

**DATASONIC GROUP BERHAD**  
(Company No. 809759-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2012 <sup>(1)</sup>**

	<--- INDIVIDUAL QUARTER -->		<--- CUMULATIVE QUARTER -->	
	Current Year Quarter 30.06.2012 (RM'000)	Preceding Year Quarter <sup>(2)</sup> 30.06.2011 (RM'000)	Current Year To Date 30.06.2012 (RM'000)	Preceding Year Quarter <sup>(2)</sup> 30.06.2011 (RM'000)
<b>Continuing Operations</b>				
Revenue	58,790	N/A	83,248	N/A
Operating expenses	(46,981)	N/A	(61,091)	N/A
Other income	39	N/A	119	N/A
Profit from operations	11,848	N/A	22,276	N/A
Finance costs	(264)	N/A	(327)	N/A
<b>Profit before tax</b>	11,584	N/A	21,949	N/A
Income tax expense	(3,087)	N/A	(5,894)	N/A
<b>Profit for the period</b>	8,497	N/A	16,055	N/A
Total comprehensive income attributable to:				
Owners of the parent	8,497	N/A	16,055	N/A
Minority interest	-	N/A	-	N/A
	8,497	N/A	16,055	N/A
Earnings per share (sen) attributable to owners of the parent :				
- Basic <sup>(3)</sup>	12.20	N/A	23.06	N/A

Notes:

N/A Not applicable

- (1) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 29 February 2012 as disclosed in the Prospectus of the Company dated 3 August 2012 and the accompanying explanatory notes attached to the interim financial statements.
- (2) No comparative figures for the preceding year are available as this is the first interim financial report on the consolidated results for the 2nd quarter ended 30 June 2012 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (3) Based on the issued share capital of 69,626,004 shares after the completion of the Acquisitions (as detailed in Note B7 (i)) but prior to the Public Issue (as detailed in Note B7 (ii)).

**DATASONIC GROUP BERHAD**  
(Company No. 809759-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2012** <sup>(1)</sup>

	As at 30.06.2012 (RM'000)	As at 30.06.2011 <sup>(2)</sup> (RM'000)
<b>NON-CURRENT ASSETS</b>		
Investment in club membership	110	N/A
Property, plant and equipment	14,279	N/A
Development costs	4,657	N/A
	<u>19,046</u>	<u>N/A</u>
<b>CURRENT ASSETS</b>		
Inventories	11,900	N/A
Trade receivables	44,011	N/A
Other receivables, deposits and prepayments	6,107	N/A
Cash and bank balances	17,265	N/A
	<u>79,283</u>	<u>N/A</u>
<b>TOTAL ASSETS</b>	<u>98,329</u>	<u>N/A</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	34,813	N/A
Retained earnings	35,139	N/A
Merger deficit	(11,072)	N/A
	<u>58,880</u>	<u>N/A</u>
Equity attributable to owners of the parent	58,880	N/A
Minority Interests	0	N/A
	<u>58,880</u>	<u>N/A</u>
<b>NON-CURRENT LIABILITIES</b>		
Term loans	3,908	N/A
Deferred taxation	310	N/A
	<u>4,218</u>	<u>N/A</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	7,457	N/A
Other payables and accruals	13,775	N/A
Amount owing to holding company *	443	N/A
Short term borrowings	1,231	N/A
Provision for taxation	5,325	N/A
Dividend payable	7,000	N/A
	<u>35,231</u>	<u>N/A</u>
Total liabilities	39,449	N/A
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>98,329</u>	<u>N/A</u>
Net assets per share attributable to ordinary owners of the parent (RM) <sup>(3)</sup>	0.85	N/A

Notes:

\* The holding company of the Company is Dibena Enterprise Sdn Bhd, a company incorporated in Malaysia.

N/A Not applicable

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 29 February 2012 as disclosed in the Prospectus of the Company dated 3 August 2012 and the accompanying explanatory notes attached to the interim financial statements.
- (2) No comparative figures for the preceding year are available as this is the first interim financial report on the consolidated results for the 2nd quarter ended 30 June 2012 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (3) Based on the issued share capital of 69,626,004 shares after the completion of the Acquisitions (as detailed in Note B7 (i)).

**DATASONIC GROUP BERHAD**  
(Company No. 809759-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2012** <sup>(1)</sup>

	<-----Attributable to equity holders of the Company----->			Total Equity (RM'000)
	<----- Non-distributable ----->	Distributable		
	Share capital <sup>(3)</sup> (RM'000)	Merger Deficit (RM'000)	Retained Earnings (RM'000)	
At 1 January 2012	*	-	-	*
Effect arising from merger	34,813	(11,072)	26,084	49,825
Total comprehensive income for the period	-	-	16,055	16,055
Dividend declared	-	-	(7,000)	(7,000)
At 30 June 2012	<u>34,813</u>	<u>(11,072)</u>	<u>35,139</u>	<u>58,880</u>

Notes:

\* Denotes RM2

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 29 February 2012 as disclosed in the Prospectus of the Company dated 3 August 2012 and the accompanying explanatory notes attached to the interim financial statements.
- (2) No comparative figures for the preceding year are available as this is the first interim financial report on the consolidated results for the 2nd quarter ended 30 June 2012 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (3) Based on the issued share capital of 69,626,004 shares after the completion of the Acquisitions (as detailed in Note B7 (i)).

**DATASONIC GROUP BERHAD**  
**(Company No. 809759-X)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2012 <sup>(1)</sup>**

	<b>Current Year to Date 30.06.2012 (RM'000)</b>	<b>Preceding Year to Date 30.06.2011 <sup>(2)</sup> (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	21,949	N/A
	<u>21,949</u>	<u>N/A</u>
Adjustments for :		
Depreciation of property, plant and equipment	947	N/A
Interest expenses	327	N/A
Interest income	(70)	N/A
Gain on disposal of property, plant and equipment	(48)	N/A
Unrealised gain on foreign exchange	(18)	N/A
Unrealised loss on foreign exchange	55	N/A
Operating profit before changes in working capital	<u>23,142</u>	<u>N/A</u>
Changes in inventories	(3,616)	N/A
Changes in trade and other receivables	(20,568)	N/A
Changes in trade and other payables	2,891	N/A
Changes in amount owing by holding company	18,812	N/A
Cash generated from operations	<u>20,661</u>	<u>N/A</u>
Interest paid	(327)	N/A
Tax paid	(4,310)	N/A
<b>Net cash generated from operating activities</b>	<u>16,024</u>	<u>N/A</u>
<b>CASH FLOWS FOR-INVESTING ACTIVITIES</b>		
Interest received	70	N/A
Development costs	278	N/A
Proceeds from disposal of property, plant and equipment	48	N/A
Purchase of property, plant and equipment	(2,144)	N/A
Advances to related companies	(38)	N/A
<b>Net cash used in investing activities</b>	<u>(1,786)</u>	<u>N/A</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(6,494)	N/A
Advance from holding company	1,162	N/A
Repayment to related companies	(630)	N/A
<b>Net cash generated from financing activities</b>	<u>(5,962)</u>	<u>N/A</u>
Net decrease in Cash and Cash Equivalents	8,276	N/A
Cash and Cash Equivalents at beginning of the financial period	8,326	N/A
Cash and Cash Equivalents at end of the financial period	<u>16,602</u>	<u>N/A</u>

**DATASONIC GROUP BERHAD**  
**(Company No. 809759-X)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2012 <sup>(1)</sup> (CONT'D)**

	<b>Current Year to Date 30.06.2012 (RM'000)</b>	<b>Preceding Year to Date 30.06.2011 <sup>(2)</sup> (RM'000)</b>
Cash and Cash equivalents at the end of the financial period comprise the following:	<b>As at 30.06.2012 (RM'000)</b>	<b>As at 30.06.2011 <sup>(2)</sup> (RM'000)</b>
Cash and bank balances	17,265	N/A
Bank overdraft	(663)	N/A
	<u>16,602</u>	<u>N/A</u>

Notes:

N/A Not applicable

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 29 February 2012 as disclosed in the Prospectus of the Company dated 3 August 2012 and the accompanying explanatory notes attached to the interim financial statements.
- (2) No comparative figures for the preceding year are available as this is the first interim financial report on the consolidated results for the 2nd quarter ended 30 June 2012 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A1. Accounting Policies and Basis of Preparation**

a) Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 29 February 2012 and the accompanying explanatory notes attached to the interim financial statements, as disclosed in the Prospectus of the Company dated 3 August 2012 ("the Prospectus").

The interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("The Group") since the financial period ended 29 February 2012.

The Group has adopted the merger accounting method for the preparation of this interim combined financial statements which is consistent with the most recent interim combined financial statements as disclosed in the Prospectus.

b) Changes in Accounting Policies

The significant accounting policies adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements as disclosed in the Prospectus.

The Company has early adopted the amendments to MFRS 101, Presentation of Financial Statements which is originally effective for annual periods beginning on or after 1 July 2012. The early adoption of the amendments to MFRS 101 has no impact on the financial statements other than the presentation format of the statement of profit or loss and other comprehensive income.

During the current financial period, the Company has adopted the following new accounting standards and interpretations (including the consequential amendments):-

MFRSs and IC Interpretations (including the Consequential Amendments)

MFRS 124 (Revised) Related Party Disclosures

Amendments to MFRS 1 (Revised): Severe Hyperinflation and Removal of Fixed dates for First-time Adopters

Amendments to MFRS 7: Disclosures – Transfers of Financial Assets

Amendments to MFRS 112: Recovery of Underlying Assets

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

The above MFRSs, IC Interpretations and amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A1. Accounting Policies and Basis of Preparation (Cont'd)**

The Company has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period:-

<b>MFRS, Financial Reporting Standards ("FRSs") and IC Interpretations (including the Consequential</b>	<b><u>Effective Date</u></b>
MFRS 9 Financial instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 (Revised) Employee Benefits	1 January 2013
MFRS 127 (2011) Separate Financial Statements	1 January 2013
MFRS 128 (2011) Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The initial application of a standard which will be applied prospectively or which requires extended disclosures is not expected to have any significant financial impacts to the current and prior periods financial statements upon their first adoption.

**A2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements of the Group for the year ended 31 December 2011 was not qualified.

**A3. Comments about Seasonality or Cyclicity**

The Group did not experience any significant seasonal or cyclical sales cycle factors during the current financial quarter.

**A4. Unusual Items Due to Their Nature, Size or Incidence**

There were no significant unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter.

**A5. Changes in Estimates**

There were no changes in estimates that have a material effect in the current financial quarter results.

**A6. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale or repayment of debt securities nor any movement in the share capital for the current financial quarter except for those disclosed in Note B7.

**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A7. Segmental Information**

(a) The Group is organised into the following reporting business segments:-

	<b>Smart Card Personalisation</b> RM'000	<b>Customised Software &amp; Hardware Solutions</b> RM'000	<b>Investment Holding</b> RM'000	<b>Elimination</b> RM'000	<b>Consolidated</b> RM'000
<b>Revenue</b>					
External revenue	4,266	78,982	-		83,248
Inter-segment revenue	47,127	-	2,800	(49,927)	-
<b>Total Revenue</b>	<b>51,393</b>	<b>78,982</b>	<b>2,800</b>	<b>(49,927)</b>	<b>83,248</b>
<b>RESULTS</b>					
Other income	37	78	4		119
Operating expenses	(34,746)	(73,840)	(2,432)	49,927	(61,091)
Finance costs	(71)	(256)	-		(327)
Profit before tax	16,613	4,964	372	-	21,949
Income tax expense	(4,425)	(1,345)	(124)		(5,894)
<b>Total Comprehensive Income</b>	<b>12,188</b>	<b>3,619</b>	<b>248</b>	<b>-</b>	<b>16,055</b>

**A8. Valuations of Property, Plant and Equipment**

The Group has not revalued its property, plant and equipment for the current financial quarter.

**A9. Material Events Subsequent To The End of the Interim Period**

Saved as disclosed in Note B7 on the Status of Corporate Proposals, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in this quarterly report as at the date of this report.

The Group is expected to be listed on the Main Market of Bursa Securities on 3 September 2012.

**A10. Effects of changes in Composition of the Group**

Upon completion of the Acquisitions as disclosed under Note B7 on the status of Corporate Proposals, Datasonic Corporation Sdn Bhd, Datasonic Technologies Sdn Bhd and Smart Consult Solutions Sdn Bhd became wholly-owned subsidiaries of the Company on 11 June 2012.

The Acquisitions were accounted for under the Merger Method whereby the difference between the acquisition costs and the nominal value of the share capital of the subsidiaries is taken to the merger reserve or deficit, as applicable. The Acquisitions have resulted in a merger deficit amounting to RM11.07 million.

**A11. Capital Commitments**

	As at 30.06.2012 RM'000	As at 30.6.2011 RM'000
<u>Approved but not contracted for:</u>		
Renovation for new headquarter cum regional personalisation solution ("RPS") centre	2,900	N/A
Acquisition of new manufacturing plant for production of smart cards	8,000	N/A
Renovation of manufacturing plant	1,680	N/A
	<u>12,580</u>	<u>N/A</u>



**DATASONIC GROUP BERHAD**  
**(Company No. 809759-X)**

**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD**  
**("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A12. Changes in Contingent Liabilities**

The contingent liabilities were as follows:

	As at 30.06.2012 RM'000	As at 30.6.2011 RM'000
Performance guarantees (secured) granted on behalf of the holding company	2,635	N/A
Performance guarantees (secured) extended to customers	4,507	N/A
	<u>7,142</u>	<u>N/A</u>

The above performance guarantees made on behalf of the holding company of RM2.64 million were granted by Datasonic Corporation and Datasonic Technologies prior to the Group's acquisitions pursuant to the flotation scheme. Subsequent to 30 June 2012, the said guarantees were returned to the financial institution for cancellation.

**A 13. Significant Related Party Transactions**

	← INDIVIDUAL QUARTER →		← CUMULATIVE QUARTER →	
	Current Year Quarter 30.06.2012 (RM'000)	Preceding Year Quarter 30.06.2011 (RM'000)	Current Year To Date 30.06.2012 (RM'000)	Preceding Year Quarter 30.06.2011 (RM'000)
Sales to holding company	2,620	N/A	4,614	N/A
Dividend payable	7,000	N/A	7,000	N/A
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**B ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B1. Review of Performance**

The Group achieved a turnover of RM58.79 million and a profit before taxation of RM11.58 million for the second quarter ended 30 June 2012. For the six-month period ended 30 June 2012 the turnover amounted to RM83.25 million which generated a profit before taxation of RM21.95 million on the assumption that the Group has existed at the beginning of the financial year ending 31 December 2012. The Group's core business is the provision of ICT solutions which comprises of Smart Card Personalisation and Customised Software & Hardware Solutions divisions, whereby each of the divisions contributed approximately 76% and 23% respectively towards the Groups' profit before taxation.

The Smart Card Personalisation division's contribution is mainly derived from the supply of 2.09 million out of the contracted quantity of 4 million new raw MyKad with 100% polycarbonate material to the National Registration Department of Malaysia (NRD).

The Customised Software & Hardware Solutions division's contribution is principally derived from the provision of maintenance services of the existing passport printers, software and application systems for the production of passports.

No comparative figures are presented for the preceding year corresponding period as this is the first interim financial report on the consolidated results for the second quarter and six months ended 30 June 2012.

**B2. Comparison with Immediate Preceding Quarter's Results**

No comparative figures are presented for the immediate preceding quarter as this is the first interim financial report on the consolidated results for the second quarter ended 30 June 2012 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

**B3. Commentary on Prospects**

The prospects for growth is positive as the Group has secured an order book of RM370.36 million (as at 30 June 2012) and was subsequently awarded in July 2012 from the Government of a contract valued at RM56.70 million for a period to 2013. With a total order in hand of RM427.06 million, the Group is expected to continue to perform well in the second half of the financial year. The Group will continues to look for opportunities for projects in the smart card personalization and ICT solutions.

**B4. Variance of Actual Profit from Forecast Profit**

The Group did not issue any profit forecast or profit guarantee for the current financial year to date.

**B5. Profit Before Taxation**

Profit before taxation is derived after taking into consideration of the following:-

	← INDIVIDUAL QUARTER →		← CUMULATIVE QUARTER →	
	Current Year Quarter 30.06.2012 (RM'000)	Preceding Year Quarter 30.06.2011 (RM'000)	Current Year To Date 30.06.2012 (RM'000)	Preceding Year Quarter 30.06.2011 (RM'000)
Interest income	(39)	N/A	(70)	N/A
Interest expense	264	N/A	327	N/A
Depreciation of property, plant and equipment	443	N/A	947	N/A
Staff costs	3,711	N/A	7,054	N/A
(Gain)/ Loss on disposal of equipment	(1)	N/A	(48)	N/A
Foreign exchange (gain)/loss - realised	149	N/A	89	N/A
Foreign exchange (gain)/loss - unrealised	104	N/A	37	N/A

**B ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B6. Income tax expense**

	←INDIVIDUAL QUARTER →		←CUMULATIVE QUARTER →	
	Current Year Quarter 30.06.2012 (RM'000)	Preceding Year Quarter 30.06.2011 (RM'000)	Current Year To Date 30.06.2012 (RM'000)	Preceding Year Quarter 30.06.2011 (RM'000)
<b><u>Income tax</u></b>				
- Current period	3,098	N/A	5,853	N/A
Under / (over) provision in prior year				
Deferred tax	(11)	N/A	41	N/A
Tax expense	<u>3,087</u>	<u>N/A</u>	<u>5,894</u>	<u>N/A</u>

The effective tax rate for the current period is higher than the statutory tax rate on chargeable income applicable in Malaysia principally due to non-allowable expenses of certain subsidiaries.

**B7. Status of Corporate Proposals**

**Flotation Scheme**

In conjunction with, and as an integral part of the Company's listing on the Main Market of Bursa Securities, the following flotation scheme was undertaken:

**(i) Acquisitions**

- (a) Acquisition of Datasonic Corporation Sdn Bhd ("Datasonic Corporation")  
The Company has acquired the entire issued and paid-up share capital of RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM19,441,000 which was satisfied by the issuance of 38,882,000 new ordinary shares of RM0.50 each in the Company.
- (b) Acquisition of Datasonic Technologies Sdn Bhd ("Datasonic Technologies")  
The Company has acquired the entire issued and paid-up share capital of RM7,466,667 comprising 7,466,667 ordinary shares of RM1.00 each for a total purchase consideration of RM9,098,000 which satisfied by the issuance of 18,196,000 new ordinary shares of RM0.50 each in the Company.
- (c) Acquisition of Smart Consult Solutions Sdn Bhd ("Smart Consult")  
The Company has acquired the entire issued and paid-up share capital of RM100,001 comprising 100,001 ordinary shares of RM1.00 each for a total purchase consideration of RM100,000 which was satisfied by the issuance of 200,000 new ordinary shares of RM0.50 each in the Company.
- (d) Assignment of Dividend  
Dato' Abu Hanifah Bin Noordin, a director, has assigned his rights to receive a net dividend declared by a related party, Datasonic Corporation, amounting to RM6,174,000 as consideration for the subscription of 12,348,000 new ordinary shares of RM0.50 each in the Company.

The above were completed on 11 June 2012.

**B ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B7. Status of Corporate Proposals (Cont'd)**

**(ii) Public Issue**

The Company will undertake a public issue of 20,373,996 new ordinary shares of RM0.50 each, representing approximately 22.64% of the Company's enlarged issued and paid-up share capital at an issue price of RM2.00 per share to be allocated in the following manner:

- 6,000,000 new shares available for application by the public;
- 4,009,996 new shares available for application by our eligible directors, employees and persons who have contributed to the success of our Group;
- 8,517,000 new shares available for application by bumiputra investors approved by the Ministry of International Trade and Industry; and
- 1,847,000 new shares by way of placement to selected investors.

**(iii) Offer for Sale**

The offer for sale by Dato' Abu Hanifah Bin Noordin, a director, of up to 7,932,000 existing ordinary shares of RM0.50 each at an issue price of RM2.00 per share in the Company to selected investors.

**(iv) Listing and Quotation**

The listing and quotation of the Company's entire enlarged issued and paid-up share capital of RM45,000,000 comprising 90,000,000 ordinary shares of RM0.50 each on the Main Market of Bursa Securities.

The Public Issue including that of the Offer for Sale amounting to 20,373,996 new ordinary shares of RM0.50 at an issue price of RM2.00 each was completed upon the allotment of the shares to the successful investors on 24 August 2012. The Company will seek listing and quotation on the Main Market of Bursa Securities of its entire enlarged issued and paid-up capital comprising of 90,000,000 shares on 3 September 2012.

**Utilisation of proceeds**

The Public Issue will raise a gross proceeds of approximately RM40.75 million. The Company proposes to utilise the proceeds raised in the following manner:

	(RM'000)	Intended timeframe for
Capital expenditure	27,100	Within three (3) years
R&D expenditure	6,000	Within two (2) years
Working capital	5,000	Within one (1) year
Estimated listing expenses *	2,648	Upon listing
Total gross proceeds	<u>40,748</u>	

\* The Public Issue will create a share premium of RM30.56 million and the total estimated listing expenses for the issue of the new shares is around RM2.65 million of which RM1.16 million being cost directly attributed to the issuance of the said shares will be written off against the share premium account.

**B8. Group Borrowings**

Total Group borrowings as at 30 June 2012 were as follows :-

	Short term Secured RM'000	Long term Secured RM'000	As at 30.06.2012 Total RM'000
Term Loan	<u>1,231</u>	<u>3,908</u>	<u>5,139</u>
	<u>1,231</u>	<u>3,908</u>	<u>5,139</u>

All borrowings are denominated in Ringgit Malaysia.

**DATASONIC GROUP BERHAD**  
(Company No. 809759-X)

**B ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B9. Material Litigation**

A subsidiary, Datasonic Corporation, filed a writ summon on 11 January 2011 against Huawei Technologieds (Malaysia) Sdn Bhd (Huawei) for breach of a partnership agreement for an undetermined amount based on accounts, interests and costs. Huawei, in return, had filed a counterclaim for an amount of RM30.00 million inter-alia, claiming for loss of reputation.

The High Court held that the said susidiary's actions and the counterclaim by Huawei will be heard after the final determination on 29 September 2012 of an earlier action brought against Huawei by a related party of the Group.

The Group's solicitors is of the opinion that the counterclaim action is frivolous and is unlikely to succeed, which the Board has taken heed of.

**B10. Dividends**

On 8 June 2012 and prior to the Acquisitions, Datasonic Corporation and Datasonic Technologies have declared a dividend of up to RM5.00 million and RM2.00 million respectively. The dividends were paid on 24 July 2012.

There were no dividend declared during the current quarter under review for Datasonic Group Berhad.

**B11. Earnings per Share**

(a) Basic Earnings Per Share

The basic earnings per share for the current financial quarter are computed as follow:

	← INDIVIDUAL QUARTER →		← CUMULATIVE QUARTER →	
	Current Year Quarter 30.06.2012 (RM'000)	Preceding Year Quarter 30.06.2011 (RM'000)	Current Year To Date 30.06.2012 (RM'000)	Preceding Year Quarter 30.06.2011 (RM'000)
Profit for the period (RM'000)	<u>8,497</u>	<u>N/A</u>	<u>16,055</u>	<u>N/A</u>
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	<u>69,626</u>	<u>N/A</u>	<u>69,626</u>	<u>N/A</u>
Basic Earnings Per Share - Basic (sen)	<u>12.20</u>	<u>N/A</u>	<u>23.06</u>	<u>N/A</u>

(b) Diluted Earnings Per Share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current financial quarter.

**B ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B12. Disclosure on realised and unrealised profits**

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group as at 30 June 2012, into realised and unrealised profits, pursuant to the directive, is as follows :

	30.06.2012	30.6.2011
	RM'000	RM'000
Total retained earnings of the Group		
- Realised	34,790	N/A
- Unrealised	349	N/A
	<u>35,139</u>	<u>N/A</u>

The determination of realised and unrealised profits is compiled based on guidance of Special Matter No. 1, Determination of realised and unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysia Institute of Accountants on 20 December 2010.

By order of the Board  
Petaling Jaya  
28 August 2012