

**INTERIM FINANCIAL REPORT****DATASONIC GROUP BERHAD**

(Company No. 809759-X)

(Incorporated in Malaysia)

The Directors are pleased to present the Interim Financial Report for the period ended 31 December 2012 as follows:

**SUMMARY OF KEY INFORMATION****FOR THE FOURTH QUARTER ENDED 31 December 2012**

		Individual Period		Cumulative Period	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to-date	Preceding Year Corresponding Period
		31.12.12 RM'000	31.12.2011 RM'000	31.12.12 RM'000	31.12.2011 RM'000
1	Revenue	41,965	N/A	178,729	N/A
2	Profit before tax	1,062	N/A	35,432	N/A
3	Profit for the period	3,768	N/A	28,118	N/A
4	Profit attributable to ordinary owners of the parent	3,768	N/A	28,118	N/A
5	Basic earnings per share (sen)	4.19	N/A	36.85	N/A
6	Diluted earnings per share (sen)	N/A	N/A	N/A	N/A
7	Declared dividend per share (sen)	5.00	N/A	5.00	N/A
		<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
8	Net assets per share attributable to ordinary owners of the parent (RM)	1.23		N/A	

**ADDITIONAL INFORMATION**

		Individual Period		Cumulative Period	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to-date	Preceding Year Corresponding Period
		31.12.12 RM'000	31.12.2011 RM'000	31.12.12 RM'000	31.12.2011 RM'000
1	Gross interest income	223	N/A	402	N/A
2	Gross interest expense	1,070	N/A	1,594	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012**

	<--- INDIVIDUAL QUARTER --->		<--- CUMULATIVE QUARTER --->	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter <sup>(2)</sup>	To Date	Quarter <sup>(2)</sup>
	31.12.12	31.12.2011	31.12.12	31.12.2011
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Continuing Operations</b>				
Revenue	41,965	N/A	178,729	N/A
Operating expenses	(40,070)	N/A	(142,169)	N/A
Other income	237	N/A	466	N/A
Profit from operations	2,132	N/A	37,026	N/A
Finance costs	(1,070)	N/A	(1,594)	N/A
<b>Profit before tax</b>	1,062	N/A	35,432	N/A
Income tax credit/(expense)	Note (4) 2,706	N/A	(7,314)	N/A
<b>Profit for the period</b>	<u>3,768</u>	<u>N/A</u>	<u>28,118</u>	<u>N/A</u>
Total comprehensive income attributable to:				
Owners of the parent	3,768	N/A	28,118	N/A
Minority interest	-	N/A	-	N/A
	<u>3,768</u>	<u>N/A</u>	<u>28,118</u>	<u>N/A</u>
Earnings per share (sen) attributable to owners of the parent :				
- Basic <sup>(3)</sup>	<u>4.19</u>	<u>N/A</u>	<u>36.85</u>	<u>N/A</u>

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 third interim financial report on the consolidated results for the 4th quarter ended 31 December 2012 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (3) Based on the weighted average number of ordinary shares in issue for the financial period (as detailed in Note B12).
- (4) Includes an amount of RM4.01 million credit for income tax exempted from tax consequent upon receipt of the pioneer status granted to a subsidiary on 6 November 2012 (as detailed in Note B6).

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2012**

	As at 31.12.12 (RM'000)	As at 31.12.11 (RM'000)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	54,075	N/A
Development expenditures	3,668	N/A
Investment in club membership	110	N/A
	<u>57,853</u>	<u>N/A</u>
<b>CURRENT ASSETS</b>		
Inventories	20,221	N/A
Trade receivables	72,563	N/A
Other receivables, deposits and prepayments	44,685	N/A
Tax recoverable	2,931	N/A
Deposits with licensed banks	35,705	N/A
Cash and bank balances	7,611	N/A
	<u>183,716</u>	<u>N/A</u>
<b>TOTAL ASSETS</b>	<u>241,569</u>	<u>N/A</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	45,000	N/A
Share premium	29,533	N/A
Merger deficit	(11,072)	N/A
Retained earnings	47,202	N/A
Total equity	<u>110,663</u>	<u>N/A</u>
<b>NON-CURRENT LIABILITIES</b>		
Term loans	75,704	N/A
Deferred taxation	329	N/A
	<u>76,033</u>	<u>N/A</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	7,984	N/A
Other payables and accruals	18,351	N/A
Amount owing to holding company *	3,808	N/A
Short term borrowings	24,730	N/A
	<u>54,873</u>	<u>N/A</u>
Total liabilities	<u>130,906</u>	<u>N/A</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>241,569</u>	<u>N/A</u>
Net assets per share attributable to ordinary owners of the parent (RM) <sup>(3)</sup>	1.23	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 third interim financial report on the consolidated results for the 4th quarter ended 31 December 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 90,000,000 ordinary shares of RM0.50 each after the completion of the Acquisitions and Public Issue (as detailed in Note B8).

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012**

	<----- Attributable to equity holders of the Company ----->				Total Equity (RM'000)
	<----- Non distributable ----->		Distributable		
	Share capital <sup>(3)</sup> (RM'000)	Share Premium (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
Public issue of shares	10,187	30,561	-	-	40,748
Total comprehensive income for the period	-	-	-	28,118	28,118
Dividend paid	-	-	-	(7,000)	(7,000)
Share issue expenses	-	(1,028)	-	-	(1,028)
At 31 December 2012	<u>45,000</u>	<u>29,533</u>	<u>(11,072)</u>	<u>47,202</u>	<u>110,663</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 third interim financial report on the consolidated results for the 4th quarter ended 31 December 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 90,000,000 ordinary shares of RM0.50 each after the completion of the Acquisitions and Public Issue (as detailed in Note B8).

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012**

	<b>Current Year to Date 31.12.12 (RM'000)</b>	<b>Preceding Year to Date 31.12.11 <sup>(2)</sup> (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	35,432	N/A
	<u>35,432</u>	<u>N/A</u>
Adjustments for :		
Allowance for impairment on trade receivables	41	N/A
Allowance for impairment on amount due from related companies	204	N/A
Allowance for impairment on inventories	85	N/A
Depreciation of property, plant and equipment	1,856	N/A
Inventories written off	26	N/A
Interest expenses	1,594	N/A
Interest income	(402)	N/A
Gain on disposal of property, plant and equipment	(49)	N/A
Write back of impairment on trade receivables	(19)	N/A
Write back of impairment on inventories	(7)	N/A
Unrealised gain on foreign exchange	(26)	N/A
	<u>38,735</u>	<u>N/A</u>
Operating profit before changes in working capital		
Changes in inventories	(7,783)	N/A
Changes in work in progress	(4,259)	N/A
Changes in trade and other receivables	(88,566)	N/A
Changes in trade and other payables	7,850	N/A
Changes in amount owing by holding company	22,713	N/A
	<u>(31,310)</u>	<u>N/A</u>
Cash generated from operations		
Interest paid	(1,594)	N/A
Tax paid	(13,966)	N/A
	<u>(46,870)</u>	<u>N/A</u>
<b>Net cash used in operating activities</b>		
<b>CASH FLOWS FOR-INVESTING ACTIVITIES</b>		
Interest received	402	N/A
Development expenditures	2,074	N/A
Proceeds from disposal of property, plant and equipment	49	N/A
Purchase of property, plant and equipment	(42,849)	N/A
	<u>(40,324)</u>	<u>N/A</u>
<b>Net cash used in investing activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	39,720	N/A
Drawdown of term loan	72,375	N/A
Drawdown of contract financing	22,894	N/A
Repayment of term loans	(7,058)	N/A
Dividend paid	(7,000)	N/A
	<u>120,931</u>	<u>N/A</u>
<b>Net cash generated from financing activities</b>		
Net decrease in Cash and Cash Equivalents	33,737	N/A
Cash and Cash Equivalents at beginning of the financial period	8,326	N/A
	<u>42,063</u>	<u>N/A</u>
Cash and Cash Equivalents at end of the financial period		

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012 (CONT'D)**

	<b>Current Year to Date 31.12.12 (RM'000)</b>	<b>Preceding Year to Date 31.12.11 <sup>(2)</sup> (RM'000)</b>
Cash and Cash equivalents at the end of the financial period comprise the following:		
	<b>As at 31.12.12 (RM'000)</b>	<b>As at 31.12.11 <sup>(2)</sup> (RM'000)</b>
Deposits with licensed banks	35,705	N/A
Cash and bank balances	7,611	N/A
Bank overdraft	(1,253)	N/A
	<u>42,063</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 third interim financial report on the consolidated results for the 4th quarter ended 31 December 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 MFRS134: 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 Amendments)</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 except for the completion of the Flotation Scheme upon the successful listing and flotation of the company shares, as outlined in Note B8.



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

**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 the completion of the Flotation Scheme upon the successful listing and flotation of the company shares, as outlined in Note B8.

**A7. Segmental Information**

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

	Smart Card Personalisation RM'000	Customised Software & Hardware Solutions RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>					
External revenue	10,367	168,362	-	-	178,729
Inter-segment revenue	111,399	-	7,888	(119,287)	-
<b>Total Revenue</b>	<b>121,766</b>	<b>168,362</b>	<b>7,888</b>	<b>(119,287)</b>	<b>178,729</b>
<b>RESULTS</b>					
Other income	67	102	297	-	466
Operating expenses	(96,082)	(157,918)	(7,456)	119,287	(142,169)
Finance costs	(1,222)	(372)	-	-	(1,594)
Profit before tax	24,529	10,174	729	-	35,432
Income tax expense	(2,794)	(3,828)	(692)	-	(7,314)
<b>Total Comprehensive Income</b>	<b>21,735</b>	<b>6,346</b>	<b>37</b>	<b>-</b>	<b>28,118</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 on Notes A11 and B7 on the commitment to acquire and the disposal of properties respectively, 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.

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

There were no changes in the composition of the Group during the current quarter.

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

**A11. Capital Commitments**

	<b>As at 31.12.12 RM'000</b>	<b>As at 31.12.11 RM'000</b>
<u>Approved and contracted for:</u>		
Acquisition of machineries	<u>70,232</u>	<u>N/A</u>
Acquisition of new manufacturing plant for production of smart cards and new headquarter cum regional personalisation solution ("RPS") centre	<u>14,500</u>	<u>N/A</u>

On 7 February 2013, the Company entered into a Sale and Purchase Agreement ("SPA") with Providence Properties Sdn Bhd for the acquisition of a property for a cash consideration of RM14.5 million of which a 10% deposit has been made. The property is located in Petaling Jaya, Selangor and is intended to be the new headquarter of the Group with manufacturing plant facilities.

**A12. Changes in Contingent Liabilities**

The contingent liabilities were as follows:

	<b>As at 31.12.12 RM'000</b>	<b>As at 31.12.11 RM'000</b>
Performance guarantees (secured) extended to customers	<u>9,705</u>	<u>N/A</u>

**A13. Significant Related Party Transactions**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE YTD</b>	
	<b>Current Year Quarter 31.12.12 (RM'000)</b>	<b>Preceding Year Quarter 31.12.2011 (RM'000)</b>	<b>Current Year To Date 31.12.12 (RM'000)</b>	<b>Preceding Year To Date 31.12.2011 (RM'000)</b>
<b>Related parties</b>				
Sales to holding company	2,385	N/A	7,361	N/A
Acquisition of machineries from holding company	3,600	N/A	3,600	N/A
Dividend paid	-	N/A	7,000	N/A
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Company in which a Director has interests</b>				
Sales to a related party	445	N/A	1,599	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 RM41.96 million and a profit before taxation of RM1.06 million for the fourth quarter ended 31 December 2012. For the twelve-months ended 31 December 2012 the turnover amounted to RM178.73 million which generated a profit before taxation of RM35.43 million. The Group's core business is the provision of ICT solutions which comprises Smart Card Personalisation and Customised Software & Hardware Solutions divisions, whereby each of the divisions contributed approximately 70% and 29% respectively towards the Groups' profits before taxation as aforementioned.

The Smart Card Personalisation division's contribution towards the Group profits is mainly derived from the supply of 3.93 million out of the contracted quantity of 4 million new raw MyKad with 100% polycarbonate material and the delivery of MyKad consumables to the National Registration Department of Malaysia (NRD). The supply and delivery of raw MyKad and consumables generated a revenue of RM96.69 million. The other main source of revenue is derived from the supply of personalised credit cards to banks, which amounted to RM3.73 million.

The Customised Software & Hardware Solutions division's contribution is mainly derived from the maintenance and technical support services for passport machines and the supply of the passport consumables to the Immigration Department, which amounted to RM60.93 million in aggregate.

No comparative figures are presented for the preceding year corresponding period as this is the third interim financial report on the consolidated results for the fourth quarter and year ended 31 December 2012.

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

The Group's turnover of RM41.96 million was lower than RM53.52 million reported in the immediate preceding quarter. The profit before taxation of RM1.06 million was much lower than RM12.26 million in the immediate preceding quarter. This is mainly attributable to the following :

The Smart Card Personalisation division - Turnover declined mainly due to the reduced delivery of new raw MyKad with 100% polycarbonate material of 0.76 million as compared to 1.08 million in the immediate preceding quarter as the project is at its tail end with incurrence of costs for replacement of cards and printing yield in the production process.

The Customised Software & Hardware Solutions division - Turnover was higher in the fourth quarter mainly attributable to completion of phase 1 of the Orang Kurang Upaya "OKU" project. The profit before tax was higher as there was improvement in the profit margin despite the incurrence of additional costs for rectification of maintenance services.

**B3. Commentary on Prospects**

The prospects for growth are positive as the Group is expected to continue to perform better in the next financial year ending 31 December 2013, barring any unforeseen circumstances.

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

**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 the following into consideration:-

	INDIVIDUAL QUARTER		CUMULATIVE YTD	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31.12.12	31.12.2011	31.12.12	31.12.2011
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	(223)	N/A	(402)	N/A
Interest expense	1,070	N/A	1,594	N/A
Depreciation of property, plant and equipment	456	N/A	1,856	N/A
Rental of equipment, premises & vehicles	271	N/A	985	N/A
Staff costs	5,699	N/A	16,697	N/A
(Gain) on disposal of equipment	(1)	N/A	(50)	N/A
Foreign exchange loss - realised	273	N/A	463	N/A
Foreign exchange (gain) - unrealised	46	N/A	(26)	N/A

**B6. Income tax expense**

	INDIVIDUAL QUARTER		CUMULATIVE YTD	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31.12.12	31.12.2011	31.12.12	31.12.2011
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Current tax:				
- for the Current period	(2,782)	N/A	6,809	N/A
- under provision in prior year	86	N/A	445	N/A
Deferred tax:				
- for the Current period	(10)	N/A	60	N/A
	<u>(2,706)</u>	<u>N/A</u>	<u>7,314</u>	<u>N/A</u>

On 6 November 2012, a wholly-owned subsidiary, Smart Consult Solutions Sdn Bhd was granted Multimedia Super Corridor status which qualifies for Pioneer Status incentive under the Promotion of Investments Act, 1986 for the period from 18 May 2012 to 17 May 2017 whereby the statutory income from approved activities are exempted from tax.

**B7. Sales of Properties**

On 5 October 2012, Datasonic Corporation Sdn Bhd ("Datasonic Corporation"), a wholly-owned subsidiary company entered into two (2) separate conditional Sale and Purchase Agreements with Joon Xing Properties Sdn Bhd for the disposal of two properties for a total cash consideration of RM5.0 million.

The disposal of the two properties was completed on the 6 February 2013 with a net gain of RM2.48 million.

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

**B8. 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**

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 was 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.

**(ii) Public Issue**

The Company has undertaken 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 was allocated in the following manner:

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

**(iii) Offer for Sale**

The offer for sale was made 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's entire enlarged issued and paid-up capital comprising of 90,000,000 shares was listed and quoted on the Main Market of Bursa Securities on 3 September 2012.

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

**B8. Status of Corporate Proposals (Cont'd)**

**Utilisation of proceeds**

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

<b>Description</b>	<b>Proposed utilisation (RM'000)</b>	<b>Actual utilisation (RM'000)</b>	<b>Deviation (RM'000) (%)</b>		<b>Intended timeframe for utilisation (from the listing date)</b>
Capital expenditure	27,100	-	27,100	100%	Within three (3) years
R&D expenditure	6,000	807	5,193	87%	Within two (2) years
Working capital	5,000	5,000	-	0%	Within one (1) year
Listing expenses *	2,648	2,648	-	0%	Upon listing
<b>Total gross proceeds</b>	<b>40,748</b>	<b>8,455</b>	<b>32,293</b>		

\* The Public Issue created a share premium of RM30.56 million and the total listing expenses for the issue of the new shares of RM2.65 million of which RM1.03 million were costs directly attributed to the issuance of the said shares and these were written off against the share premium account.

**B9. Group Borrowings**

Total Group borrowings as at 31 December 2012 were as follows :-

	<b>Short term Secured RM'000</b>	<b>Long term Secured RM'000</b>	<b>As at 31.12.12 Total RM'000</b>
Bank overdraft	1,253	-	1,253
<u>Secured:</u>			
Term Loan / Term Financing	582	75,704	76,286
Trade Financing	22,895	-	22,895
	<u>23,477</u>	<u>75,704</u>	<u>99,181</u>

All borrowings are denominated in Ringgit Malaysia.

**B10. Material Litigation**

A subsidiary, Datasonic Corporation, filed a writ of summon on 11 January 2011 against Huawei Technologies (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 RM30.0 million inter-alia, claiming for loss of reputation.

Datasonic Corporation has filed the Reply and Defence to Counterclaim. The matter is currently fixed for continued hearing on the 26, 27 and 28 March 2013.

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.

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

**B11. Dividends**

In respect of the financial year ended 31 December 2012, the directors had on 28 February 2013 declared the first interim single-tier tax exempt dividend of 5 cents per share, amounting to RM4.5 million based on the issued and paid up share capital as at 31 December 2012.

The dividend will be paid on 15 May 2013 to depositors whose names appear in the Record of Depositors on 17 April 2013.

This dividend has not been reflected in the financial statements for the current financial year but it will be accounted for in shareholders' equity as an appropriation of retained profits for the financial year ending 31 December 2013. The Directors do not recommend the payment of any final dividend for the current financial year.

**B12. Earnings per Share**

(a) Basic Earnings Per Share

Basic earnings per share is calculated based on the profit after tax attributable to the equity holders of the Company divided by the enlarged share capital of 90,000,000 ordinary shares.

	INDIVIDUAL QUARTER		CUMULATIVE YTD	
	Current Year Quarter 31.12.12 (RM'000)	Preceding Year Quarter 31.12.2011 (RM'000)	Current Year To Date 31.12.12 (RM'000)	Preceding Year To Date 31.12.2011 (RM'000)
Total comprehensive income attributable to owners of the parent (RM'000)	3,768	N/A	28,118	N/A
Weighted average number of ordinary share in issue ('000) *	90,000	N/A	76,306	N/A
Basic earning per share (sen)	4.19	N/A	36.85	N/A

The weighted average number of ordinary shares in issue is computed as follows:-

Share issue pursuant to:

- incorporation of the Company ('000)	#	N/A	#	N/A
- acquisition of subsidiaries ('000)	69,626	N/A	69,626	N/A
- effect of Public Issue ('000)	20,374	N/A	6,680	N/A
	<u>90,000</u>	<u>N/A</u>	<u>76,306</u>	<u>N/A</u>

Notes:

\* - Ordinary shares arising from the acquisitions of subsidiaries is assumed to be issued throughout the beginning of the financial year on 1 January 2012 as the acquisitions of subsidiaries were accounted for under common control using the pooling of interest method of consolidation.

# - 4 units of ordinary shares.

(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)**

**B13. Disclosure on realised and unrealised profits**

The breakdown of the retained profits of the Group as at 31 December 2012, into realised and unrealised profits is as follows:

	<b>31.12.12</b>	<b>31.12.11</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Group		
- Realised	46,899	N/A
- Unrealised	303	N/A
	<u>47,202</u>	<u>N/A</u>

The determination of realised and unrealised profits is compiled based on the 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-Feb-13