

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5276
COMPANY NAME : DANCOMECH HOLDINGS BERHAD
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") of Dancomech Holdings Berhad ("Dancomech" or "the Company") has the responsibility for the Group's (i.e. Dancomech and its subsidiaries) overall strategic direction and leadership, governance structure which encompasses an adequate and effective risk management and internal control system, and compliance with the relevant laws and regulations, as well as maintaining an oversight on management.</p> <p>In discharging its duties and functions, the Board assumes the following responsibilities:</p> <ul style="list-style-type: none">• Establishing, reviewing, adopting and monitoring the strategic plan of the Group;• Overseeing the conduct of the Group's businesses to evaluate whether the businesses are properly managed;• Identifying principal risks, including corruption risks, and ensuring the implementation of an appropriate control system to manage the risks;• Establishing a succession plan including appointing, training, fixing the compensation of and, where appropriate, replacing the Executive Directors and senior management of the Group;• Developing and implementing an investor relations programme or shareholder communication policy to ensure effective communication with our shareholders and other stakeholders;• Reviewing the adequacy and integrity of the Group's internal control and management information system, including the system for ensuring compliance with applicable laws, regulations, rules, directives and guidelines;• Ensuring that the Group adheres to high standards of ethics and corporate behaviour; and• Strategic planning, overseeing financial and operational performance, monitoring risk management processes, merger and

	acquisition activities, and reviewing the adequacy of the internal control system.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Datuk Zainal Abidin Bin Ujud, is primarily responsible for the leadership of the Board in ensuring the effectiveness of the roles of the Board in all aspects.</p> <p>The Chairman is responsible for:</p> <ul style="list-style-type: none">• Leading the Board in setting the values and standards of the Group;• The balance of membership, subject to Board and shareholders' approval;• Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;• Ensuring the provision of accurate, timely and clear information to Directors;• Ensuring effective communication with shareholders and relevant stakeholders;• Arranging regular evaluation of the performance of the Board, Board Committees and individual Directors;• Facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors; and• Leading the Board on its succession planning programme for Board and senior management levels.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman position is held by Datuk Zainal Abidin Bin Ujud while the Managing Director position by Aik Swee Tong.</p> <p>In this regard, the positions of Chairman and Managing Director are separated and clearly defined. The responsibilities of the Chairman are set out above (in the explanation on application of Practice 1.2) while the responsibilities of the Managing Director are as follows:</p> <ul style="list-style-type: none"> • Executive management of the Group's businesses covering, inter alia, the development of a strategic plan, an annual operating plan and budget, performance benchmarks to gauge management performance and the analysis of management reports; • Effectively overseeing the human resources of the Group with respect to key positions in the Group's hierarchy, determination of remuneration as well as terms and conditions of employment for senior management and issues pertaining to discipline; • Assuring that the Group's corporate identity, products and services are of high standards and are reflective of the market environment; • Be the official spokesman for the Group and responsible for regulatory, governmental and business relationships; • Coordinating business plans with the business heads, coordinating management issues through the Board, and overseeing divisional function groups and cost containment process; • Regularly reviewing the heads of divisions and departments who are responsible for all functions contributing to the success of the Group; • Assessing business opportunities which are of potential benefit to the Group; • Maintaining and facilitating a positive working environment and good employee relations; • Promoting a high degree of corporate governance and ethics across the Group; and • Assisting the Chairman in organising information necessary for the Board to deal with the agenda and providing the information to Directors on a timely basis.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: With effect from 31 March 2022, the Chairman of the Board, Datuk Zainal Abidin Bin Ujud has ceased to be a member of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee. In addition, Datuk Zainal Bin Ujud did not participate in any of the Committees' meetings upon ceasing to be a member of the Committees.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.5

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

Application	:	Applied	
Explanation on application of the practice	:	The Company Secretaries, i.e. Tan Fong Shian @ Lim Fong Shian and Liew Chak Hooi, are members of the Malaysian Institute of Chartered Secretaries and Administrators, and they are competent and with the relevant experience and skills. The Board obtains appropriate advice and support from the Company Secretaries on company secretarial matters, compliance with the relevant laws and regulations and adoption of corporate governance best practices. The Company Secretaries also ensure that the Board meetings are properly convened and the proceedings are properly recorded.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	The Board members have full and unrestricted access to information on the Group's business and affairs in discharging their duties. The Board members receive complete and accurate information and materials within a reasonable time period prior to every meeting, and the minutes are circulated in a timely manner upon conclusion of the meeting. The Board members may seek advice, interact with, and request for explanations, information or updates on any aspects of the Group's operations from the management. In addition, the Board may seek independent professional advice, where appropriate, at the Group's expense.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has adopted a Board Charter which serves as a primary reference for the Board members of their duties and responsibilities as Directors of the Company as well as the functions of the Board Committees. The Board Charter is reviewed periodically to ensure that it complies with the relevant legislations and best practices, and remains relevant and effective.</p> <p>The Board Charter is available on the Company’s website at www.dancomech.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group has put in place the Code of Ethics of Directors and the Code of Conduct for the Directors and officers (which include Directors, management and employees), respectively. The Code of Ethics of Directors focuses the Directors to areas of ethical risk, provides guidance to Directors to help them recognise and deal with ethical issues, provides mechanisms to report unethical conduct, and helps foster a culture of integrity, honesty and accountability. Similarly, the Code of Conduct is intended to promote a corporate culture that engenders ethical conduct permeating throughout the Group.</p> <p>In addition, the Group has adopted the Anti-Bribery and Corruption Policy which sets out the principles of the Group against bribery and corruption practices, and provides guidance to the officers and business associates of the Group in dealing with potential bribery and corruption issues that may arise in the day-to-day business of the Group.</p> <p>The Code of Ethics of Directors, the Code of Conduct, and the Anti-Bribery and Corruption Policy are available on the Company's website at www.dancomech.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group has put in place the Whistle-blower Policy where all employees are encouraged to maintain the highest level of corporate ethics and to have a professional responsibility to disclose any known malpractices or wrongdoings to the appropriate persons on the Board.</p> <p>The Whistle-blower Policy is available on the Company’s website at www.dancomech.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Sustainability is embedded within the Group and is led from the top where the Board is the highest authority accountable for the Group's sustainability matters. The Board delegates the responsibility for identifying the Group's sustainability risks to the Audit and Risk Management Committee, and the Board and the Audit and Risk Management Committee will undertake the process of identifying sustainability risks and devising appropriate strategies, plans and targets to address the risks on a yearly basis, with intervening reviews carried out as and when required.</p> <p>The Managing Director leads Management in implementing the sustainability strategies and plans approved by the Board, and reports to the Audit and Risk Management Committee and the Board on a quarterly basis.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The communication is undertaken via the Sustainability Statement of the Company's Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is the highest authority accountable for the Group's sustainability matters. The Board delegates the responsibility for identifying the Group's sustainability risks to the Audit and Risk Management Committee, and the Board and the Audit and Risk Management Committee will undertake the process of identifying sustainability risks and devising appropriate strategies, plans and targets to address the risks on a yearly basis, with intervening reviews carried out as and when required.</p> <p>Nevertheless, the Board recognises that embedding sustainability into the Group's businesses is a continuous and evolving practice in which the Board will continue to enhance the practice in order to sustain the business operations and financial performance moving forward.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had completed a questionnaire relating to environmental, social and governance (“ESG”) or sustainability and agreed on the following areas for improvement:</p> <ul style="list-style-type: none"> • The extent to which Board members are able to articulate and exercise robust deliberations of the Company’s material matters on ESG; • The Board’s ability to monitor key performance indicators and targets for sustainability, and to establish accountability for senior management to achieve sustainability targets; and • The consideration of non-financial metrics such as sustainability targets in the remuneration framework and incentives of the executive team. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The duties and responsibilities of the Nomination Committee ("NC") include, among others, undertaking an annual review of the effectiveness of the Board as a whole, the Board Committees and the individual Directors.</p> <p>During the financial year ended 31 December 2022 ("FYE 2022"), the NC undertook, among others, the following activities:</p> <ul style="list-style-type: none">• Performed an annual review and assessment of the performance of the Board as a whole, the Board Committees and the contributions of each Director for the financial year ended 31 December 2021, and was of the opinion that:<ul style="list-style-type: none">➤ the Board structure, size and composition was adequate and commensurate with the size of the Group and its business operations.➤ the diversity (including gender) in the composition of the Board was satisfactory.➤ the experiences, contribution and competencies of the individual Directors, as well as their mix of skills were adequate to enable the Board to discharge its duties and responsibilities effectively.➤ the contribution of each individual Director on the Board and the Board Committees was satisfactory.➤ the Board and the Board Committees had been functioning effectively.➤ the Independent Directors met the requirements of independence and were thus independent.• Considered and recommended to the Board for the re-election of the Directors who retired by rotation at the Company's Ninth (9th) Annual General Meeting.• Reviewed the term of office and performance of the Audit and Risk Management Committee and each of its members, and was satisfied that the Audit and Risk Management Committee had carried out their duties and responsibilities in accordance with their terms of reference.

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

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board currently comprises six (6) members, out of which four (4) are Independent Non-Executive Directors. Hence, the percentage of Independent Non-Executive Directors on the Board is 66.7%.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	No Independent Directors have served on the Board for more than nine (9) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group considers the following criteria when appointing and recruiting any Board member and senior management:</p> <ul style="list-style-type: none">• The person's skills, knowledge, expertise and experience;• The person's character and personality;• The person's competencies, commitment and career track record; and• Any potential conflict of interest that the person may have with the Group. <p>In addition, the Group has adopted the Diversity Policy to promote diversity in the Board and the workforce of the Group. In this regard, the Group is committed to managing diversity, which may result from a range of factors including age, gender, ethnicity, nationality, cultural background or other personal factors, as a means of enhancing the Group's performance by recognising and utilising contribution of diverse skills and talents of our directors, management and employees.</p> <p>The Diversity Policy can be viewed on the Company's website at www.dancomech.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	For FYE 2022, there was no Board vacancy to be filled. The Board will consider utilising independent sources to identify suitable qualified candidates when the need arises.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	The profiles of the Directors are disclosed in the Company's Annual Report 2022. In addition, the Nomination Committee and the Board have considered and assessed the performance of retiring directors seeking re-election, before recommending them to shareholders for approval.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by the Company's Senior Independent Non-Executive Director, Gong Wooi Teik.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is committed to having female representation on the Board though no specific target percentage is set. Currently, the Company has one (1) female Director out of six (6) members on the Board, i.e. 16.7% female Board representation.	
		While the Group takes cognisance of the best practice of having at least 30% female representation on the Board, the Group embraces diversity to also include other factors such as age, ethnicity and other personal factors. In addition, every Board member, irrespective of gender, age, background, etc., is free to give his/her perspectives and insights in the Board decision-making process.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is committed to having female representation on the Board and senior management though no specific target percentage is set. Currently, the Company has one (1) female Director out of the six (6) members on the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The duties and responsibilities of the NC of the Company include, among others, undertaking an annual review of the effectiveness of the Board as a whole, the Board Committees and the individual Directors.</p> <p>During FYE 2022, the NC undertook, among others, an annual review and assessment of the performance of the Board as a whole, the Board Committees and the contributions of each Director for the financial year ended 31 December 2021, and was of the opinion that:</p> <ul style="list-style-type: none"> ➤ the Board structure, size and composition was adequate and commensurate with the size of the Group and its business operations. ➤ the diversity (including gender) in the composition of the Board was satisfactory. ➤ the experiences, contribution and competencies of the individual Directors, as well as their mix of skills were adequate to enable the Board to discharge its duties and responsibilities effectively. ➤ the contribution of each individual Director on the Board and the Board Committees was satisfactory. ➤ the Board and the Board Committees had been functioning effectively. ➤ the Independent Directors met the requirements of independence and were thus independent.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee of the Company is responsible for reviewing and recommending to the Board the remuneration packages for the Executive Directors, Non-Executive Directors and senior management of the Group after taking into consideration, among others, their individual responsibilities and contributions, and the Group's long-term business objectives and growth.</p> <p>None of the Executive Directors, Non-Executive Directors and senior management personnel participates in determining his/her individual remuneration packages, which are reviewed annually.</p> <p>The Terms of Reference of the Remuneration Committee can be viewed on the Company's website at www.dancomech.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has established the Remuneration Committee, the members of which are all Independent Non-Executive Directors. The full Terms of Reference setting out the Remuneration Committee's composition, quorum and meeting procedures, and duties and responsibilities, can be viewed on the Company's website at www.dancomech.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The disclosure is as per the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Zainal Abidin Bin Ujud	Independent Director	40.7	0	0	0	0	2.5	43.2	40.7	0	0	0	0	2.5	43.2
2	Aik Swee Tong	Executive Director	0	0	0	0	0	0	0	18.0	0	690.0	120.0	0	130.2	958.2
3	Aik Cwo Shing	Executive Director	0	0	0	0	0	0	0	42.0	0	714.0	120.0	0	134.4	1,010.4
4	Gong Wooi Teik	Independent Director	34.1	0	0	0	0	2.5	36.6	34.1	0	0	0	0	2.5	36.6
5	Lee Chen Yow	Independent Director	34.1	0	0	0	0	2.5	36.6	34.1	0	0	0	0	2.5	36.6
6	Sharon Lee Ching Yee	Independent Director	34.1	0	0	0	0	2.5	36.6	34.1	0	0	0	0	2.5	36.6
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	With the best interest of the Group in mind, and taking into consideration the sensitivity, privacy, security, and issue of staff poaching, the Board has opted not to disclose on a named basis the remuneration of the top five (5) senior management in the bands of RM50,000.	
		Instead, the Board discloses the top five (5) senior management's remuneration on an aggregate basis in the Corporate Governance Overview Statement of the Company's Annual Report 2022.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Company's Audit and Risk Management Committee, i.e. Gong Wooi Teik, is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	None of the Audit and Risk Management Committee members of the Company for FYE 2022 was a former partner of the external audit firm of the Company who required a cooling-off period of at least three (3) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit and Risk Management Committee of the Company undertakes an assessment of the suitability, objectivity and independence of the external auditors on an annual basis.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All the Audit and Risk Management Committee members of the Company are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the Audit and Risk Management Committee of the Company are Gong Wooi Teik (Chairman of the Committee), Lee Chen Yow and Sharon Lee Ching Yee.</p> <p>Gong Wooi Teik and Lee Chen Yow are members of the Malaysian Institute of Accountants, and both of them have vast experience in financial reporting and are capable to assist the Board in reviewing and ensuring that the Company's quarterly reports and annual audited financial statements are prepared in compliance with applicable financial reporting standards.</p> <p>On the other hand, Sharon Lee Ching Yee, a lawyer by profession, has a Master of Business Administration and has over 24 years of experience in legal practice and her areas of legal expertise encompasses corporate, secretarial, banking and conveyancing.</p> <p>The training programmes attended by the Audit and Risk Management Committee members are set out in the Corporate Governance Overview Statement of the Company's Annual Report 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has the overall responsibility for risk management and internal control of the Group. The Board and the Audit and Risk Management Committee work closely with management to identify, evaluate, manage and report major risks that affect the Group as well as the measures taken to mitigate the risks, and to review the adequacy and effectiveness of the internal control system. Details on the risk management and internal control system of the Group are set out in the Statement on Risk Management and Internal Control of the Company’s Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has disclosed the features of its risk management and internal control framework, and the adequacy and effectiveness of the framework, in the Statement on Risk Management and Internal Control of the Company's Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Group has outsourced the internal audit function to BDO Governance Advisory Sdn Bhd, an external professional firm which is independent of the activities and operations of the Group, and BDO Governance Advisory Sdn Bhd reports directly to the Audit and Risk Management Committee. Details on the outsourced internal audit function are set out in the Audit and Risk Management Committee Report and the Statement on Risk Management and Internal Control of the Company's Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has outsourced the internal audit function of the Group to BDO Governance Advisory Sdn Bhd which reports directly to the Audit and Risk Management Committee. The work carried out by BDO Governance Advisory Sdn Bhd for the Group is headed by its Executive Director, who is a member of the Malaysian Institute of Accountants and a Certified Internal Auditor, as well as an Associate Chartered Management Accountant, United Kingdom. BDO Governance Advisory Sdn Bhd is free from any relationship or conflict of interest that could impair its objectivity and independence with the Group.</p> <p>The outsourced internal audit work is carried out based on BDO internal audit methodology which is in line with the International Professional Practices Framework of Internal Auditing and the risk-based internal audit plan approved by the Audit and Risk Management Committee of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	The Group has put in place the Corporate Disclosure Policies and Procedures to develop and maintain a positive relationship with all shareholders and stakeholders through active two (2) – way communication and to promote and demonstrate a high standard of integrity and transparency through timely, accurate, quality and full disclosure of material information to investors, the financial community and other stakeholders. A copy of the Corporate Disclosure Policies and Procedures can be viewed at the Company's website at www.dancomech.com.my . The Company's website also provides the relevant information on the Group. In addition, all announcements are uploaded to the website on a timely manner.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	Notice for the Company's 9th AGM was sent out to shareholders on 24 April 2022, which was at least 28 days prior to the date of the meeting on 24 May 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	All the Directors attended the Company's 9th AGM held on 24 May 2022 and the Executive Directors provided meaningful answers to questions addressed to them. However, there were no questions addressed to the Chairmen of the respective Committees.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	The Company conducted its 9th AGM held on 24 May 2022 on a fully virtual basis via live streaming and online voting from the Broadcast Venue at No. 19, Jalan Pelukis U1/46, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan. In addition, the Company has put in place a Data Privacy Policy, which is available at its website, www.dancomech.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: In light of the prolonged Covid-19 pandemic and as part of its safety measures, the Company conducted its 9th AGM on a fully virtual basis on 24 May 2022. Shareholders were allowed to submit their questions via email to the Company prior to the 9th AGM, and electronically through the online platform during the streaming of the 9th AGM. During the 9th AGM, the Company provided sufficient time to the shareholders to pose questions and the Board had ensured all questions were given a meaningful response.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: The Company conducted its 9th AGM on a fully virtual basis on 24 May 2022. The Directors, senior management and shareholders were provided with the necessary infrastructure and tools to interact, post questions and answers, and vote online.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 9th AGM held on 24 May 2022 were posted on the Company's website at www.dancomech.com.my within 30 business days after the meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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