

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Dayang Enterprise Holdings Bhd recognizes corporate governance as being essential for the long term sustainability of the Group’s businesses and performance. The Board believes that a sound and effective corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and its ability to enhance long-term shareholders’ value, increase in investors’ confidence and protect stakeholders’ interests.

This Corporate Governance Overview Statement (“CG Overview Statement”) is prepared pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and takes guidance from the key Corporate Governance (“CG”) principles as set out in the Malaysian Code of Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia.

This CG Overview Statement provides an overview of the corporate governance practices of the Group for the financial year ended 31 December 2022. It is to be read in conjunction with the Corporate Governance Report (“CG Report”) which is available on the corporate website at www.desb.net. The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the financial year 2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

The Board recognizes that its primary role is to protect and promote the interests of its shareholders, with the overriding objective of enhancing the long-term value of the Group. Thus, the Board remains focused on the Group’s overall governance by ensuring the implementation of strategic plans and that accountability to the Group and stakeholders is monitored effectively.

The Board plays an active role in reviewing and adopting the strategic business plans of the Group, ensuring that the strategies proposed by the Management are discussed at length, supervising management, reviewing performance and determining business risks parameters.

The Board practices a clear division of responsibilities between the Chairman, Managing Director, Executive Directors and Independent Non-Executive Directors. The position of the Chairman and the Managing Director are held by two different individuals in line with the CG Code’s recommendation.

The Chairman is primarily responsible for the orderly conduct of the Board meetings and to ensure the effectiveness of the Board.

The Managing Director and the Executive Directors are responsible for the day to day operations of the Group whereby operational issues and problems are discussed and matters relating to the Group are reviewed and operational strategies are formulated. Independent Directors are involved in various committees and contribute in areas such as performance monitoring and providing independent view for enhancement of corporate governance and controls.

The role of the Senior Management is to manage the Company in accordance with the direction of and delegation by the Board. The Board plays the strategic role in overseeing that the Senior Management carries out the delegated duties to achieve the Group’s corporate objectives with long term strategic plans of the business.

In order to ensure the orderly and effective discharge of its functions and responsibilities, the Board has established six (6) Board Committees, namely:

- i) Audit Committee (AC);
- ii) Joint Remuneration & Nomination Committee (JRNC);
- iii) Risk Management Committee (RMC);
- iv) Corporate Social Responsibility Committee (CSRC);
- v) Anti-Bribery & Corruption Compliance Committee (ABCC) and
- vi) Corporate Sustainability Committee (CSC)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1. BOARD RESPONSIBILITIES (CONT'D)

Each committee has been given clear terms of reference that have been approved by the Board. Issues were deliberated by the respective committees before putting up for recommendation to the Board. The Chairman of the respective Board Committee will provide highlights to the Board of the respective Board Committees meeting at the quarterly Board meetings so as to keep the Board abreast of the decision and deliberation made by each Board Committee. The Board retains full responsibility for approval of these recommendations.

Qualified and Competent Company Secretary

The Board has full access to the Company Secretary who provides advisory services particularly on matters relating to the constitution of the Company, facilitating compliance with the listing requirements and the relevant legislation.

The Company Secretary provides support in the execution of corporate proposals. In addition to their statutory duties, the Company Secretary also facilitates communication between the Board and Management. In accordance with the Board's procedures, deliberations and conclusions in Board meetings are recorded by the Company Secretary, who ensure that accurate and proper records of the proceedings of the Board meetings and resolutions passed are recorded and kept in the minutes book at the registered office of the Company.

Access to Information and Advice

All Directors have direct access to the advice and services of the Company Secretary on compliance issues and ensure that the Company's policies and procedures are followed. The Directors are also empowered to seek independent professional advice at the expense of the Company, should they consider necessary in their course of duties.

The Board meets on a quarterly basis and additionally as and when required. The annual meeting calendar is prepared and circulated to the Directors in advance of each year. The calendar provides Directors with tentative dates for Board meetings, Annual General Meeting as well as the closed periods for dealings in securities by Directors according to targeted dates of the Group's quarterly results announcements.

Prior to Board Meetings, all Directors are provided with an agenda together with appropriate board papers containing information on major financial, operational and corporate matters of the Group, normally five (5) days prior to the Board meetings to enable the directors sufficient time to review the papers in preparation for the meeting and to obtain further explanations, where necessary and also to give the directors time to deliberate on the issues to be raised at the meeting.

All matters discussed and resolutions passed at each Board meeting are recorded in the minutes of the Board meeting. These minutes are circulated to all Directors for their perusal and confirmation and any Director can request for further clarification on the minutes prior to their confirmation.

Board Charter

The Board has adopted a Board Charter which outlines the roles, composition and responsibilities of the Board. The Board conducts regular review of the Charter when necessary to ensure the continuous relevance of the Charter in line with changes in the expectations of the investors and stakeholders of the Company in general and the guidelines issued by the regulatory authorities from time to time. The Board Charter is published on the Company's website at www.desb.net.

Code of Ethics and Conduct

The Code of Ethics which forms part of the Board Charter, sets out the broad standards of conduct and basic principles to guide the Board in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**1. BOARD RESPONSIBILITIES (CONT'D)****Code of Ethics and Conduct (cont'd)**

The Ethics Conduct provides commitment to ethical values through key requirements relating to conflict of interest, confidential information, insider information, protection of the Group's assets and compliance with law and regulations.

The Group has in place a Code of Ethics for its employees which encompasses all aspects of its day to day business operations. Directors and employees of the Group are expected to observe high standards of integrity and ensure compliance with applicable laws, rules and regulations to which the Group is bound to observe in the performance of its duties.

Anti-Bribery & Corruption Policies and Procedures

Arising from the implementation of Section 17A of the Malaysian Anti-Corruption Commission Amendment Act 2018, the Group adopted Anti-Bribery & Corruption Policies and Procedures on 28 May 2020. This Policy is intended to help the Group and persons associated with the Group to understand the implications pertaining to offenses committed by commercial organisations and persons associated therewith, and to provide guidance on how to implement adequate procedures as a defence against the risks of corruption prosecution and potential hefty fines. The Anti-Bribery & Corruption Policies and Procedures are published on the Company's website at www.desb.net.

The Anti-Bribery & Corruption Compliance Committee was established on 22 February 2022 to provide independent oversight to anti-bribery & corruption compliance.

Whistle Blowing Policy

The Company has adopted a Whistle Blowing Policy to encourage employees and members of the public to bring to the attention of the Board any improper conduct committed or about to be committed within the Group. The Group is committed to absolute confidentiality and fairness in relation to all matters raised and will support and protect those who report violations in good faith without the risk of reprisal.

Details of the Policy are available on the Company's website at www.desb.net.

Fit and Proper Policy

The Board established the Directors' Fit and Proper Policy (FPP) on 30 June 2022, to ensure that any person to be appointed or elected/ re-elected as a Director of Bursa Malaysia Group shall possess the character, experience, integrity, competence and time commitment to effectively discharge his/her roles and responsibilities in the best interest of the Company and its stakeholders.

Details of the Policy are available on the Company's website at www.desb.net.

Strategies Promoting Sustainability

The Board views the commitment to sustainability, environmental, social and governance performance as part of its broader responsibility to clients, shareholders, employees and communities in which it operates. The Group's approach to sustainability for the financial year under review is set out in the Sustainability Report on pages 32 to 57 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

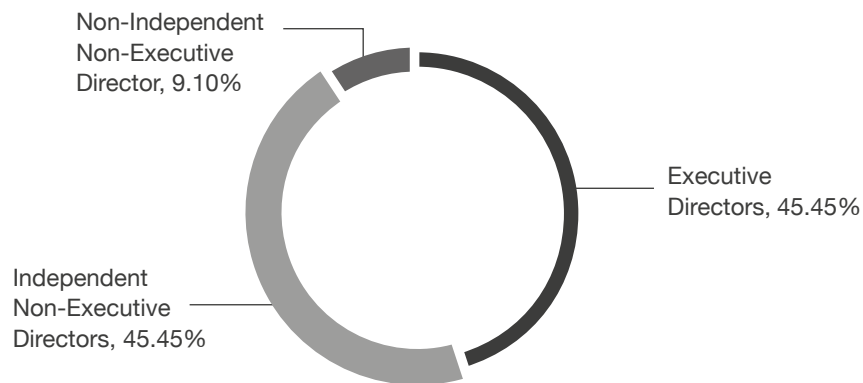
PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION

Board Balance

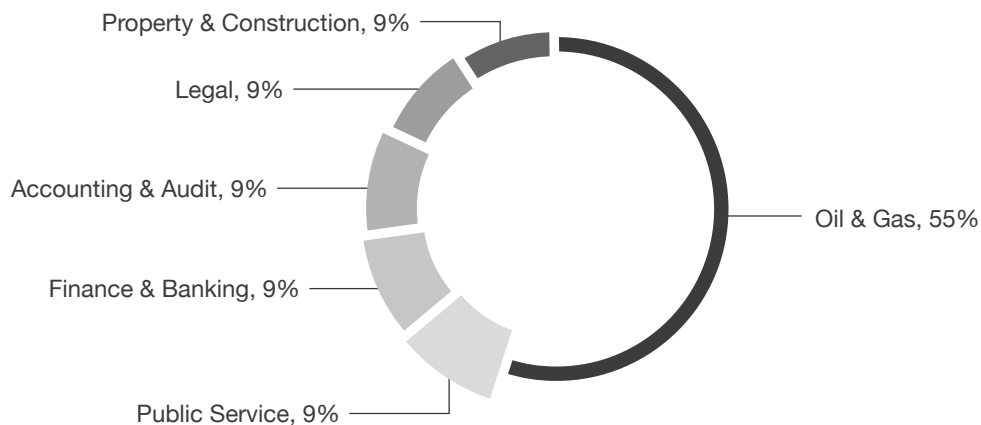
The current Board composition comprised as follows:

Designation	Number of Directors	Percentage (%)
Executive Directors	5	45.45
Independent Non-Executive Directors	5	45.45
Non-Independent Non-Executive Director	1	9.10
Total	11	100.0

**Board Diversity**

The Board acknowledges the importance of diversity in the Board, including gender, age, ethnicity, experience and skills. Diversity in the Board composition facilitates optimal decision-making by harnessing different insights and perspectives. The current board composition in terms of experience, skills, ethnic, gender and age is as follows:-

The Board skills matrix are as follows: -



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2. BOARD COMPOSITION (CONT'D)

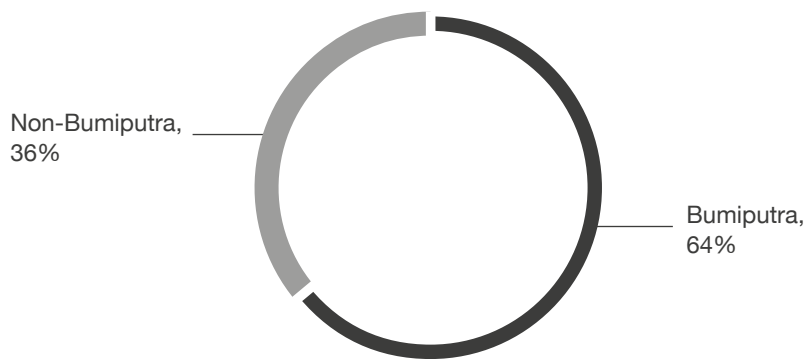
Board Diversity (cont'd)

The Board recognizes the benefits of having a diverse Board to ensure that the appropriate mix of skills and profiles of the Board members in terms of age, gender, skills and professional background provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management.

The Independent Directors do not participate in the day to day management of the Group and do not engage in any business dealing with the Group in order to ensure that they remain truly capable of exercising independent judgment and act in the best interests of the Group and its shareholders.

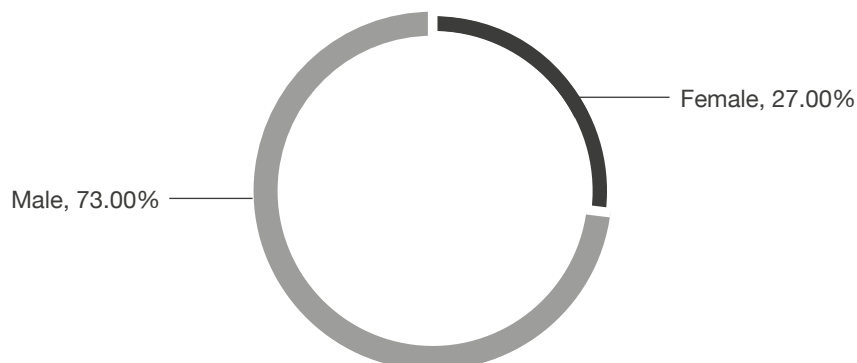
Ethnic Diversity

During the year under review, the Board comprised 64% Bumiputra and 36% Non-Bumiputra. The Board believed that diversity leads to the consideration of all facets of an issue and, consequently, better decisions and performance.



Gender Diversity

The Board acknowledges the recommendation of the MCGG on the establishment of the boardroom gender diversity policy. The Company currently comprises eight (8) male directors representing 73.00% of the Board and three (3) female directors, presenting 27.00% of the Board. However, the Board has no immediate plans to implement a gender diversity policy at this moment of time, as the top priority for recruitment of directors are skills, experience, character, time commitment, integrity regardless of gender.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

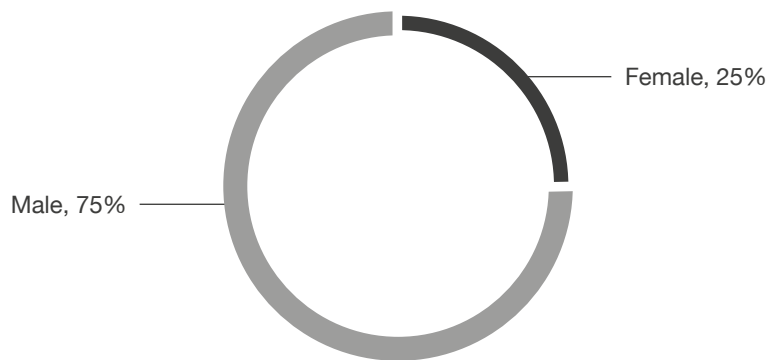
2. BOARD COMPOSITION (CONT'D)

Board and Senior Management Diversity

The Board continually evaluates its requirements as to the appropriate mix of skills and experience required to ensure that its composition remains optimal for the effective discharge of its responsibilities. Their expertise and know-how have been gained through their years of involvement as players in their respective fields. The profiles of the Directors are provided on pages 14 to 25 of the Annual Report.

The appointment of key senior management was also made with due regard for diversity in skills, experience, age, and cultural background.

During the year under review, the senior management team comprised 3 male senior management staff, representing 75% and 1 female senior management staff, representing 25% of the team.

**Tenure of Independent Director**

The MCGG provides that the tenure of the independent director shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. The Board must provide justification and seek shareholders' approval via 2-tier voting for retaining a person who has served in that capacity for more than nine (9) years.

At the end of the financial year under review, two (2) of the Independent Directors, namely Mr Koh Ek Chong and Encik Ali Bin Adai have served as Independent Non-Executive Directors of the Company for a cumulative period exceeding nine (9) years. The JNRC has conducted the fit and proper assessment in accordance with the Directors' Fit and Proper Policy adopted by the Group. In assessing both Mr. Koh Ek Chong and Encik Ali Bin Adai's fitness and propriety, the Board through the JNRC, had considered all relevant factors based on the overarching criteria namely, their Character and Integrity, Experience and Competence and the Time and Commitment.

The Board and JRNC thereby recommended retaining Mr. Koh Ek Chong and Encik Ali Bin Adai to continue to serve as Independent Non-Executive Directors of the Company until the conclusion of the next AGM and seek shareholders' approval at the 17th AGM through a two-tier voting process.

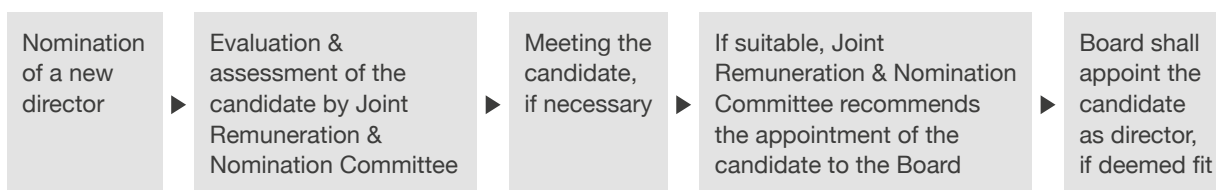
Board Appointment

Based on the recommendation of the Joint Remuneration & Nomination Committee, the Board appoints new Directors to the Board. In the election for Board appointment, the Board believes in and provides equal opportunity to candidates who have the right skills, experience, core competencies and other qualities regardless of gender, ethnicity and age. The Board would consider sourcing new directors via independent sources in future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**2. BOARD COMPOSITION (CONT'D)****Appointment and Retirement of Directors (cont'd)**

The process adopted by Dayang for Board appointments is as follows:

PROCESS OF APPOINTMENT OF DIRECTOR

In accordance with Article 93(a) of the Company's Constitution, at least one-third (1/3) of the Directors for the time being, or the number nearest to one-third (1/3) shall retire from office at each Annual General Meeting.

All Directors of the Company are subject to retirement by rotation at least once every three (3) years. The directors to retire shall be those longest in service since their last appointment.

Newly appointed directors shall hold office until the next annual general meeting and shall then be eligible for re-election by shareholders as provided in Article 100 of the Company's Constitution.

The Directors due to retire and the newly appointed director at the forthcoming AGM are outlined in the Notice of Meeting (Ordinary Resolution 1 to 5).

Board Effectiveness

The Board is expected to commit sufficient time as and when required to carry out their responsibilities, besides attending meetings of the Board and Board Committees. All directors shall not hold more than five (5) directorships each in public listed companies.

The existing directors are obliged to notify the Board before accepting any new directorship in other listed issuers. The notification is to ensure the Directors have sufficient time to discharge their duties to the Board and other Board Committees on which they serve.

The Board meets at least five (5) times a year at quarterly intervals with the meetings scheduled in advance before the end of the preceding year to facilitate the Directors in managing their meeting plans. Additional meetings are convened to deliberate on matters requiring immediate attention that need to be made between scheduled meetings.

In the event Directors are unable to attend Board meetings physically, the Company's Constitution allows for such meetings to be conducted via telephone, video conferencing or any other form of electronic or instantaneous communication.

During these meetings, the Board reviews the Group's financial performance, business operations, reports of the various Board Committees and results are deliberated and considered. Management and performance of the Group and any other strategic issues that affect or may affect the Group's businesses are also deliberated.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2. BOARD COMPOSITION (CONT'D)

Board Effectiveness (cont'd)

The Board met five (5) times during the financial year ended 31 December 2022 where it deliberated and considered a variety of matters affecting the Group's operations including the Group's financial results, business plan and the direction of the Group. All proceedings of the Board meetings are duly minuted by the Company Secretary and signed by the Chairman of the Meeting. The details of attendance of the directors held during the financial year were as follows:-

Name of Director	No of Meetings Attended
Datuk Hasmi Bin Hasnan	5/5
Datuk Ling Suk Kiong	5/5
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	5/5
Joe Ling Siew Loung @ Lin Shou Long	5/5
Gordon Kab @ Gudan Bin Kab (Deceased on 23 March 2023)	5/5
Jeanita Anak Gamang	5/5
Ali Bin Adai	4/5
Koh Ek Chong	5/5
Hasmawati Binti Sapawi	5/5
Chin Hsiun	5/5
Chen King Yu (Resigned on 7 July 2022)	3/5
Jamalludin Bin Obeng (Appointed on 18 August 2022)	1/5

Directors' Training

The Board acknowledges that continuous education is vital for the Board members to gain insight into the state of the economy, latest regulatory developments and management strategies. Therefore, the Directors are encouraged to attend training on a continuous basis to enhance their knowledge to enable the Directors to discharge their responsibilities more effectively.

For the year under review, the Directors have individually or collectively attended the following courses/seminars:

Seminar/Workshop	Organiser	Date
• Ultimate Guide To RPT Analysis, Probably (Volume 1)	CKM Advisory Sdn Bhd	6-7 April 2022
• Key Disclosure Obligations Of A Listed Company	CKM Advisory Sdn Bhd	13-14 April 2022
• Key Amendments to Listing Requirements 2022	CKM Advisory Sdn Bhd	7 July 2022
• Assessment of the Board, Board Committees, and Individual Directors	Malaysian Institute of Accountants	8 July 2022
• CIPAA Conference 2022	Legal Plus and L2 I-Con	8 July 2022
• Decoding Transactions & RPT Rules	CKM Advisory Sdn Bhd	3 August 2022
• ASSAR In-House Training "Corporate Liability on Corruption And Guidelines on Adequate Procedures with MACC Sarawak	PASB Group Human Resource Department	13 August 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**2. BOARD COMPOSITION (CONT'D)****Directors' Training (cont'd)**

For the year under review, the Directors have individually or collectively attended the following courses/seminars (cont'd):

Seminar/Workshop	Organiser	Date
• Conduct of Directors and Common Breaches of Listing Requirements	Malaysian Institute of Accountants	23 August 2022
• 2 nd Annual Finance Leaders Asia : Catalysing Reforms	Marcus Evans	12-14 September 2022
• Corporate Directors Training Programme Essential	Corporate Services and Investment Division, State Financial Secretary's Office	27 September 2022
• 1-Day Crisis Communication Workshop (BCOE-900)	DRI Malaysia	27 Oct 2022

3. REMUNERATION

The JRNC Committee is also responsible to recommend the remuneration packages for the Executive Directors of the Company to the Board. The Board recommends the remuneration of the Non-Executive Directors to the shareholders for approval. Directors shall abstain from deliberation and decisions made in respect of their own remuneration.

The Executive Directors' remuneration is linked to experience, scope of responsibilities, seniority as well as performance. The Non-Executive Directors are paid Directors' fee and meeting allowance.

Disclosure of each Director's remuneration is set out under Practice 8.1 in the Corporate Governance Report.

The Board shall continue with the practice of ensuring the confidentiality of the remuneration of its employees to avoid adverse implication including dissatisfaction and animosity among the staff.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT**1. AUDIT COMMITTEE (“AC”)**

The composition of the Audit Committee meets the Main Market Listing Requirement where all the members of the Committee are Non-Executive Independent Directors. As at 31 March 2023, the members of the Audit Committee comprise the following:

Member	Designation
Koh Ek Chong (Chairman)	Independent Non-Executive Director
Ali Bin Adai	Independent Non-Executive Director
Chin Hsiun (Appointed on 12 April 2023)	Independent Non-Executive Director

The role of the AC and the number of meetings held during the year as well as the attendance record of each member are spelt out in the Audit Committee Report in this Annual Report.

The Board strives to provide a balanced, clear and timely assessment of the Group's financial performance and prospects by ensuring quality financial reporting through the annual audited statements and quarterly financial results to the stakeholders, in particular, shareholders, investors and the regulatory authorities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**1. AUDIT COMMITTEE (“AC”)**

The AC assists the Board in the review of the financial statements of the Group and the Company to ensure that they are prepared in compliance with the provisions of the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Act in Malaysia

The AC reviewed the Company’s quarterly financial reports and audited financial statements of the Group prior to recommending them for approval by the Board.

The AC maintains a transparent and professional relationship with the External Auditors of the Company. The AC oversees and appraises the quality of the audits conducted by external auditors. In the annual assessment on the suitability, objectivity and independence of the external auditors, the AC is guided by the factors as prescribed under Paragraph 15.21 of the Main Market Listing Requirements.

During the year, the AC met with the external auditors two times to discuss their audit plans, audit findings and their reviews of the Group’s financial results/statutory statement of accounts. In addition, the external auditors are invited to attend the Annual General Meeting of the Company and are available to answer shareholders’ questions on the conduct of the statutory audit and the preparation and contents of their audit report.

2. RISK MANAGEMENT COMMITTEE AND INTERNAL CONTROL FRAMEWORK

The Board has established an effective risk management and internal control framework for managing risks affecting its business and operations as set out in the Statement on Risk Management and Internal Control (SORMIC). A structured process has been set up to identify and assess risks arising from the Group’s operations through the use of risk impact and risk matrix as a guide for actions to be taken for each type of risk.

The Risk Management Committee has been tasked to identify and communicate the existing and potential critical risks areas faced by the Group and the management action plans to mitigate such risks by working with the Internal Auditors in providing periodic reports and updates to the Board.

The Risk Management Committee shall have authority and access to all information, records and reports relevant to the Group’s activities in order to perform its duties. The Committee shall invite any Director and/or employees as it may deem appropriate, to attend a Committee meeting and assist in the discussion and consideration of matters relating to the business and operating risks.

During the financial year under review, the Risk Management Committee met twice with the respective Head of Departments/ Project Teams to identify and discuss the existing and potential critical risk areas faced by the Group and the management action plans to mitigate such risks by working with the internal auditors in providing periodic reports and updates to the Audit Committee.

The members of the Risk Management Committee are as follows:

Member	Designation
Datuk Ling Suk Kiong	Executive Deputy Chairman
Tengku Dato’ Yusof Bin Tengku Ahmad Shahrudin	Managing Director
Joe Ling Siew Loung @ Lin Shou Long	Deputy Managing Director
Siti Nazrah Binti Ahmad Zaiden (Chairman) (Appointed on 12 April 2023)	Independent Non-Executive Director

The internal audit function is outsourced to an independent professional firm. (“Outsourced Internal Auditor”) The Outsourced Internal Auditor reports directly to the Audit Committee and is independent of the activities it audits.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**2. RISK MANAGEMENT COMMITTEE AND INTERNAL CONTROL FRAMEWORK (CONT'D)**

The internal audit function also performed a follow-up to assess the status of Management-agreed action plans based on recommendations raised in preceding cycles of internal audit. The outcome thereof was summarized in a follow-up report to the Audit Committee tabled in the quarterly Audit Committee meetings highlighting those issues that had yet to be fully addressed by Management including specific timeliness for those outstanding matters to be resolved.

All internal audits carried out are guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc, a globally recognized professional body for internal auditors. The internal audit function of the Company whose scope of work covered during the financial year under review is provided in the Audit Committee Report as set out on pages 74 to 76 of this Annual Report.

The Group's Statement of Risk Management and Internal Control which has been reviewed by the external auditors, is set out on pages 77 to 80 of this Annual Report.

3. JOINT REMUNERATION & NOMINATION COMMITTEE (“JRNC”)

The JRNC comprises three (3) Non-Executive Directors.

The JRNC meets as and when required and at least once a year. During the year under review, the JRNC met three (3) times to carry out its responsibilities and the attendance of the members for the meetings held are as follows:-

The members of the Joint Remuneration & Nomination Committee are as follows:

Member	Designation
Ali Bin Adai (Chairman)	Independent Non-Executive Director
Koh Ek Chong	Independent Non-Executive Director
Hasmawati Binti Sapawi	Independent Non-Executive Director

The JRNC assesses annually the independence of the Group's independent directors based on the criteria set out in the Listing Requirements.

All the members of the JRNC are Independent Directors. The independent Directors are free from any business or other relationship that could interfere with the exercise of independent judgment and they should be willing to express their opinions freely at the Board.

The JRNC and the Board are of the view that all the Independent Non-Executive Directors continue to remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board.

The Committee would conduct an annual review of the composition of the Board and makes recommendations to the Board accordingly with a view of the meeting current and future requirements of the Group. Among other evaluation criteria are the commitment displayed, the depth of contribution, ability to communicate and undertake assignments on behalf of the Board.

The Terms of Reference of the JRNC is available on the corporate website at www.desb.net.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**3. JOINT REMUNERATION & NOMINATION COMMITTEE (“JRNC”) (CONT'D)**

A summary of the activities undertaken by the Joint Remuneration & Nomination Committee in the discharge of its duties for the financial year ended 31 December 2022 were as follows:

- Reviewed the profile of Board candidates and make recommendations to the Board according to the requisite competence and caliber based on the fit and proper policy adopted by the Group;
- Reviewed the Directors retiring by rotation at the AGM;
- Assessed the performance of the Board and its members according to the requisite competence and calibre based on the fit and proper policy adopted by the Group;
- Assessed the performance of the Audit Committee and its members;
- Assessed the independence of the Independent Directors;
- Recommended to the Board the remunerations of the Executive Directors; and
- Reviewed the performance and effectiveness of the Audit Committee and its members pursuant to Paragraph 15.20 of the MMLR.

The JRNC was satisfied with the level of time commitment given by the Directors in fulfilling their roles and responsibilities.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (“CSR”)

The CSR Committee assists the Board on matters relating to the implementation of a framework for sustainable development that delivers economic, social and environmental benefits for all stakeholders.

As at 31 March 2023, the members of the CSR Committee are as follows:

Member	Designation
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin (Chairman)	Managing Director

The activities of Corporate Social Responsibility are included in the Sustainability Report on pages 56 to 57 of the Annual Report.

5. ANTI-BRIBERY & CORRUPTION COMPLIANCE COMMITTEE (“ABCC”)

The ABCC was formed on 22 February 2022.

The members of the ABCC are as follows:

Member	Designation
Chin Hsiun (Chairman)	Independent Non-Executive Director
Joe Ling Siew Loung @ Lin Shou Long	Deputy Managing Director
Hasmawati Binti Sapawi	Independent Non-Executive Director

The ABCC is tasked to provide independent oversight to anti-bribery and corruption compliance monitoring of the relevant laws, regulations, internal policies and procedures.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**6. Corporate Sustainability Committee (“CSC”)**

The CSC was formed on 12 April 2022.

The members of the CSC are as follows:

Member	Designation
Ali Bin Adai (Chairman)	Independent Non-Executive Director
Joe Ling Siew Loung @ Lin Shou Long	Deputy Managing Director
Chin Hsiun	Independent Non-Executive Director

The CSC was established to oversee the formulation, implementation and effective management of the Group’s sustainability matters in line with the strategies.

The CSC assists the Board to oversee sustainability matters by focusing on matters material to the Group and empower all the business and functional units to regularly engage with their respective stakeholders to ensure that key issues impacting the stakeholders are addressed in the business strategies.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**1. COMMUNICATION WITH STAKEHOLDERS**

The Company is guided by the corporate disclosure guide for directors issued by Bursa Securities to promote timely and quality disclosure of material information to the public. The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group’s business activities and financial performance.

The Annual General Meeting is the principal forum for dialogues with shareholders. General Meetings are important platforms for Directors to engage shareholders to facilitate greater understanding of the Company’s governance, performance and address their concerns.

The Group’s investor relationship is helmed by the Group Managing Director, Tengku Dato’ Yusof Bin Tengku Ahmad Shahrudin and the Head of Corporate Affairs, Mr Zaim Husni Bin Omar who will attend to the needs of the investment community, shareholders, fund managers and analysts.

The Group maintains a website at www.desb.net for shareholders and the public to access information in respect of the Group’s background and business, Board and Management, corporate governance, terms of reference and financial performance for easy reference.

As there may be instances where investors and shareholders may prefer to express their concerns to an Independent Director. Mr Koh Ek Chong has been appointed to play his role as the Independent Director of the Board to whom concerns may be conveyed. Mr Koh is also the Chairman of the Audit Committee of the Board and a member of the Joint Remuneration and Nomination Committee.

His email contact is kohekchong@hotmail.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2. CONDUCT OF GENERAL MEETINGS

The Company's Annual General Meeting (AGM) is especially important for individual shareholders as it is the principal forum for dialogue and interaction with the Board whereby they are given the opportunity to present their views or seek clarification on the progress, performance and major developments of the Company. Where it is not possible to provide immediate answers to shareholders' queries, the Board will undertake to provide the answers after the AGM.

The Notice of AGM and a Circular to Shareholders in relation to the recurrent and new related party transactions mandates, if applicable, are sent to the shareholders at least 28 days prior to the AGM in accordance to the Code, which also meets the criteria of the Listing Requirements and Companies Act 2016. This provides shareholders with sufficient time to fully evaluate new resolutions being proposed to make informed voting decisions at the AGM.

Due to COVID-19 pandemic, the 16th AGM held on 19 May 2022 was convened fully virtual in line with Securities Commission Guidance Note on the Conduct of General Meetings for listed issuers issued on 21 April 2022.

All the resolutions put forward at the 16th AGM were voted by poll in accordance with paragraph 8.29A of the MMLR via real-time Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. through its TIIH Online website at <https://tiih.online>.

Tricor Investor & Issuing House Services Sdn. Bhd. was appointed as the Poll Administrator and Scrutineer Solutions Sdn. Bhd. as Independent Scrutineer to oversee the polling processes at the 16th AGM. All ordinary resolutions were passed by a majority of votes by members present either in person or by proxy.

At the 16th AGM of the Company, the Board shared with the shareholders the Board's responses to questions submitted in advance by the Minority Shareholders Watch Group and Shareholders. The external auditors, Messrs KPMG PLT were invited to attend the 16th AGM pursuant to Section 285 Companies Act 2016, so as to respond to any question which might be raised in respect of the audit of the financial statements.

Answers to the queries raised by shareholders prior to the AGM were shared with shareholders during the meeting and at the same time, the Deputy Managing Directors addressed the live questions posed by shareholders through the query box.

COMPLIANCE STATEMENT

The Board is of the view that the group has in all material aspects applied with the principles and recommendations of the Code where the Board deems appropriate, in its efforts to observe high standard of transparency, accountability and integrity.

This Corporate Governance Overview Statement and CG Report were approved by the Board of Directors on 12 April 2023.