before working capital changes		192,493	205,368	1,617	(307)
Increase in inventories		(151,966)	(136,328)	-	-
Increase in trade and other receivables		(53,733)	(52,085)	(2,151)	-
(Decrease)/Increase in trade and other payables		(1,214)	79,796	36	(15)
CASH (FOR)/FROM OPERATIONS		(14,420)	96,751	(498)	(322)
Income tax paid		(14,630)	(16,567)	(1,382)	(86)
Interest paid		(6,888)	(1,822)	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(35,938)	78,362	(1,880)	(408)

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Addition to right-of-use assets		(10,329)	-	-	-
Acquisition of additional shares in subsidiaries		-	(12,749)	(226,000)	(16,749)
Acquisition of intangible assets		(3,709)	(1,964)	-	-
Dividend received		719	621	8,441	8,325
Interest received		4,504	734	3,466	472
Investment in a joint venture		-	(73)	-	-
Withdrawal of deposits pledged with financial institutions		50	326	-	-
Proceeds from disposal of property, plant and equipment		228	78	15,100	-
Proceeds from capital repayment from unquoted shares		-	6,835	-	6,835
Purchase of property, plant and equipment	35(a)	(187,620)	(164,987)	-	-
Advances to subsidiaries		-	-	(15,361)	(4,117)
NET CASH FOR INVESTING ACTIVITIES		(196,157)	(171,179)	(214,354)	(5,234)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Net proceeds from issuance of Redeemable Preference Shares to non-controlling interests		24,000	-	-	-
Net drawdown of bankers' acceptances		85,775	27,660	-	-
Proceeds from exercise of ESOS		417	43,981	417	43,981
Net proceeds from Private Placement		-	214,008	-	214,008
Proceeds from allotment of shares in subsidiaries		541	-	-	-
Net drawdown of hire purchase		149	-	-	-
Drawdown of term loans		140,451	55,333	-	-
Repayment of term loans		(48,257)	(32,765)	-	-
Net drawdown of revolving credits		41,640	17,787	-	-
Payment of lease liabilities		(1,018)	(1,109)	-	-
Dividend paid to shareholders of the Company		(20,985)	(23,782)	(20,985)	(23,782)
Dividend paid to non-controlling interests		(858)	(876)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		221,855	300,237	(20,568)	234,207
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(10,240)	207,420	(236,802)	228,565
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(20,666)	2,815	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		284,784	74,549	237,964	9,399
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35(d)	253,878	284,784	1,162	237,964

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	No. 15, Bukit Ledang, Off Jalan Duta, 50480 Kuala Lumpur.
Principal place of business	:	Lot 6, Batu Berendam Free Trade Zone, Phase III, 75350 Melaka.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 March 2023.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services (inclusive of manufacturing plant facility services). During the financial year, the Company transferred its manufacturing plant to its subsidiary and consequently ceased its related manufacturing plant facility services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

3. BASIS OF PREPARATION

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

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

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

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

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

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date and key assumptions and the sensitivity analysis are disclosed in Note 11 to the financial statements.

(d) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group determines whether its property, plant and equipment and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 7 and 8 to the financial statements.

(e) Amortisation of Patent Licence

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised. The carrying amount of patent licence as at the reporting date is disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(f) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 12 to the financial statements.

(g) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amounts of trade receivables as at the reporting date are disclosed in Note 13 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(b) Share-based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

4.2 BASIS OF CONSOLIDATION

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations

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

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

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

(b) Non-Controlling Interests

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

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

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

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 GOODWILL (CONT'D)

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss immediately.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations (Cont'd)

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(iii) Redeemable Preference Shares ("RPS")

Preference shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the preference shareholders, or if dividend payments are not discretionary.

RPS are classified as financial liabilities in accordance with the substance of the contractual arrangement of the instruments. The RPS are measured at amortised cost using the effective interest method.

Dividends to holders of the RPS are recognised as finance costs, on an accrual basis.

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) ICPS

ICPS are classified as equity if they are non-redeemable and any dividends are discretionary.

ICPS are classified as equity in accordance with the substance of the contractual arrangement of the instruments. Dividends on ICPS are recognised as distributions within equity.

(d) Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

(e) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Derecognition (Cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(f) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries including the share options granted to employees of the subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The principal annual rates used for this purpose are:-

Buildings	5%
Renovation	10 - 20%
Plant and machinery	10 - 20%
Motor vehicles	10 - 20%
Furniture and fittings, office equipment and electrical installation	10 - 50%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available to use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

4.8 INTANGIBLE ASSETS

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

(a) Patent Licence

The purchased patent licence is stated at cost less accumulated amortisation and impairment losses, if any. The patent licence is amortised on a straight-line basis over the periods of 10 to 20 years. In the event that the expected future economic benefits are no longer probable of being recovered, the patent licence is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 INTANGIBLE ASSETS (CONT'D)

(b) Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:-

(i) its ability to measure reliably the expenditure attributable to the asset under development;

(ii) the product or process is technically and commercially feasible;

(iii) its future economic benefits are probable;

(iv) its intention to complete and the ability to use or sell the developed asset; and

(v) the availability of adequate technical, financial and other resources to complete the asset under development

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 3 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

4.9 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 IMPAIRMENT (CONT'D)

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flow using a pre-tax discount rate that reflect current market assessment of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.10 LEASES

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and the estimated costs of dismantling and restoration costs, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 LEASES (CONT'D)

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. The cost of raw materials is determined on the weighted average cost method and comprises the purchase price and incidentals incurred in bringing the raw materials to their present location and condition.

Cost of finished goods and work-in-progress is determined using the standard cost basis, which approximates the actual costs and includes the cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.12 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.14 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

4.15 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(c) Share-based Payment Transactions

The Group operates an equity-settled share-based compensation plan whereby certain employees of the Group and the Company have been granted rights to equity instruments of the Company (known as "share options") for services provided to the Group.

At grant date, the fair value of share options granted to employees is recognised as an employee expense, with a corresponding increase to capital contribution in equity, over the period in which the employees become unconditionally entitled to the share options. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest. Service and non-market performance conditions attached to the transaction are not taken into account in determining the fair value.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the Employees' Share Option Scheme reserve.

Upon expiry of the share option, the Employees' Share Option Scheme reserve is transferred to retained profits.

When the share options are exercised, the Employees' Share Option Scheme reserve is transferred to share capital if new ordinary shares are issued.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.17 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.18 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.19 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise ICPS and share options granted to employees.

4.20 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

The Group's obligation to replace or compensate faulty products under the standard terms is recognised as a provision.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Dividend Income

Dividend income from investments is recognised when the right to receive dividend payment is established.

(d) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

(e) Rendering of Facility Services Fee

Revenue from providing facilities services is recognised over time in the period in which the services are rendered.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME (CONT'D)

(f) Government Grants

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and all conditions attached will be met.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis over the period necessary to match them with the related expenses which they are intended to compensate for. These grants are presented as other income in profit or loss.

Grants that compensate the Group for the cost of an asset are recognised as deferred grant income in the statement of financial position and are amortised to profit or loss on a systematic basis over the expected useful life of the relevant asset.

4.22 JOINT ARRANGEMENTS

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint venture.

Joint Venture

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 31 December. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses on transactions between the Group and the joint venture are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2022 RM'000	The Company 2021 RM'000
Unquoted shares, at cost:		
- At 1 January	453,557	436,808
- Additions during the financial year	-	16,749
- At 31 December	453,557	453,557
Redeemable preference shares:		
- At 1 January	-	-
- Additions during the financial year	226,000	-
- At 31 December	226,000	-
ESOS granted to the employees of subsidiaries:		
- At 1 January	22,660	18,984
- Additions during the financial year	2,461	3,676
- At 31 December	25,121	22,660
	704,678	476,217
Less: Accumulated impairment losses	(32,137)	(30,232)
	672,541	445,985
Accumulated impairment losses:		
- At 1 January	30,232	26,727
- Additions during the financial year	1,905	3,505
- At 31 December	32,137	30,232

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activities
Subsidiaries of the Company:-				
Omega Semiconductor Sdn. Bhd. ("Omega")	Malaysia	100	100	Dormant.
Dominant Opto Technologies Sdn. Bhd. ("Dominant Malaysia")	Malaysia	90	90	Manufacturing semiconductor components and machineries.
Dominant Electronics Sdn. Bhd. ("Dominant Electronics")	Malaysia	93.20	100	Design, manufacturing and sales of printed circuit board assemblies and provision of engineering services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activities
Subsidiaries of the Company (Cont'd):-				
Dominant Technologies Sdn. Bhd. ("Dominant Technologies")	Malaysia	93.45	100	An investment holding company and design, develop, purchase and sales of integrated circuits ("IC") chips.
Subsidiaries of Dominant Malaysia:-				
Dominant Semiconductors Europe GmbH ^	Germany	90	90	Merchandising semiconductor components.
Dominant Opto Technologies Korea Inc ^	The Republic of Korea	90	90	Merchandising semiconductor components.
Dominant Opto Technologies (Shanghai) Co., Ltd. #	The People's Republic of China	90	90	Merchandising semiconductor components.
Dominant Opto Technologies North America, Inc. ^^	United States of America	90	90	Merchandising semiconductor components and receiving sales commission of related products.
Dominant Opto Technologies Japan K.K. ^^	Japan	90	90	Merchandising semiconductor components and provision of marketing services.
Subsidiaries of Dominant Technologies:-				
Dominant Technologies (Singapore) Pte. Ltd. ("Dominant Singapore") #	Singapore	93.45	100	An investment holding company, research and development on electronics and trade of electronic components.
Dominant Technologies (Taiwan) Co. Ltd. #	Taiwan, Republic of China	93.45	100	Design, develop, purchase and sales of IC chips.
DOT Semiconductor Inc. ^^	United States of America	93.45	100	Design, develop, purchase and sales of IC chips.
Subsidiary of Dominant Singapore:-				
Dominant Semiconductors (Lao) Sole Co., Ltd ^^	The Lao People's Democratic Republic	93.45	100	Dormant.

Notes:-

 # These subsidiaries were audited by other firms of chartered accountants.

^ These subsidiaries were audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.

^^ Not required to be audited under the laws of the country of incorporation.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) On 27 May 2021, the Company subscribed for an additional 4,000,000 new ordinary shares in Dominant Technologies for a total consideration of RM4,000,000.

On 3 August 2021, the Company acquired an additional 225,000 ordinary shares in Dominant Malaysia from related party shareholders for RM12,748,500 in cash.

During the financial year, Dominant Electronics allotted an additional 334,656 and 249,035 new ordinary shares to Tay Kheng Chiong and Low Tek Beng respectively for a total considerations of RM221,802 in cash. Dominant Technologies allotted an additional 484,592 and 356,500 new ordinary shares to Tay Kheng Chiong and Low Tek Beng for a total considerations of RM319,615 in cash. Details are disclosed in Note 42 to the financial statements.

(b) The non-controlling interests at the end of the reporting period comprised the following:-

	Effective Equity Interest		The Group	
	2022 %	2021 %	2022 RM'000	2021 RM'000
Dominant Malaysia	10.00	10.00	54,625	47,324
Dominant Electronics	6.80	-	12	-
Dominant Technologies	6.55	-	128	-
			54,765	47,324

(c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Dominant Group	
	2022 RM'000	2021 RM'000
<u>At 31 December</u>		
Non-current assets	532,715	381,513
Current assets	1,000,088	595,276
Non-current liabilities	(403,154)	(85,548)
Current liabilities	(558,606)	(395,488)
Net assets	571,043	495,753
<u>Financial Year Ended 31 December</u>		
Revenue	982,956	846,475
Profit for the financial year	82,963	131,408
Total comprehensive income	81,410	131,525
Net cash flows (for)/from operating activities	(24,414)	82,828
Net cash flows for investing activities	(213,422)	(164,442)
Net cash flows from financing activities	465,855	62,638

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

6. INVESTMENT IN A JOINT VENTURE

	The Group	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost:		
- At 1 January/incorporation date	60	73
- Share of losses	(6)	(16)
- Currency translation differences	-	3
- At 31 December	54	60
Less: Accumulated impairment losses	-	-
	54	60

The details of the joint venture are as follows:-

Name of Joint Venture	Principal Place of Business/Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activity
Domi-Star Optoelectronics Corporation ("Domi-Star")*	Taiwan, Republic of China	45.90	45.90	Dormant.

Note:

* *Held through a 90%-owned subsidiary with 51% ownership in the Joint Venture.*

(a) The Group's involvement in joint arrangement is structured through separate vehicles which provide the Group rights to the net assets of the entity. Accordingly, the Group has classified this investment as joint venture.

(b) Although Dominant Malaysia holds more than 50% of the voting power in Domi-Star, Dominant Malaysia has determined that it does not have sole control over the investee considering that strategic and financial decisions of the relevant activities of the investee require unanimous consent by all shareholders.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2022 RM'000	Additions RM'000	Disposals RM'000	Write-offs RM'000	Transfer from Right-of-Use Assets RM'000	Transfers RM'000	Currency Translation Differences RM'000	Depreciation Charges RM'000	At 31.12.2022 RM'000
2022									
Carrying Amount									
Buildings	30,232	6,490	-	-	-	-	-	(2,165)	34,557
Renovation	16,331	3,996	-	-	-	12,174	(5)	(4,258)	28,238
Plant and machinery	260,654	12,828	-	(78)	-	182,947	(16)	(51,554)	404,781
Motor vehicles	137	356	(47)	-	396	-	1	(70)	773
Furniture and fittings, office equipment and electrical installation	7,113	4,166	-	(8)	-	-	(24)	(3,225)	8,022
Capital work-in-progress	58,290	159,784	-	-	-	(195,121)	-	-	22,953
	372,757	187,620	(47)	(86)	396	-	(44)	(61,272)	499,324

	At 1.1.2021 RM'000	Additions RM'000	Disposals RM'000	Write-offs RM'000	Transfers RM'000	Currency Translation Differences RM'000	Depreciation Charges RM'000	At 31.12.2021 RM'000
2021								
Carrying Amount								
Buildings	34,981	106	-	-	-	-	(4,855)	30,232
Renovation	16,524	2,246	-	-	1,512	6	(3,957)	16,331
Plant and machinery	177,736	15,676	-	(433)	103,434	2	(35,761)	260,654
Motor vehicles	94	72	-	-	-	5	(34)	137
Furniture and fittings, office equipment and electrical installation	7,198	2,445	-	(3)	80	(56)	(2,551)	7,113
Capital work-in-progress	18,874	144,442	-	-	(105,026)	-	-	58,290
	255,407	164,987	-	(436)	-	(43)	(47,158)	372,757

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2022			
Buildings	39,350	(4,793)	34,557
Renovation	56,841	(28,603)	28,238
Plant and machinery	676,770	(271,989)	404,781
Motor vehicles	1,847	(1,074)	773
Furniture and fittings, office equipment and electrical installation	25,530	(17,508)	8,022
Capital work-in-progress	22,953	-	22,953
	823,291	(323,967)	499,324
2021			
Buildings	40,345	(10,113)	30,232
Renovation	40,686	(24,355)	16,331
Plant and machinery	494,504	(233,850)	260,654
Motor vehicles	382	(245)	137
Furniture and fittings, office equipment and electrical installation	22,926	(15,813)	7,113
Capital work-in-progress	58,290	-	58,290
	657,133	(284,376)	372,757

The Company	At 1.1.2022 RM'000	Disposals RM'000	Depreciation Charges RM'000	At 31.12.2022 RM'000
2022				
Carrying Amount				
Buildings	1,112	(791)	(321)	-

	At 1.1.2021 RM'000	Depreciation Charges RM'000	At 31.12.2021 RM'000
2021			
Carrying Amount			
Buildings	1,677	(565)	1,112

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

The Company	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2022			
Buildings	-	-	-
Plant and machinery	-	-	-
Furniture and fittings, office equipment and electrical installation	-	-	-
	-	-	-
2021			
Buildings	9,140	(8,028)	1,112
Plant and machinery	1,195	(1,195)	-
Furniture and fittings, office equipment and electrical installation	1,477	(1,477)	-
	11,812	(10,700)	1,112

(a) Capital work-in-progress represents building, plant and machinery under construction which are not ready for commercial use at the end of the reporting period.

(b) As at 31 December 2022, the property, plant and equipment of the Group with a carrying amount of RM257,642,060 (2021 - RM187,664,691), were pledged to financial institutions for credit facilities granted to the Group.

(c) Included in the property, plant and equipment of the Group were motor vehicles with a total carrying amount of RM379,830 held under hire purchase arrangements. These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 27 to the financial statements.

8. RIGHT-OF-USE ASSETS

The Group	At 1.1.2022 RM'000	Additions RM'000	Transfer to Property, Plant and Equipment RM'000	Currency Translation Differences RM'000	Depreciation Charges RM'000	At 31.12.2022 RM'000
2022						
Carrying Amount						
Leasehold land	7,129	10,000	-	-	(208)	16,921
Buildings	819	889	-	(10)	(890)	808
Motor vehicles	353	329	(396)	(2)	(210)	74
Machinery	475	-	-	-	(58)	417
	8,776	11,218	(396)	(12)	(1,366)	18,220

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

The Group	At 1.1.2021 RM'000	Additions RM'000	Remeasurement/ Termination RM'000	Currency Translation Differences RM'000	Depreciation Charges RM'000	At 31.12.2021 RM'000
2021						
Carrying Amount						
Leasehold land	7,325	-	(5)	-	(191)	7,129
Buildings	1,014	499	(125)	29	(598)	819
Motor vehicles	372	209	-	(6)	(222)	353
Furniture and fittings, office equipment and electrical installation	12	-	-	-	(12)	-
Machinery	534	-	-	-	(59)	475
	9,257	708	(130)	23	(1,082)	8,776

The Company	At 1.1.2022 RM'000	Disposals RM'000	Depreciation Charges RM'000	At 31.12.2022 RM'000
2022				
Carrying Amount				
Leasehold land	2,680	(2,651)	(29)	-

	At 1.1.2021 RM'000	Depreciation Charges RM'000	At 31.12.2021 RM'000
2021			
Carrying Amount			
Leasehold land	2,718	(38)	2,680

	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Analysed by:-				
Cost	21,625	12,944	-	3,118
Accumulated depreciation	(3,405)	(4,168)	-	(438)
	18,220	8,776	-	2,680

As at 31 December 2022, the right-of-use assets of the Group with a carrying amount of RM9,895,427 (2021 - RM4,448,889) was pledged to financial institutions for credit facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

(a) The Group leasing activities are summarised below:-

(i) Leasehold land — The Group has 2 (2021 - 2) leasehold factory lands and 1 workers hostel land. It is under lease period of 71, 75 and 90 (2021 - 75 and 90) years respectively. These leases do not allow the Group to transfer or create any charge, whole or any part of the land unless prior consent from the state authority.

(ii) Buildings — The Group has leased 6 (2021 - 6) office buildings under operating leases agreements that run between 2 to 5 (2021 - 2 to 5) years.

(iii) Motor vehicles — In the previous financial year, the Group has leased certain motor vehicles under hire purchase arrangements with lease terms of 5 years. These leases are secured by the related motor vehicles. At the end of the lease term, the Group has the option to purchase the asset at a nominal amount. The Group has also leased certain motor vehicles under operating leases with lease terms of 3 (2021 - 3) years.

(iv) Machinery — The Group has leased 1 (2021 - 1) machinery under lease agreement. The Group has an option to purchase the asset at the expiry of the lease period of 3 years.

9. OTHER INVESTMENTS

	The Group/The Company	
	2022 RM'000	**2021** RM'000
Quoted shares, at fair value	39,929	39,603
Unquoted shares, at fair value	-	-
	39,929	39,603
Quoted and Unquoted shares:-		
At 1 January	39,603	32,336
Fair value changes	326	14,102
Capital repayment	-	(6,835)
At 31 December	39,929	39,603

Equity Investments at Fair Value Through Other Comprehensive Income

(a) The Group has designated the below equity investments at fair value through other comprehensive income because the Group intends to hold the investments for the long term.

The fair value of each investment is summarised below:-

	The Group/The Company	
	2022 RM'000	**2021** RM'000
Unquoted shares		
- Tongfang Optoelectronic (HK) Limited	-	-
Quoted shares		
- Securitag Assembly Group Co., Ltd.	39,929	39,603
	39,929	39,603

(b) During the financial year, the Group disposed of its investments in Tongfang Optoelectronic (HK) Limited as this investment no longer meet the Group's investment strategy.

10. INTANGIBLE ASSETS

The Group	At 1.1.2022 RM'000	Additions RM'000	Transfer RM'000	Currency Translation Differences RM'000	Amortisation RM'000	At 31.12.2022 RM'000
2022						
Carrying Amount						
Patent licence	7,031	-	-	-	(1,058)	5,973
Development expenditure	256	224	764	-	(286)	958
Development expenditure in progress	4,032	3,485	(764)	90	-	6,843
	11,319	3,709	-	90	(1,344)	13,774

The Group	At Cost RM'000	Accumulated Amortisation RM'000	Carrying Amount RM'000
2022			
Patent licence	13,224	(7,251)	5,973
Development expenditure	1,396	(438)	958
Development expenditure in progress	6,843	-	6,843
	21,463	(7,689)	13,774

The Group	At 1.1.2021 RM'000	Additions RM'000	Transfer RM'000	Currency Translation Differences RM'000	Amortisation RM'000	At 31.12.2021 RM'000
2021						
Carrying Amount						
Patent licence	8,089	-	-	-	(1,058)	7,031
Development expenditure	321	13	56	-	(134)	256
Development expenditure in progress	2,110	1,951	(56)	27	-	4,032
	10,520	1,964	-	27	(1,192)	11,319

The Group	At Cost RM'000	Accumulated Amortisation RM'000	Carrying Amount RM'000
2021			
Patent licence	13,224	(6,193)	7,031
Development expenditure	407	(151)	256
Development expenditure in progress	4,032	-	4,032
	17,663	(6,344)	11,319

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

11. GOODWILL

	The Group	
	2022 RM'000	2021 RM'000
Goodwill	24,207	24,207

The goodwill arose from the investment in a subsidiary and is reviewed for impairment annually.

During the financial year, the Group has assessed the recoverable amount of goodwill on consolidation, and determined that goodwill is not impaired.

The recoverable amounts of the cash-generating units are determined using the value in use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	2022 %	2021 %	Basis
Budgeted gross margin	26.7-28.5	29-30	Based on past performance and the management's expectation of market development.
Discount rate (pre-tax)	18.90	18.60	Reflects specific risks.

In accordance with the applicable accounting standards, the growth rate assumption is based on existing plant capacities of the cash-generating units without any further expansion.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

The management believes that no reasonable possible change in the above key assumptions applied that is likely to materially cause the carrying value of the goodwill to exceed its recoverable amount.

12. INVENTORIES

	The Group	
	2022 RM'000	2021 RM'000
At cost:-		
Raw materials	76,777	96,580
Work-in-progress	276,624	145,807
Finished goods	92,194	63,255
	445,595	305,642
Recognised in profit or loss:-		
Inventories recognised as cost of sales	721,912	594,539
Inventories written down	-	54
Inventories written off	12,013	10,216

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

13. TRADE RECEIVABLES

	The Group	
	2022 RM'000	2021 RM'000
Trade receivables	275,027	225,030
Allowance for impairment losses	(571)	(412)
	274,456	224,618
Allowance for impairment losses:-		
At 1 January	(412)	(1,268)
Addition during the financial year	(497)	(357)
Reversal during the financial year	337	298
Translation differences	1	16
Written off during the financial year	-	899
At 31 December	(571)	(412)

The Group's normal trade credit terms range from 30 to 90 (2021 - 30 to 90) days.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other receivables	5,602	5,545	2,160	-
Allowance for impairment losses	(934)	(933)	-	-
	4,668	4,612	2,160	-
Deposits	1,151	3,987	-	-
Prepayments	4,952	1,736	-	10
	10,771	10,335	2,160	10

	The Group	
	2022 RM'000	2021 RM'000
Allowance for impairment losses:-		
At 1 January	(933)	(930)
Addition during the financial year	(1)	(3)
At 31 December	(934)	(933)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

15. DEPOSITS WITH FINANCIAL INSTITUTIONS

(a) The deposits with financial institutions of the Group at the end of the reporting period bore effective interest rates ranging from 4.55% to 4.60% (2021 - 0.52% to 2.12%) per annum. The deposits have maturity period of 1 month (2021 - 1 month and 3 months).

(b) Included in the deposits with financial institutions of the Group at the end of the previous reporting period was an amount of RM50,000 which had been pledged to a financial institution as security for banking facilities granted to the Group.

16. SHARE CAPITAL

	The Group/The Company			
	2022	2021	2022	2021
	Number Of Shares			
	'000	'000	RM'000	RM'000
Issued and Fully Paid-up				
Ordinary Shares				
At 1 January	1,237,142	1,153,943	464,011	191,654
New shares issued upon exercise of ESOS options	119	44,699	417	43,981
New shares issued via Private Placement	-	38,500	-	214,008
Transfer from ESOS reserves upon exercise of ESOS options	-	-	114	14,368
At 31 December	1,237,261	1,237,142	464,542	464,011

(a) During the financial year, the Company increased its issued and paid-up share capital from RM464,011,396 to RM464,541,532 by way of issuance of 119,400 new ordinary shares at an exercise price of RM3.49, pursuant to the ESOS.

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

(b) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

17. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES

	The Group/The Company			
	2022	2021	2022	2021
	Number Of Shares			
	'000	'000	RM'000	RM'000
At 1 January/31 December	377,074	377,074	228,671	228,671

In the financial year 2018, the Company issued 451,168,029 ICPS at an issue price of RM0.61 per ICPS share for the acquisition of 27.95% equity interests in a subsidiary for a total purchase consideration of RM275,212,500. The salient terms of the ICPS are as follows:-

(a) Each ICPS shall be converted at the option of the holders into one ordinary share of the Company at any time, subject to the terms of ICPS;

(b) The ICPS will not be listed on the Main Market of Bursa Securities ("Bursa"), however, the converted shares will be listed and quoted on Bursa;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

17. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (CONT'D)

(c) There is no dividend rate for ICPS, however, if the Company declares, makes or pays any dividends and/or other distributions to the shareholders, the Company shall declare the same dividends and/or distribution to the ICPS holder;

(d) The ICPS shall not be transferable, save and except for transfers between the holders of the ICPS, subject to the applicable laws, regulations and rules that would apply to the securities of the Company;

(e) The ICPS shall rank equally among themselves. Upon the liquidation, dissolution or winding-up of the Company, the ICPS holders are entitled to distribution in equal priority with the holders of the ordinary shares. The entitlement of ICPS holders to the distribution shall be calculated as follows:-

$$X = \left(\frac{A}{B+1.2C} \right) \times 1.2$$

Where:
A = Total net assets or surplus funds available for distribution
B = Total number of ordinary shares in issue at the point in time
C = Total number of ICPS in issue at the point in time
X = Distribution entitlement per ICPS

Save that in the event that X is more than the issue price of the ICPS, then the distribution shall be equal to the higher of, the issue price of the ICPS and Y based on the following formula:

$$Y = \frac{A}{B+C}$$

The ICPS shall rank subordinated to all the Company's creditors in respect of payment of debt and payments out of assets of the Company upon liquidation, dissolution, or winding-up of the Company.

18. RESERVES

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Distributable:-					
Retained profits		66,415	11,832	7,646	7,235
Non-distributable:-					
Fair value reserve	(a)	33,824	33,498	33,824	33,498
Foreign exchange translation reserve	(b)	(2,651)	(1,277)	-	-
ESOS reserve	(c)	2,294	-	2,294	-
Capital reserve	(d)	29,918	29,918	-	-
		129,800	73,971	43,764	40,733

(a) Fair Value Reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of investment designated at fair value through other comprehensive income.

(b) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

18. RESERVES (CONT'D)

(c) Employees' Share Option Scheme Reserve

The Employees' Share Option Scheme reserve represents the equity-settled share options granted to eligible persons. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry, exercise or lapse of the share options.

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 8 June 2022. The ESOS will be in force for a period of 10 years effective from 15 June 2022.

The main features of the ESOS are as follows:-

(i) Eligible persons are employees and/or executive directors of the Group, excluding employees of dormant subsidiaries within the Group and non-executive directors, who have attained the age of at least eighteen years old.

(ii) The maximum number of new ordinary shares of the Company, which may be available under the scheme, shall not exceed in aggregate two percent (2%), or any such amount or percentage as may be permitted by the relevant authorities of the issued and paid-up share capital of the Company at any one time during the existence of the ESOS.

(iii) The option price shall be determined by the Board of Directors of the Company upon recommendation of the Option Committee which is at a discount of not more than ten percent (10%) on the five (5)-day weighted average market price of shares of the Company immediately preceding the offer date of the option.

(iv) The option may be exercised by the option holders by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new ordinary shares of the Company comprised in the ESOS.

(v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to the date of allotment and issuance of the new ordinary shares.

(vi) The aggregate allocation to the Executive Directors and Senior Management of the Group shall not exceed sixty percent (60%) of new shares of the Company available under the Scheme.

The option prices and the details in the movement of the options granted are as follows:-

		Number of Options over Ordinary Shares							
							← Cumulative At 31.12.2022 →		
Date of Offer	Exercise Price RM	At 1.1.2022 '000	Granted '000	Lapsed^ '000	Exercised '000	At 31.12.2022 '000	Granted '000	Lapsed '000	Exercised '000
20.06.2022 #	3.49	-	2,665	(130)	(119)	2,416	2,665	(130)	(119)
		-	2,665	(130)	(119)	2,416	2,665	(130)	(119)

Notes:

\# *These options are exercisable upon acceptance of the offer.*

^ *The options which lapsed during the financial year were due to resignation of employees.*

During the financial year, the Company granted 2,665,000 share options under the ESOS. These options were exercisable upon acceptance of the offer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

18. RESERVES (CONT'D)

(c) Employees' Share Option Scheme Reserve (Cont'd)

The fair values of the share options granted were estimated using the modified Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The fair values of the share options measured at grant date and the assumptions used are as follows:-

	Granted on 20.6.2022
Fair value of share options at the grant date (RM)	0.95
Weighted average ordinary share price (RM)	3.87
Exercise price of share option (RM)	3.49
Expected volatility (%)	49.20
Expected life from the grant date (years)	2
Risk free rate (%)	3.23
Expected dividend yield (%)	0.71

(d) Capital Reserve

The capital reserve arose from the issuance of new shares by a subsidiary to non-controlling interest at a premium. The issuance of new shares affected the ownership interest in the subsidiary without a change in control.

19. REDEEMABLE PREFERENCE SHARES ("RPS")

	The Group Liability component RM'000
At 1.1.2022	-
Issued during the financial year	24,000
At 31.12.2022	24,000

The liability component is analysed as below:-

	The Group	
	2022 RM'000	2021 RM'000
Non-current liabilities	24,000	-

On 30 September 2022, Dominant Malaysia issued a 5-year RPS at RM1.00 per RPS.

The salient features of the RPS are as follows:-

(a) The issue price of each of the RPS was RM1.00.

(b) The tenure of the RPS is five (5) years commencing from and inclusive of the date of issuance on 30 September 2022.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

19. REDEEMABLE PREFERENCE SHARES ("RPS") (CONT'D)

The salient features of the RPS are as follows (Cont'd):-

(c) The maturity date shall fall on the fifth (5th) anniversary of the Issue Date ("Initial Maturity Date") unless extended to such other date(s) as may be agreed in writing between Dominant Malaysia and all the RPS holders provided that such extension(s) shall not in any event be more than a period of 3 years from the Initial Maturity Date.

(d) The RPS shall be redeemed by Dominant Malaysia on the Maturity Date at RM1.00 for each RPS plus a sum equal to any arrears or accruals of the dividend payable calculated up to the date of redemption. On the Maturity Date, the holder of RPS shall deliver to Dominant Malaysia the original share certificate(s) (if any) in respect of his RPS which are to be redeemed on the date for cancellation.

(e) The RPSs carry a dividend of 4% per annum, payable yearly in arrears. The dividend rights are cumulative. No dividends shall be paid on the ordinary shares of Dominant Malaysia unless the dividends on the RPS have first been paid.

(f) The RPS holders shall not carry any right to vote at any general meeting except for capital reduction, variation of rights attached to the RPS and issuance of further shares ranking in priority to pari passu with the RPS.

(g) Save in respect of the RPS holders' rights to receive the cumulative preferential dividends, the RPS holders shall not be entitled to participate in the surplus profits (if any) remaining at such time after the payment of the cumulative preferential dividends.

20. LEASE LIABILITIES

	The Group	
	2022 RM'000	2021 RM'000
At 1 January	1,456	1,969
Additions	889	708
Transfer to hire purchase payables	(193)	-
Interest expense recognised in profit or loss (Note 31)	53	75
Repayment of principal	(1,018)	(1,109)
Repayment of interest expense	(53)	(75)
Termination of lease	-	(129)
Remeasurement	-	(5)
Translation difference	(11)	22
At 31 December	1,123	1,456
Analysed by:-		
Current liabilities	910	835
Non-current liabilities	213	621
	1,123	1,456

In previous financial year, certain lease liabilities of the Group are secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 8(a)(iii) to the financial statements, with lease terms of 5 years and bear effective interest rates ranging from 3.67% to 3.96%.

21. LONG-TERM BORROWINGS

	The Group	
	2022 RM'000	2021 RM'000
Term loans (Note 28)	135,000	61,039
Hire purchase payables (Note 27)	205	-
	135,205	61,039

22. (DEFERRED TAX ASSETS)/DEFERRED TAX LIABILITIES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deferred tax assets:-				
At 1 January/31 December	(265)	(265)	-	-
Deferred tax liabilities:-				
At 1 January	24,585	18,708	150	150
Recognised in profit or loss (Note 32)	3,523	5,877	-	-
At 31 December	28,108	24,585	150	150
	27,843	24,320	150	150

The deferred tax assets and deferred tax liabilities represent the tax effects of:-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unutilised reinvestment allowances	(27,829)	(3,985)	-	-
Provisions	(1,394)	(1,341)	-	-
Excess of depreciation over capital allowances	(265)	(265)	-	-
Accelerated capital allowances over depreciation	56,316	29,911	150	150
Temporary differences in receivables and payables	1,015	-	-	-
	27,843	24,320	150	150

23. TRADE PAYABLES

The normal trade credit terms granted range from 30 to 120 (2021 - 30 to 120) days.

Included in trade payables of the Group is an amount owing to related parties amounting to RM116,336,239 (2021 - RM113,779,376). The amount owing is unsecured, interest-free and subject to the normal trade credit terms. The amount owing is to be settled in cash.

The nature of the related party relationship and details of the transactions involved are disclosed in Note 37 to the financial statements.

24. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other payables	9,053	4,663	211	86
Accruals and provision	10,478	21,896	380	471
	19,531	26,559	591	557
Deposits received	10	10	-	-
	19,541	26,569	591	557

Included in provision are derivatives (liabilities)/assets as follows:-

	Contract/Notional Amount		The Group	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Forward currency contract				
- Chinese Renminbi ("RMB")	25,288	16,302	(310)	(58)
- Euro	20,846	-	(207)	-
- United States Dollar ("USD")	13,170	39,984	(266)	960
			(783)	902

The Group does not apply hedge accounting.

Forward currency contracts are used to hedge the Group's foreign currency receivables denominated in RMB, Euro and USD (2021 - RMB and USD) at the end of the reporting period. The settlement dates of outstanding forward currency contracts at the end of the reporting period range between 1 and 4 (2021 - 1 and 5) months.

25. AMOUNT OWING BY SUBSIDIARIES

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

26. SHORT-TERM BORROWINGS

		The Group	
	Note	2022 RM'000	2021 RM'000
Bankers' acceptances	(a)	140,681	55,987
Hire purchase payables (Note 27)		137	-
Term loans (Note 28)		65,182	43,272
Revolving credits	(b)	63,951	18,745
		269,951	118,004

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

26. SHORT-TERM BORROWINGS (CONT'D)

(a) The bankers' acceptances of the Group at the end of the reporting period bore effective interest rates ranging from 2.33% to 4.27% (2021 - 0.63% to 0.78%) per annum and are secured by a corporate guarantee of the Company.

(b) The revolving credits of the Group at the end of the reporting period bore effective interest rates ranging from 1.85% to 4.79% (2021 - 0.35% to 2.88%) per annum. The revolving credits are secured by a corporate guarantee of the Company.

27. HIRE PURCHASE PAYABLES

	The Group	
	2022 RM'000	2021 RM'000
Minimum hire purchase payments:		
- not later than 1 year	151	-
- later than 1 year and not later than 5 years	225	-
	376	-
Less: Future finance charges	(34)	-
Present value of hire purchase payables	342	-
Analysed by:-		
Current liabilities (Note 26)	137	-
Non-current liabilities (Note 21)	205	-
	342	-

The hire purchase payables bore effective interest rates ranging from 1.92% to 2.08% per annum. The interest rates are fixed at the inception of the hire purchase arrangements.

The hire purchase payables of RM264,510 are secured by a guarantee of a director of the Company.

28. TERM LOANS (SECURED)

	The Group	
	2022 RM'000	2021 RM'000
Current liabilities (Note 26)	65,182	43,272
Non-current liabilities (Note 21)	135,000	61,039
	200,182	104,311

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

The repayment terms of the term loans are as follows:-

	Effective Interest Rate As At 31 December		The Group	
	2022 %	2021 %	2022 RM'000	2021 RM'000
Term loan I, repayment in 60 monthly instalments effective from August 2022	4.71 #	-	39,140	-
Term loan II, repayment in 60 monthly instalments effective from March 2017	-	3.03 #	-	175
Term loan III, repayment in 120 monthly instalments effective from April 2022	3.83 #	-	12,375	-
Term loan IV, repayment in 36 monthly instalments	4.03 #	-	69,846	-
Term loan V, repayment in 60 monthly instalments effective from July 2020	4.13 #	3.02 #	11,351	16,126
Term loan VI, repayment in 36 monthly instalments effective from January 2020	-	1.34 #	-	10,412
Term loan VII, repayment in 36 monthly instalments effective from January 2021	5.22 #	1.37 #	11,853	22,491
Term loan VIII, repayment in full in May 2022	-	1.00 ^	-	28
Term loan IX, repayment in full in June 2025	1.00 ^	1.00 ^	223	210
Term loan X, repayment in 50 monthly instalments effective from February 2022	1.00 ^	1.00 ^	37	407
Term loan XI, repayment in 36 monthly instalments effective from March 2022	5.62 #	1.34 #	32,382	41,343
Term loan XII, repayment in 36 monthly instalments effective from April 2022	5.00 #	1.37 #	14,487	13,119
Term loan XIII, repayment in 60 monthly instalments	4.13 #	-	8,488	-
			200,182	104,311

Notes:

^ Fixed rate term loan

 # Floating rate term loan

Term loans I, IV, VI, VII, XI, XII and XIII are secured by a corporate guarantee of the Company and a fixed charge over plant and machinery which is included in the property, plant and equipment as disclosed in Note 7 to the financial statements.

Term loans II, III and V are secured by a corporate guarantee of the Company and a fixed charge over leasehold land and building which is included in the property, plant and equipment and right-of-use assets as disclosed in Note 7 and 8 respectively to the financial statements.

Term loans VIII, IX and X are disbursed under Paycheck Protection Program enacted under the Coronavirus Aid Relief and Economic Security Act, United States of America. The Coronavirus Aid Relief and Economic Security Act provides that all or a portion of these loans may be forgiven upon request by the Borrower to the Lender provided the loan proceeds are used in accordance with the term of the Coronavirus Aid Relief and Economic Security Act.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

The interest rate profile of the term loans are summarised below:-

	Effective Interest Rate As At 31 December 2022	The Group	
	%	2022 RM'000	2021 RM'000
Fixed rate term loans	1.00	260	645
Floating rate term loans	3.83 - 5.62	199,922	103,666
		200,182	104,311

29. REVENUE

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<u>Revenue from contracts with customers</u>				
Sale of goods	983,028	846,545	-	-
<u>Revenue from other sources</u>				
Facility service fees	-	-	980	742
	983,028	846,545	980	742

Revenue of the Group represents the invoiced value of the goods sold less returns and trade discounts. Revenue of the Company represents facility service fees.

30. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	2022 RM'000	2021 RM'000
Impairment losses:		
- trade receivables (Note 13)	497	357
- other receivables (Note 14)	1	3
Reversal of impairment losses:		
- trade receivables (Note 13)	(337)	(298)
	161	62

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

31. PROFIT BEFORE TAXATION

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- current year	446	356	62	57
- underprovision in the previous financial year	10	9	3	3
Directors' remuneration (Note 36):				
- Directors of the Company	1,569	2,509	899	2,232
- Directors of the subsidiaries	1,421	2,466	-	-
Amortisation of intangible assets	1,344	1,192	-	-
Bad debt written off	-	17	-	-
Depreciation of property, plant and equipment*	61,272	47,158	321	565
Depreciation of right-of-use assets	1,366	1,082	29	38
Interest expense:				
- bankers' acceptances	1,974	305	-	-
- hire purchase	14	-	-	-
- lease liabilities	53	75	-	-
- revolving credits	593	99	-	-
- term loans	4,254	1,343	-	-
Impairment loss on:				
- investments in subsidiaries	-	-	1,905	3,505
Inventories written down	-	54	-	-
Inventories written off	12,013	10,216	-	-
Gain on disposal of property, plant and equipment	(181)	(78)	(11,658)	-
Loss/(Gain) on foreign exchange:				
- realised	16,829	(1,467)	6	(52)
- unrealised	22,149	1,863	-	(1)
Net compensation to customers	1,747	1,125	-	-
Property, plant and equipment written off	86	436	-	-
Research and development expenses	28,531	23,197	-	-
Dividend income from:				
- investment in marketable securities: quoted and unquoted shares	(719)	(621)	(719)	(621)
- subsidiary	-	-	(7,722)	(7,704)
Government grant income	(380)	(338)	-	-
Interest income:				
- deposits with financial institutions	(4,170)	(669)	(3,466)	(472)
- others	(334)	(65)	-	-
Staff costs:				
- defined contribution plans	7,839	4,481	131	125
- employee benefits expenses	2,079	2,727	-	166
- salaries and other benefits	122,709	94,868	1,212	1,349
Lease income:				
- property, plant and equipment	-	-	(1,440)	(1,920)

Note:

* *Included in the depreciation of property, plant and equipment of the Group is an amount of RM6,823,607 (2021 - RM4,959,279) incurred for the research and development activities.*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

32. INCOME TAX EXPENSE

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Income tax:				
- Malaysian taxation	3,374	6,983	850	43
- Foreign taxation	2,053	4,632	-	-
(Over)/Underprovision in previous financial year:				
- Malaysian taxation	(2,330)	(3,232)	2	1
- Foreign taxation	(263)	-	-	-
	2,834	8,383	852	44
Deferred tax (Note 22):				
- for the financial year	3,523	6,456	-	-
- overprovision in previous financial year	-	(579)	-	-
	3,523	5,877	-	-
Withholding tax on dividend received	48	42	48	42
Real property gain tax	683	-	683	-
	7,088	14,302	1,583	86

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to the profit before taxation at the Malaysia statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before taxation	90,532	138,102	22,927	2,940
Tax at the statutory tax rate of 24%	21,728	33,144	5,502	706
Tax effects of:-				
Non-deductible expenses	11,828	3,812	135	488
Non-taxable income	(2,260)	(160)	(4,114)	(1,998)
Differential in tax rates of foreign subsidiaries	(19)	-	-	-
Deferred tax asset not recognised during the financial year (Note 32(a))	1,499	1,202	10	847
Reinvestment allowance	(23,143)	(19,927)	-	-
(Over)/Underprovision of income tax in the previous financial year	(2,593)	(3,232)	2	1
Under-recognition of deferred tax assets in the previous financial year	-	(579)	-	-
Withholding tax on dividend received	48	42	48	42
Income tax expense for the financial year	7,088	14,302	1,583	86

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

32. INCOME TAX EXPENSE (CONT'D)

(a) Deferred tax assets (stated at gross) not recognised during the financial year are in respect of the following items:-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deferred tax assets:-				
Unutilised tax losses	15,620	10,080	612	612
Unabsorbed capital allowances	14,989	14,298	1,724	1,871
Provision	37	247	2	133
	30,646	24,625	2,338	2,616
Deferred tax liability:-				
Accelerated capital allowances over depreciation	(3,562)	(3,789)	(791)	(1,112)
	27,084	20,836	1,547	1,504

(b) For the Malaysia entities, the unused tax losses and unabsorbed reinvestment allowances are allowed to be utilised for 10 (2021 - 10) consecutive years of assessment while unabsorbed capital allowances are allowed to be carried forward indefinitely.

At the end of the reporting period, the unused tax losses and unabsorbed capital allowances not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unused tax losses:				
- Expiring within 6 to 10 years	9,314	5,333	612	612
- Indefinite	6,306	4,747	-	-
	15,620	10,080	612	612
Unabsorbed capital allowances	14,989	14,298	1,724	1,871

33. EARNINGS PER SHARE

(a) Basic

	The Group	
	2022	2021
Profit after taxation (RM'000)	83,444	123,800
Non-controlling interests (RM'000)	(8,296)	(13,271)
Profit attributable to owners of the Company (RM'000)	75,148	110,529
Dividends on ICPS (RM'000)	(4,902)	(5,656)
Profit attributable to ordinary equity holders of the Company (RM'000)	70,246	104,873

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

33. EARNINGS PER SHARE (CONT'D)

(a) Basic (Cont'd)

	The Group	
	2022	2021
Weighted average number of ordinary shares in issue:-		
Issued ordinary shares at 1 January ('000)	1,237,142	1,153,943
Effect of new ordinary shares issued under ESOS during the financial year ('000)	40	28,871
Effect of new ordinary shares issued under Private Placement during the financial year ('000)	-	3,208
Weighted average number of ordinary shares at 31 December ('000)	1,237,182	1,186,022
Basic earnings per ordinary share (sen)	5.678	8.842

(b) Diluted

	The Group	
	2022	2021
Profit attributable to owners of the Company (RM'000)	75,148	110,529
Weighted average number of ordinary shares for the year ('000) (as above)	1,237,182	1,186,022
Weighted average number of shares deemed to have been issued under ESOS at no consideration ('000)	392	-
Weighted average number of shares deemed to have been issued under ICPS at no consideration ('000)	377,074	377,074
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,614,648	1,563,096
Diluted earnings per ordinary share (sen)	4.654	7.071

34. DIVIDEND

	The Company	
	2022 RM'000	2021 RM'000
Ordinary shares		
A first interim dividend of 0.78 sen (2021 - 0.75 sen) per ordinary share in respect of the current financial year	9,650	8,847
A second interim dividend of 0.52 sen (2021 - 0.75 sen) per ordinary share in respect of the current financial year	6,433	9,279
	16,083	18,126

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

34. DIVIDEND (CONT'D)

	The Company 2022 RM'000	The Company 2021 RM'000
ICPS		
A first interim dividend of 0.78 sen (2021 - 0.75 sen) per ICPS in respect of the current financial year	2,941	2,828
A second interim dividend of 0.52 sen (2021 - 0.75 sen) per ICPS in respect of the current financial year	1,961	2,828
	4,902	5,656
	20,985	23,782

35. CASH FLOW INFORMATION

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

	The Group 2022 RM'000	The Group 2021 RM'000
Cost of property, plant and equipment purchased (Note 7)	187,620	164,987

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

The Group	Term Loans RM'000	Revolving Credits RM'000	Bankers' Acceptances RM'000	Lease Liabilities RM'000	Hire Purchase Payables RM'000	Total RM'000
2022						
At 1 January	104,311	18,745	55,987	1,456	-	180,499
Transfer to hire purchase payables	-	-	-	(193)	193	-
<u>Changes in Financing Cash Flows</u>						
Proceeds from drawdown	140,451	136,469	561,882	889	300	839,991
Repayment of principal	(48,257)	(94,829)	(476,107)	(1,018)	(151)	(620,362)
Repayment of interests	(4,254)	(593)	(1,974)	(53)	(14)	(6,888)
<u>Non-cash Changes</u>						
Interest expense recognised in profit or loss	4,254	593	1,974	53	14	6,888
Waiver of interest	(2)	-	-	-	-	(2)
Forgiveness of loan	(380)	-	-	-	-	(380)
Unrealised foreign exchange loss/(gain)	4,059	3,566	(1,081)	(11)	-	6,533
At 31 December	200,182	63,951	140,681	1,123	342	406,279

35. CASH FLOW INFORMATION (CONT'D)

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

The Group	Term Loans RM'000	Revolving Credits RM'000	Bankers' Acceptances RM'000	Lease Liabilities RM'000	Hire Purchase Payables RM'000	Total RM'000
2021						
At 1 January	81,315	803	27,518	1,969	-	111,605
<u>Changes in Financing Cash Flows</u>						
Proceeds from drawdown	55,333	39,310	135,236	-	-	229,879
Repayment of principal	(32,765)	(21,523)	(107,576)	(1,109)	-	(162,973)
Repayment of interests	(1,343)	(99)	(305)	(75)	-	(1,822)
<u>Non-cash Changes</u>						
Interest expense recognised in profit or loss	1,343	99	305	75	-	1,822
Forgiveness of loan	(338)	-	-	-	-	(338)
Addition of lease	-	-	-	574	-	574
Unrealised foreign exchange loss	766	155	809	22	-	1,752
At 31 December	104,311	18,745	55,987	1,456	-	180,499

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

	The Group 2022 RM'000	The Group 2021 RM'000
Interest paid on lease liabilities	53	75
Payment on lease liabilities	1,018	1,109
	1,071	1,184

(d) The cash and cash equivalents comprise the following:-

	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Deposits with financial institutions (Note 15)	211,598	226,548	-	222,282
Cash and bank balances	42,280	58,286	1,162	15,682
	253,878	284,834	1,162	237,964
Less:-				
Deposits pledged to financial institutions	-	(50)	-	-
	253,878	284,784	1,162	237,964

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

36. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2022 RM'000	**2021** RM'000	**2022** RM'000	**2021** RM'000
(a) Directors of the Company				
Executive Directors:				
- basic salaries, bonus and other benefits	980	945	548	668
- share options	238	1,277	-	1,277
Non-executive Directors:				
- allowances	34	22	34	22
- fee	317	265	317	265
	1,569	2,509	899	2,232
(b) Directors of the subsidiaries (exclude the directors of the Company)				
Executive Directors:				
- basic salaries, bonus and other benefits	1,278	1,351	-	-
- share options	143	1,115	-	-
	1,421	2,466	-	-
(c) Other Key Management				
- basic salaries, bonus and other benefits	2,183	2,212	258	341
- share options	166	732	-	166
	2,349	2,944	258	507

37. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, joint venture, key management personnel and entities within the same group of companies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

37. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transaction and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with related parties during the financial year:-

	The Group		The Company	
	2022 RM'000	**2021** RM'000	**2022** RM'000	**2021** RM'000
Subsidiaries:				
- Facility service fees	-	-	980	742
- Rental income	-	-	1,440	1,920
- Payment on behalf	-	-	998	104
- Advances	-	-	26,600	9,740
Related parties:				
- Purchases	277,163	260,446	-	-
- Rental expense	229	229	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

38. OPERATING SEGMENTS

BUSINESS SEGMENTS

Information on business segments is not presented as the Group operates primarily in the semiconductor industry.

GEOGRAPHICAL SEGMENTS

Revenue is based on the country in which the customers are located.

Segment assets and capital expenditure are determined according to the country where these assets are located.

The following is an analysis of the Group's business by geographical segments:-

	Asia RM'000	Europe RM'000	United States Of America RM'000	Other Countries RM'000	Total RM'000
2022					
Revenue	709,356	195,346	58,120	20,206	983,028
Segment assets	1,522,561	74,167	2,146	-	1,598,874
Capital expenditure	197,926	19	4	-	197,949
2021					
Revenue	596,411	166,029	63,678	20,427	846,545
Segment assets	1,230,815	57,662	1,964	-	1,290,441
Capital expenditure	164,961	26	-	-	164,987

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

38. OPERATING SEGMENTS (CONT'D)

MAJOR CUSTOMERS

During the current financial year, there is no major customer with revenue equal to or more than 10% of the Group revenue.

39. CAPITAL COMMITMENTS

	The Group	
	2022 RM'000	2021 RM'000
Purchase of property, plant and equipment	70,843	91,059

40. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

40.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar, Euro, Korean Won, New Taiwan Dollar, Chinese Renminbi and Yen. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against the foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's net exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	United States Dollar RM'000	Euro RM'000	Korean Won RM'000	New Taiwan Dollar RM'000	Ringgit Malaysia RM'000	Chinese Renminbi RM'000	Yen RM'000	Others RM'000	Total RM'000
2022									
Financial Assets									
Other investments	-	-	-	39,929	-	-	-	-	39,929
Trade receivables	84,419	40,052	7,449	-	134	142,402	-	-	274,456
Other receivables	14	4,581	-	-	9	6	56	2	4,668
Deposits with financial institutions	211,598	-	-	-	-	-	-	-	211,598
Cash and bank balances	11,563	885	4,144	89	1,726	23,808	44	21	42,280
	307,594	45,518	11,593	40,018	1,869	166,216	100	23	572,931
Financial Liabilities									
Trade payables	196,629	4,731	-	-	36,053	653	4,625	105	242,796
Other payables and accruals	5,845	1,064	538	135	10,089	1,443	123	294	19,531
Term loans	167,968	-	-	-	32,214	-	-	-	200,182
Bankers' acceptances	22,910	4,099	-	-	22,000	91,672	-	-	140,681
Hire purchase payables	-	-	-	-	342	-	-	-	342
Revolving credits	8,780	19,441	-	-	7,000	28,730	-	-	63,951
	402,132	29,335	538	135	107,698	122,498	4,748	399	667,483

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM'000	Euro RM'000	Korean Won RM'000	New Taiwan Dollar RM'000	Ringgit Malaysia RM'000	Chinese Renminbi RM'000	Yen RM'000	Others RM'000	Total RM'000
2022									
Net financial (liabilities)/assets	(94,538)	16,183	11,055	39,883	(105,829)	43,718	(4,648)	(376)	(94,552)
Less: Net financial liabilities/ (assets) denominated in the entities' functional currencies	83	(35,473)	(11,047)	(557)	92,659	(153,359)	33	-	(107,661)
Less: Forward foreign currency contracts (contracted notional principal)	32,964	(20,846)	-	-	13,170	(25,288)	-	-	-
Currency Exposure	(61,491)	(40,136)	8	39,326	-	(134,929)	(4,615)	(376)	(202,213)
2021									
Financial Assets									
Other investments	-	-	-	39,603	-	-	-	-	39,603
Trade receivables	83,333	28,069	3,942	-	332	108,942	-	-	224,618
Other receivables	10	3,537	518	-	12	486	49	-	4,612
Deposits with financial institutions	-	-	4,216	-	222,332	-	-	-	226,548
Cash and bank balances	7,162	1,626	2,345	288	17,665	29,007	183	10	58,286
	90,505	33,232	11,021	39,891	240,341	138,435	232	10	553,667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM'000	Euro RM'000	Korean Won RM'000	New Taiwan Dollar RM'000	Ringgit Malaysia RM'000	Chinese Renminbi RM'000	Yen RM'000	Others RM'000	Total RM'000
2021									
Financial Liabilities									
Trade payables	205,900	1,272	-	-	29,385	-	8,078	118	244,753
Other payables and accruals	105	852	513	134	19,793	4,745	127	290	26,559
Term loans	88,010	-	-	-	16,301	-	-	-	104,311
Bankers' acceptances	55,987	-	-	-	-	-	-	-	55,987
Revolving credits	13,745	-	-	-	5,000	-	-	-	18,745
	363,747	2,124	513	134	70,479	4,745	8,205	408	450,355
Net financial (liabilities)/assets	(273,242)	31,108	10,508	39,757	169,862	133,690	(7,973)	(398)	103,312
Less: Net financial liabilities/ (assets) denominated in the entities' functional currencies	324	(26,688)	(10,508)	(146)	(209,846)	(133,475)	(99)	-	(380,438)
Less: Forward foreign currency contracts (contracted notional principal)	(23,682)	-	-	-	39,984	(16,302)	-	-	-
Currency Exposure	(296,600)	4,420	-	39,611	-	(16,087)	(8,072)	(398)	(277,126)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company	United States Dollar RM'000	New Taiwan Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
2022				
Financial Assets				
Other investments	-	39,929	-	39,929
Other receivables	-	-	2,160	2,160
Amount owing by subsidiaries	-	-	22,127	22,127
Cash and bank balances	560	-	602	1,162
	560	39,929	24,889	65,378
Financial Liability				
Other payables and accruals	-	-	591	591
Net financial assets	560	39,929	24,298	64,787
Less: Net financial liabilities denominated in the entity's functional currency	-	-	(24,298)	(24,298)
Currency Exposure	560	39,929	-	40,489
2021				
Financial Assets				
Other investments	-	39,603	-	39,603
Amount owing by subsidiaries	39	-	6,729	6,768
Deposits with financial institutions	-	-	222,282	222,282
Cash and bank balances	40	-	15,642	15,682
	79	39,603	244,653	284,335
Financial Liability				
Other payables and accruals	-	-	557	557
Net financial assets	79	39,603	244,096	283,778
Less: Net financial liabilities denominated in the entity's functional currency	-	-	(244,096)	(244,096)
Currency Exposure	79	39,603	-	39,682

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2022 RM'000	**2021** RM'000	**2022** RM'000	**2021** RM'000
Effects on Profit After Taxation				
United States Dollar/RM:				
- weakened by 5%	2,337	11,271	(21)	(3)
Euro/RM:				
- weakened by 5%	1,525	(168)	-	-
Chinese Renminbi/RM:				
- weakened by 5%	5,127	611	-	-
Others/RM:				
- weakened by 5%	189	322	-	-
Effects on Equity				
New Taiwan Dollar/RM:				
- weakened by 5%	(1,996)	(1,980)	(1,996)	(1,980)

A 5% (2021 - 5%) strengthening in the foreign currencies would have had an equal but opposite effect on the profit or loss after taxation and equity. This assumes that all other variables remain constant.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's deposits with financial institutions and certain borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither their carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Effects on Profit/(Loss) After Taxation				
Increase of 1%	(1,519)	(788)	-	-
Decrease of 1%	1,519	788	-	-

There is no impact on the Group's equity.

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices.

If prices for quoted investments at the end of the reporting period strengthened by 5% (2021 - 5%) with all other variables being held constant, the Group's equity would have increased by RM1,996,451 (2021 - RM1,980,147). A 5% (2021 - 5%) weakening in the quoted prices would have had an equal but opposite effect on the Group's equity.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the results of the subsidiary regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 2 customers which constituted approximately 29% (2021 - 30%) of its trade receivables at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile (Cont'd)

In addition, the Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties) at the end of the reporting period is as follows:-

	The Group	
	2022 RM'000	2021 RM'000
The People's Republic of China	186,496	147,705
Europe	46,563	34,964
United States of America	11,531	20,866
India	10,014	8,231
Korea	8,853	5,664
Japan	4,562	2,656
Malaysia	2,300	2,634
Singapore	2,150	99
Taiwan, Republic of China	1,984	1,688
Others	3	111
	274,456	224,618

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantee provided to its subsidiary of RM323,643,000 (2021 - RM142,718,000), representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred (Cont'd):

- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group considers any receivables having financial difficulty or in default with significant balances outstanding for more than a year are deemed credit impaired and assesses for their risk of loss individually.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the Gross Domestic Product (GDP), as the key macroeconomic factor of the forward-looking information.

Allowance for Impairment Losses

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
2022				
Current (not past due)	177,480	-	(413)	177,067
- 1 to 30 days past due	65,936	-	(60)	65,876
- 31 to 60 days past due	26,981	-	(21)	26,960
- 61 to 90 days past due	1,355	-	-	1,355
- more than 90 days past due	3,275	-	(77)	3,198
	275,027	-	(571)	274,456

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Allowance for Impairment Losses (Cont'd)

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
2021				
Current (not past due)	193,620	-	(305)	193,315
- 1 to 30 days past due	25,254	-	(26)	25,228
- 31 to 60 days past due	4,524	-	(8)	4,516
- 61 to 90 days past due	850	-	(3)	847
- more than 90 days past due	782	-	(70)	712
	225,030	-	(412)	224,618

The movements in the loss allowances in respect of trade receivables are disclosed in Note 13 to the financial statements.

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Deposits with Financial Institutions, Cash and Bank Balances

The Group considers banks have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

For loans and advances that are not repayable on demand, impairment loss is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Company	Gross Amount RM'000	12-month Loss Allowance RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2022				
Low credit risk	22,127	-	-	22,127
Significant increase in credit risk	-	-	-	-
Credit impaired	-	-	-	-
	22,127	-	-	22,127

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2022						
Non-derivative Financial Liabilities						
Trade payables	-	242,796	242,796	242,796	-	-
Other payables and accruals *	-	18,748	18,748	18,748	-	-
Lease liabilities	4.28	1,123	1,145	931	214	-
Hire purchase	3.76	342	376	151	225	-
Term loans	4.55	200,182	216,278	72,766	137,429	6,083
Bankers' acceptances	3.29	140,681	140,681	140,681	-	-
Revolving credits	2.94	63,951	63,951	63,951	-	-
Redeemable preference shares	4.00	24,000	24,000	-	24,000	-
Derivative Financial Liabilities						
Forward currency contracts:						
- gross payments	-	-	59,304	59,304	-	-
- gross receipts	-	-	(58,521)	(58,521)	-	-
- derivative liabilities	-	783	-	-	-	-
		692,606	708,758	540,807	161,868	6,083
2021						
Non-derivative Financial Liabilities						
Trade payables	-	244,753	244,753	244,753	-	-
Other payables and accruals ^	-	27,461	27,461	27,461	-	-
Lease liabilities	4.15	1,456	1,515	893	622	-
Term loans	1.61	104,311	106,807	45,256	61,551	-
Bankers' acceptances	0.73	55,987	55,987	55,987	-	-
Revolving credits	1.09	18,745	18,745	18,745	-	-

Notes:

* *Excluded the derivative liabilities.*

^ *Excluded the derivative assets.*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2021						
Derivative Financial Assets						
Forward currency contracts:						
- gross payments	-	-	56,286	56,286	-	-
- gross receipts	-	-	(57,188)	(57,188)	-	-
- derivative assets	-	(902)	-	-	-	-
		451,811	454,366	392,193	62,173	-

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2022						
Non-derivative Financial Liabilities						
Other payables and accruals	-	591	591	591	-	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	323,643	323,643	-	-
		591	324,234	324,234	-	-
2021						
Non-derivative Financial Liabilities						
Other payables and accruals	-	557	557	557	-	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	142,718	142,718	-	-
		557	143,275	143,275	-	-

40.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the Company and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2022 RM'000	**2021** RM'000
Bankers' acceptances (Note 26)	140,681	55,987
Revolving credits (Note 26)	63,951	18,745
Lease liabilities (Note 20)	1,123	1,456
Hire purchase payables (Note 27)	342	-
Term loans (Note 28)	200,182	104,311
	406,279	180,499
Less:-		
Cash and cash equivalents (Note 35(d))	(253,878)	(284,784)
Net debt	152,401	(104,285)
Total equity	877,778	813,977
Debt-to-equity ratio	0.17	N/A

40.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022 RM'000	**2021** RM'000	**2022** RM'000	**2021** RM'000
Financial Assets				
Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition				
Quoted investments	39,929	39,603	39,929	39,603
Amortised Cost				
Trade receivables	274,456	224,618	-	-
Other receivables	4,668	4,612	2,160	-
Deposits with financial institutions	211,598	226,548	-	222,282
Cash and bank balances	42,280	58,286	1,162	15,682
Amount owing by subsidiaries	-	-	22,127	6,768
	533,002	514,064	25,449	244,732

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2022 RM'000	**2021** RM'000	**2022** RM'000	**2021** RM'000
Financial Liability				
Amortised Cost				
Trade payables	242,796	244,753	-	-
Other payables and accruals	19,531	26,559	591	557
Term loans	200,182	104,311	-	-
Bankers' acceptances	140,681	55,987	-	-
Revolving credits	63,951	18,745	-	-
Hire purchase	342	-	-	-
	667,483	450,355	591	557

40.4 GAINS/(LOSSES) ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022 RM'000	**2021** RM'000	**2022** RM'000	**2021** RM'000
Financial Assets				
Equity Investments at Fair Value Through Other Comprehensive Income				
Net gains recognised in other comprehensive income	326	14,102	326	14,102
Amortised Cost				
Net gains recognised in profit or loss	4,343	672	3,466	472
Financial Liability				
Amortised Cost				
Net losses recognised in profit or loss	(6,835)	(1,747)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of the financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value				
	Level 1 RM'000	**Level 2** RM'000	**Level 3** RM'000	**Level 1** RM'000	**Level 2** RM'000	**Level 3** RM'000	**Total Fair Value** RM'000	**Carrying Amount** RM'000
The Group								
2022								
Financial Asset								
Other investments:								
- quoted shares	39,929	-	-	-	-	-	39,929	39,929
Financial Liabilities								
Term loans	-	-	-	-	200,182	-	200,182	200,182
Hire purchase payables	-	-	-	-	342	-	342	342
2021								
Financial Asset								
Other investments:								
- quoted shares	39,603	-	-	-	-	-	39,603	39,603
Financial Liability								
Term loans	-	-	-	-	104,311	-	104,311	104,311

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of the financial instruments that are carried at fair value and those not carried at the fair value at the end of the reporting period (Cont'd):-

The Company	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2022								
Financial Asset								
Other investment:								
- quoted shares	39,929	-	-	-	-	-	39,929	39,929
2021								
Financial Asset								
Other investments:								
- quoted shares	39,603	-	-	-	-	-	39,603	39,603

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.5 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

(i) The fair values above have been determined using the following basis:-

(aa) The fair value of quoted investments is determined at their quoted closing bid prices at the end of the reporting period.

(ii) There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair values of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(ii) The fair values of term loans and hire purchase payables are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2022	**2021**
	%	%
Term loans	1.00 - 5.62	1.00 - 3.03
Hire purchase payables	3.67 - 3.96	-

41. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of the foreign currency balances at the end of the reporting period are as follows:-

	The Group	
	2022	**2021**
	RM	RM
Chinese Renminbi	0.63	0.65
Euro	4.68	4.71
Japanese Yen 100	3.33	3.62
Korean Won 100	0.35	0.35
New Taiwan Dollar	0.14	0.15
Singapore Dollar	3.27	3.09
United States Dollar	4.39	4.17

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as follows:-

The Company has adopted the following multiple proposals which were approved by the shareholders on 8 June 2022:

(a) Establishment of an ESOS (or "Scheme") of up to 2% of the total number of issued shares of the Company at any point in time during the duration of the Scheme. The effective date for the implementation of the Scheme was 15 June 2022, being the date on which the Company fully complies with the requirements under Paragraph 6.43(1) of the Listing Requirements.

(b) Issuance and allotment of new ordinary shares in wholly-owned subsidiaries, namely Dominant Electronics and Dominant Technologies to Tay Kheng Chiong and Low Tek Beng.

The Subsidiaries, namely Dominant Electronics and Dominant Technologies had on 31 March 2022, entered into 2 conditional subscription agreements respectively for the issue and allotment of new ordinary shares to the following parties:

(i) Dominant Electronics

Tay Kheng Chiong and Low Tek Beng for the proposed issue and allotment of 583,691 new ordinary shares (representing 6.80% of the enlarged share capital) in Dominant Electronics at an issue price of RM0.38 per Dominant Electronics Share; and

(ii) Dominant Technologies

Tay Kheng Chiong and Low Tek Beng for the proposed issue and allotment of 841,092 new ordinary shares (representing 6.55% of the enlarged share capital) in Dominant Technologies at an issue price of RM0.38 per Dominant Technologies Share.

On 20 October 2022, the issuance and allotment of new ordinary shares in Dominant Electronics and Dominant Technologies were completed following the receipt of the subscription consideration.

ADDITIONAL INFORMATION

LIST OF PROPERTIES HELD
AS AT 31 DECEMBER 2022

No.	Name of Registered Owner/ Location	Description/ Existing Use	Land Area (Sq Ft)	Built-up Area (Sq Ft)	Approximate Age of Building	Year of Acquisition	Tenure	Audited Net Book Value as at 31 Dec 2022 RM'000
1	HS(D) 21091 PT4623 Mukim Bachang Daerah Melaka Tengah 75350 Melaka Postal Address Lot 6 8726 Batu Berendam FTZ Phase 3 Batu Berendam 75350 Melaka	One (1) block of double storey factory cum office premise and one (1) block four storey factory.	231,862	202,011	30 years	2000	Leasehold 90 years Expiring on 16.02.2091	3,324
2	HS(D) 62241 PT6560 (New Lot no.9422) Mukim Bachang Daerah Melaka Tengah 75350 Melaka Postal Address Lot 7 8730 Batu Berendam FTZ Phase 3 Batu Berendam 75350 Melaka	Three (3) adjoining blocks that consist of one block of three-storey factory, one block of two-storey factory cum office premise and one block of single-storey extension for lobby.	258,915	301,111	3 years	2016	Leasehold 75 years Expiring on 19.12.2091	40,724
3	HS(D) 27923 PT16948 Lot 5808 Mukim Bachang Daerah Melaka Tengah 75350 Melaka Postal Address No 8729, Kawasan Industri Batu Berendam, 75350, Hang Tuah Jaya, Melaka	5-storey hostel building and other ancillary buildings.	217,646	48,840	29 years	2022	Leasehold 71 years expiring on 30.12.2093	14,800

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

In accordance with Section 3.1.5 of Practice Note 12 and Para 10.09(2)(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a breakdown of the aggregate value of recurrent related party transactions conducted during the financial year ended 31 December 2022 pursuant to the Shareholders' Mandate is disclosed as follows:-

No.	Nature of Transactions	Companies within D&O Group	Related Parties	Relationship	Aggregated Amount RM('000)
1	Supply of chips or dies manufactured by Epistar	Dominant Malaysia	Epistar Corporation ("Epistar")	Note a	274,795

Note:-

a) Epistar subscribed 11,000,000 new ordinary shares in Dominant Malaysia on 9 November 2015 which is equivalent to 10% of Dominant Malaysia's total issued share capital.

STATISTICS ON SHAREHOLDINGS
AS AT 31 MARCH 2023

ANALYSIS OF SHAREHOLDINGS

ORDINARY SHARES
AS AT 31 MARCH 2023

Total Number of Issued Shares : RM466,624,336 divided into 1,237,730,554 ordinary shares; and

Class of Shares : Ordinary shares

Voting Rights : One vote per ordinary share held

DISTRIBUTION OF ORDINARY SHAREHOLDINGS AS AT 31 MARCH 2023

Size of Holdings	No. of Holders	% of Holders	Total Holdings	% of Holdings
Less than 100	222	2.268	7,716	0.000
100 to 1,000	3,588	36.653	2,298,226	0.186
1,001 to 10,000	4,457	45.531	17,485,861	1.413
10,001 to 100,000	1,126	11.503	34,427,610	2.781
100,001 to less than 5% of issued shares	393	4.015	755,471,269	61.037
5% and above of issued shares	3	0.030	428,039,872	34.583
Total	9,789	100.000	1,237,730,554	100.000

THIRTY LARGEST ORDINARY SHAREHOLDERS AS AT 31 MARCH 2023

No.	Name of Securities Account Holder	No. of shares held	%
1	PRT Capital Pte Ltd	161,785,200	13.071
2	Citigroup Nominees (Asing) Sdn Bhd UBS AG Singapore for Keen Capital Investments Limited	153,470,932	12.399
3	Omega Riang Sdn Bhd	112,783,740	9.112
4	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Mohammed Azlan Bin Hashim (PB)	40,000,000	3.232
5	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohammed Azlan Bin Hashim	38,784,302	3.133
6	Camasia Limited	31,605,466	2.554
7	Kumpulan Wang Persaraan (Diperbadankan)	29,310,800	2.368
8	Lim Thiam Cheok	29,167,440	2.357
9	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Value Fund	29,105,800	2.352
10	Tay Kheng Chiong	24,260,352	1.960
11	Kema Development Sdn Bhd	21,994,581	1.777
12	Lembaga Tabung Haji	20,109,600	1.625

STATISTICS ON SHAREHOLDINGS
AS AT 31 MARCH 2023 (CONT'D)

THIRTY LARGEST ORDINARY SHAREHOLDERS AS AT 31 MARCH 2023 (CONT'D)

No.	Name of Securities Account Holder	No. of shares held	%
13	Nonadiah binti Abdullah	17,154,113	1.386
14	Low Tek Beng	15,517,633	1.254
15	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	13,108,900	1.059
16	Amanahraya Trustees Berhad Public Islamic Opportunities Fund	12,524,600	1.012
17	Lim Thian Soo	11,925,999	0.963
18	Geo-Mobile Asia Sdn Bhd	11,900,000	0.961
19	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Balanced Fund	11,870,200	0.959
20	Amanahraya Trustees Berhad Public Islamic Dividend Fund	10,859,800	0.877
21	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	10,222,000	0.826
22	RCI Ventures Sdn Bhd	10,182,666	0.823
23	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd	9,932,400	0.802
24	Amanahraya Trustees Berhad Public Smallcap Fund	9,900,100	0.800
25	Cartaban Nominees (Tempatan) Sdn Bhd PBTB for Takafulink Dana Ekuiti	9,768,300	0.789
26	Chu Beng Han	9,635,000	0.778
27	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	9,433,300	0.762
28	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 19)	7,867,985	0.636
29	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	6,872,800	0.555
30	Cheam Dau Peng	6,384,576	0.516
	Total	887,438,585	71.698

STATISTICS ON SHAREHOLDINGS
AS AT 31 MARCH 2023 (CONT'D)

SUBSTANTIAL ORDINARY SHAREHOLDERS AS AT 31 MARCH 2023

		Direct Interest		Deemed Interest	
No	Name of Substantial Shareholder	Shares	%	Shares	%
1	PRT Capital Pte Ltd	161,785,200	13.071	0	0.000
2	Keen Capital Investments Limited	153,470,932	12.399	0	0.000
3	Omega Riang Sdn Bhd	112,783,740	9.112	0	0.000
4	Goh Nan Kioh	0	0.000	375,611,530 [a]	30.347
5	Tan Sri Mohammed Azlan bin Hashim	78,784,302	6.365	22,354,113 [b]	1.806
6	Puan Sri Nonadiah binti Abdullah	22,354,113	1.806	78,784,302 [c]	6.365
7	Lim Yam Chiew	2,927,468	0.237	112,783,740 [d]	9.112

DIRECTORS' INTEREST IN ORDINARY SHARES AS AT 31 MARCH 2023

		Direct Interest		Deemed Interest	
No	Name of Director	Shares	%	Shares	%
1	Tan Sri Mohammed Azlan bin Hashim	78,784,302	6.365	22,354,113 [b]	1.806
2	Tay Kheng Chiong	24,260,352	1.960	0	0.000
3	Yeow See Yuen	3,931,399	0.318	0	0.000
4	Jesper Bjoern Madsen	470,000	0.038	0	0.000
5	Jennifer Chong Gaik Lan	35,300	0.003	46,000 [e]	0.004
6	Goh Chin San	0	0.000	0	0.000
7	Goh Ching Loong	0	0.000	0	0.000
8	Au Siew Loon	13,333	0.001	0	0.000

NOTES:-

a) Deemed interest by virtue of his shareholdings held through Keen Capital Investments Limited, PRT Capital Pte Ltd, Geo-Mobile Asia Sdn Bhd, Lanai Etika Sdn Bhd, Rubber Thread Industries (M) Sdn Bhd, Mega First Housing Development Sdn Bhd, RCI Ventures Sdn Bhd and Camasia Limited.

b) Deemed interest by virtue of his shareholdings held through his spouse, Puan Sri Nonadiah binti Abdullah.

c) Deemed interest by virtue of her shareholdings held through her spouse, Tan Sri Mohammed Azlan bin Hashim.

d) Deemed interest by virtue of her shareholdings held through Omega Riang Sdn Bhd.

e) Deemed interest by virtue of her shareholdings held through her spouse and children.

STATISTICS ON SHAREHOLDINGS
AS AT 31 MARCH 2023 (CONT'D)

DIRECTORS' INTEREST IN ORDINARY SHARES AS AT 31 MARCH 2023 (CONT'D)

Save as disclosed below, there are no other relationship or associations amongst the other substantial shareholders and Directors:-

i) Goh Nan Kioh is the spouse of Lim Yam Chiew;

ii) Puan Sri Nonadiah binti Abdullah is the spouse of Tan Sri Mohammed Azlan bin Hashim;

iii) Goh Chin San and Goh Chin Loong are sons of Goh Nan Kioh and Lim Yam Chiew; and

iv) Goh Chin San and Goh Chin Loong are siblings.

IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES AS AT 31 MARCH 2023

Class of Shares : Irredeemable Convertible Preference Shares ("ICPS")

Listing status : Unquoted on the Main Market of Bursa Securities

Voting Rights : The ICPS holders shall carry no right to vote at any general meeting of the Company except for the following circumstances:-

(a) when the dividend or part of the dividend on the ICPS is in arrears for more than 6 months;

(b) on a proposal to reduce the Company's share capital;

(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;

(d) on a proposal that affects rights attached to the ICPS;

(e) on a proposal to wind up the Company; and

(f) during the winding-up of the Company.

Number of ICPS : 377,073,768 ICPS

Size of Holdings	No. of Holders	Total Holdings	%
Less than 100	0	0	0.000
100 to 1,000	0	0	0.000
1,001 to 10,000	0	0	0.000
10,001 to 100,000	0	0	0.000
100,001 to less than 5% of issued shares	0	0	0.000
5% and above of issued shares	3	377,073,768	100.000
Total	3	377,073,768	100.000

STATISTICS ON SHAREHOLDINGS
AS AT 31 MARCH 2023 (CONT'D)

LIST OF ICPS SHAREHOLDERS AS AT 31 MARCH 2023

No.	Name of Securities Account Holder	No. of shares held	%
1	Golden Horizon Resources Limited	176,065,573	46.693
2	Thames Electronics Sdn Bhd	112,975,409	29.961
3	Camasia Limited	88,032,786	23.346
	Total	377,073,768	100.000

DIRECTORS' INTEREST IN ICPS AS AT 31 MARCH 2023

		Direct Interest		Deemed Interest	
No	Name of Director	Shares	%	Shares	%
1	Tan Sri Mohammed Azlan bin Hashim	0	0.000	0	0.000
2	Tay Kheng Chiong	0	0.000	0	0.000
3	Yeow See Yuen	0	0.000	0	0.000
4	Jesper Bjoern Madsen	0	0.000	0	0.000
5	Jennifer Chong Gaik Lan	0	0.000	0	0.000
6	Goh Chin San	0	0.000	0	0.000
7	Goh Chin Loong	0	0.000	0	0.000
8	Au Siew Loon	0	0.000	0	0.000

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting ("19th AGM") of D & O Green Technologies Berhad ("D&O" or "the Company") will be held virtually through live streaming from the broadcast venue at Conference Room, A-12-01, Level 12, Block A, PJ8, 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan on Monday, 29 May 2023 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and consider the Directors' Report and Audited Financial Statements for the year ended 31 December 2022. (Please refer to Note 1 below)
2. To re-elect Tan Sri Mohammed Azlan bin Hashim, a director who retires by rotation pursuant to Article 120 of the Constitution of the Company and being eligible, offers himself for re-election. (Ordinary Resolution 1)
3. To re-elect Mr. Jesper Bjoern Madsen, a director who retires by rotation pursuant to Article 120 of the Constitution of the Company and being eligible, offers himself for re-election. (Ordinary Resolution 2)
4. To re-elect Mr. Goh Chin Loong, a director who retires by rotation pursuant to Article 125 of the Constitution of the Company and being eligible, offers himself for re-election. (Ordinary Resolution 3)
5. To re-elect Mr. Au Siew Loon, a director who retires by rotation pursuant to Article 125 of the Constitution of the Company and being eligible, offers himself for re-election. (Ordinary Resolution 4)
6. To approve the payment of Non-Executive Directors' fees in respect of the financial year ending 31 December 2023 and Non-Executive Directors' benefits from 19th AGM to the Twentieth Annual General Meeting ("20th AGM") as follow:

Non-Executive Director	Fees	Benefits	
- Tan Sri Mohammed Azlan bin Hashim	57,500	5,000	(Ordinary Resolution 5)
- Goh Chin San	39,218	5,000	(Ordinary Resolution 6)
- Jesper Bjoern Madsen	53,791	10,000	(Ordinary Resolution 7)
- Yeow See Yuen	44,082	5,000	(Ordinary Resolution 8)
- Jennifer Chong Gaik Lan	48,300	10,000	(Ordinary Resolution 9)
- Goh Chin Loong	47,747	10,000	(Ordinary Resolution 10)
- Au Siew Loon	51,849	10,000	(Ordinary Resolution 11)
- Wong Meng Tak	12,450	-	(Ordinary Resolution 12)

"**AND THAT** the Directors of the Company be authorised to do all such acts and things (including executing all such documents as may be required and define the payment terms), as they may consider expedient or necessary in the payment of Non-Executive Directors' fees."

7. To re-appoint Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration. (Ordinary Resolution 13)

8. Special Business

By way of Special Business, to consider and if thought fit, to pass the following resolutions, with or without modification:-

8.1 **Authority to issue shares pursuant to Section 75 and 76 of the Companies Act 2016** (Ordinary Resolution 14)

"**THAT**, subject always to the Companies Act 2016 ("the Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered and authorised, pursuant to Section 75 and 76 of the Act, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person/persons or party/parties whomsoever the Directors may deem fit provided that the aggregate nominal value of shares to be issued during the preceding 12 months does not exceed ten (10) percent of the total number of shares in issue (excluding treasury shares) at the point of issuance of shares and that such authority shall continue in force until the conclusion of the next annual general meeting.

AND THAT pursuant to Section 85 of the Companies Act 2016 read together with Article 16 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Section 75 and 76 of the Act."

8.2 **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** (Ordinary Resolution 15)

"**THAT** approval and authority be and are hereby given to the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 4 of the Circular to Shareholders dated 28 April 2023 ("Circular") provided that such transactions are undertaken in the ordinary course of business, at arm's length and based on commercial terms and on terms which are not, in the Company's opinion, detrimental to the minority shareholders,

AND THAT such approval shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following this AGM at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act);or

(iii) revoked or varied by resolution passed by shareholders in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 19th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 75 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 22 May 2023. Only a depositor whose name appears on the Record of Depositors as at 22 May 2023 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board
TAN PEI CHOO
(MAICSA 7023284)
SSM PC NO: 202008001020
Company Secretary

Kuala Lumpur
28 April 2023

NOTES:-

1) Item 1 of the Agenda is meant for discussion only as provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2) **IMPORTANT NOTICE**

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend the 19th AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, post questions to the Board via real time submission of typed texts and vote (collectively, "participate") remotely at the 19th AGM via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at **https://tiih.online**. **Please follow the Procedures for RPV in the Administrative Guide for the 19th AGM and take note of Notes (3) to (15) below in order to participate remotely via RPV.**

3) For the purpose of determining who shall be entitled to participate in the 19th AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 22 May 2023**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in the 19th AGM via RPV.

4) A member who is entitled to participate in the 19th AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

5) A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint one (1) or more proxies to participate instead of the member at the 19th AGM via RPV.

6) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding(s) to be represented by each proxy.

7) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint more than one (1) proxy in respect of each security account it holds in ordinary shares of the Company standing to the credit of the said securities account.

8) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

9) A member who has appointed a proxy or attorney or authorised representative to attend, participate, post questions and vote at this 19th AGM via RPV must request his/her proxy to register himself/herself for RPV via **TIIH Online** website at **https://tiih.online**. **Please follow the Procedures for RPV in the Administrative Guide for the 19th AGM.**

10) The appointment of a proxy may be made in a hard copy form and must be deposited at the Registered Office of the Company at No. 15, Bukit Ledang, Off Jalan Duta, 50480 Kuala Lumpur or by electronic means can be electronically lodged via **TIIH Online** website at **https://tiih.online**. Kindly refer to the Administrative Guide for further information on electronic lodgement of proxy form. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 19th AGM or adjourned general meeting at which the person named in the appointment proposes to vote.

11) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

12) Last date and time for lodging the proxy form is **Saturday, 27 May 2023 at 10.00 a.m**.

13) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company at No. 15, Bukit Ledang, Off Jalan Duta, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the 19th AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

14) For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment at the Registered Office of the Company at No. 15, Bukit Ledang, Off Jalan Duta, 50480 Kuala Lumpur. The certificate of appointment should be executed in the following manner:

    (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

    (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

        (a) at least two (2) authorised officers, of whom one shall be a director; or

        (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

15) Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in this Notice will be put to vote by way of poll.

Abstention from Voting

16) All those Directors of the Company who are shareholders of the Company will abstain from voting on the respective resolutions under Ordinary Resolutions 5, 6, 7, 8, 9, 10, 11 and 12, as applicable, in respect of their direct and/or indirect shareholdings in D&O.

17) Any Director referred in Ordinary Resolution 1, 2, 3 and 4 who is a shareholder of the Company will abstain from voting on the resolution in respect of his re-election at the 19th AGM.

Explanatory Notes

(a) Re-election of Directors

Based on the recommendation of the Nomination Committee according to *Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director and Fit and Proper Policy*, the Board is satisfied with the performance and contributions of the following Directors and supports the re-election based on the following justifications:

(1) Ordinary Resolution 1 - Re-election of Tan Sri Mohammed Azlan bin Hashim as Non-Independent Non-Executive Chairman

Tan Sri Mohammed Azlan bin Hashim has offered himself for re-election as director and had abstained from the deliberation and decision on his eligibility for re-election in the Board.

Tan Sri Mohammed Azlan had demonstrated an exemplary leadership and value creation of the Group. During his tenure as Non-Independent Non-Executive Chairman, he led and facilitated Board discussions, provide guidance and mentorship to other Board members, and ensured the Board operated effectively, that the Group's objectives are aligned with shareholder interests, and that the Board fulfills its fiduciary duties to shareholders.

Tan Sri Mohammed Azlan play an essential role in the Group's governance structure, and his presence is important for providing leadership, guidance, and oversight to the Board and ensuring that the Group operates in the best interests of its stakeholders.

(2) Ordinary Resolution 2 - Re-election of Jesper Bjoern Madsen as Independent Non-Executive Director

Mr. Jesper Bjoern Madsen has offered himself for re-election as director and had abstained from the deliberation and decision on his eligibility for re-election in the Board.

Mr. Madsen has met the independence guidelines as set out in the Listing Requirements and has familiarised himself with the business and provide the element of objectivity to the Board. He has acted and carried out his fiduciary duties in the interest of the Company during the year.

(3) Ordinary Resolutions 3 and 4 - Re-election of the following directors:

(i) Mr. Goh Chin Loong (Non-Independent Non-Executive Director); and

(ii) Mr. Au Siew Loon (Independent Non-Executive Director)

The abovementioned Directors were appointed by the Board since the last AGM and shall hold office until the conclusion of 19th AGM of the Company and shall be eligible for re-election. All of them have consented to be re-elected as Directors of the Company. They have attended and successfully completed the Mandatory Accreditation Programme as required by the Listing Requirements.

Their profiles are set out on page 25 to 29 of the Integrated Report 2022.

Explanatory Notes (Cont'd)

(b) Authority to issue shares pursuant to Section 75 and 76 of the Companies Act 2016

Ordinary Resolution 14, if passed, will give authority to the Directors of the Company, from the date of the 19th AGM, to issue and allot ordinary shares in the Company up to and not exceeding in total ten percent (10%) of the issued share capital of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

The renewed mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment, working capital and/or acquisitions.

(c) Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 15, if passed, will provide a new mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are set out in Section 4 of the Circular to Shareholders of the Company dated 28 April 2023 that is circulated together with the Company's Notice of the 19th AGM. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

There is no person seeking election as Director of the Company at the 19th AGM.

Details of the general mandate to issue securities in the Company pursuant to Section 75 and 76 of the Companies Act 2016 are set out in Explanatory Note (b) of the Notice of the 19th AGM.

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D&O Greentech

D & O GREEN TECHNOLOGIES BERHAD
Registration No: 200401006867 (645371-V)
(Incorporated in Malaysia)

PROXY FORM

(To be completed in capital letters)

No. of Shares held:	CDS Account No.

* I/We ____

I/C or Company No ______________________ of ______________________

____

being a Member/Members of **D & O Green Technologies Berhad** hereby appoint:

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of shareholdings	
		No. of D&O Shares	%
Address			

And/Or

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of shareholdings	
		No. of D&O Shares	%
Address			

And/Or #THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Nineteenth Annual General Meeting of the Company to be conducted entirely through live streaming from broadcast venue at Conference Room, A-12-01, Level 12, Block A, PJ8, 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan on Monday, 29 May 2023 at 10.00 a.m. or at any adjournment thereof, in the manner indicated below:

Ordinary Resolution		For	Against	Abstain
1	Re-election of Tan Sri Mohammed Azlan bin Hashim as Director			
2	Re-election of Mr. Jesper Bjoern Madsen as Director			
3	Re-election of Mr. Goh Chin Loong as Director			
4	Re-election of Mr. Au Siew Loon as Director			
5	Approval of Non-Executive Director's fees and benefits for Tan Sri Mohammed Azlan bin Hashim			
6	Approval of Non-Executive Director's fees and benefits for Mr. Goh Chin San			
7	Approval of Non-Executive Director's fees and benefits for Mr. Jesper Bjoern Madsen			
8	Approval of Non-Executive Director's fees and benefits for Mr. Yeow See Yuen			
9	Approval of Non-Executive Director's fees and benefits for Madam Jennifer Chong Gaik Lan			
10	Approval of Non-Executive Director's fees and benefits for Mr. Goh Chin Loong			
11	Approval of Non-Executive Director's fees and benefits for Mr. Au Siew Loon			
12	Approval of Non-Executive Director's fees for Mr. Wong Meng Tak			
13	Re-appointment of Auditors			
14	Authority to Issue Shares			
15	Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature			

Please indicate with an "X" how you wish your vote to be cast. In the absence of specific directions, your Proxy may vote or abstain at his/her discretion.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:-	
Proxy 1	%
Proxy 2	%
Total	100%

____
Signature/Common Seal of Member(s)

Date: ______________________

Tel. No. ______________________

\# *If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting" and insert the name(s) of the person(s) desired.*

* *Delete if not applicable.*

NOTES:

1) *For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 22 May 2023. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.*
2) *A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.*
3) *A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint one (1) or more proxies to participate instead of the member at this AGM via RPV.*
4) *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding(s) to be represented by each proxy.*
5) *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint more than one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7) *The appointment of a proxy may be made in a hard copy form and must be deposited at the Registered Office of the Company at No. 15, Bukit Ledang, Off Jalan Duta, 50480 Kuala Lumpur or by electronic means can be electronically lodged via TIIH Online website at* ***https://tiih.online****. Kindly refer to the Administrative Guide for further information on electronic lodgement of proxy form. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.*

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Postage Stamp

D&O Greentech

The Secretary
D & O GREEN TECHNOLOGIES BERHAD
Registration No: 200401006867 (645371-V)
No.15 Bukit Ledang
Off Jalan Duta
50480 Kuala Lumpur

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D & O GREEN TECHNOLOGIES BERHAD
Registration No: 200401006867 (645371-V)

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