

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>Year</b>	<b>Year</b>	<b>Year</b>	<b>Year</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>To Date</b>	<b>Quarter</b>
	<b>30.06.2013</b>	<b>30.06.2012</b>	<b>30.06.2013</b>	<b>30.06.2012</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Continuing Operations</b>				
Revenue	59,014	58,790	118,288	83,248
Operating expenses	(34,752)	(46,981)	(77,416)	(61,091)
Other income	267	39	3,023	119
Profit from operations	24,529	11,848	43,895	22,276
Finance costs	(1,734)	(264)	(3,450)	(327)
<b>Profit before tax</b>	<b>22,795</b>	<b>11,584</b>	<b>40,445</b>	<b>21,949</b>
Income tax expense	(2,206)	(3,087)	(4,806)	(5,894)
<b>Profit for the period</b>	<b>20,589</b>	<b>8,497</b>	<b>35,639</b>	<b>16,055</b>
Total comprehensive income attributable to:				
Owners of the parent	20,589	8,497	35,639	16,055
Minority interest	-	-	-	-
	<b>20,589</b>	<b>8,497</b>	<b>35,639</b>	<b>16,055</b>
Earnings per share (sen) attributable to owners of the parent :				
- Basic	<b>22.88</b>	<b>12.20</b>	<b>39.60</b>	<b>23.06</b>

Note:

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

	<b>As at 30.06.2013 (RM'000)</b>	<b>As at 31.12.2012 (RM'000)</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	143,715	51,552
Development expenditures	2,317	3,668
Investment in club membership	110	110
	<u>146,142</u>	<u>55,330</u>
<b>CURRENT ASSETS</b>		
Inventories	1,565	6,162
Projects in progress	28,019	57,073
Trade receivables	55,205	72,563
Other receivables, deposits and prepayments	1,365	926
Tax recoverable	3,060	2,931
Deposits with licensed banks	20,757	35,705
Cash and bank balances	31,750	7,611
	<u>141,721</u>	<u>182,971</u>
Asset held for sale	-	2,523
	<u>141,721</u>	<u>185,494</u>
<b>TOTAL ASSETS</b>	<u>287,863</u>	<u>240,824</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	45,000	45,000
Share premium	29,533	29,533
Merger deficit	(11,072)	(11,072)
Retained profits	78,341	47,202
Total equity	<u>141,802</u>	<u>110,663</u>
<b>NON-CURRENT LIABILITIES</b>		
Term loans	118,897	75,704
Deferred taxation	123	329
	<u>119,020</u>	<u>76,033</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	16,153	7,984
Other payables and accruals	8,246	17,606
Amount owing to holding company *	2,322	3,808
Short term borrowings	320	24,730
	<u>27,041</u>	<u>54,128</u>
Total liabilities	<u>146,061</u>	<u>130,161</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>287,863</u>	<u>240,824</u>
Net assets per share attributable to ordinary owners of the parent (RM)	1.58	1.23

Notes:

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

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

	<---- Attributable to equity holders of the Company ---->				
	<----- Non distributable ----->			Distributable	
	Share capital (RM'000)	Share Premium (RM'000)	Merger Deficit (RM'000)	Retained Earnings (RM'000)	Total Equity (RM'000)
At 1 January 2013	45,000	29,533	(11,072)	47,202	110,663
Total comprehensive income for the period	-	-	-	35,639	35,639
Dividend paid on 15 May 2013	-	-	-	(4,500)	(4,500)
At 30 June 2013	<u>45,000</u>	<u>29,533</u>	<u>(11,072)</u>	<u>78,341</u>	<u>141,802</u>

Note:

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

	<b>Current Year Quarter 30.06.2013 (RM'000)</b>	<b>Preceding Year Quarter 30.06.2012 (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	40,445	21,949
Adjustments for :		
Allowance for impairment on development expenditures	1,222	-
Allowance for impairment on inventories	3,600	-
Development expenditures expensed off	554	-
Depreciation of property, plant and equipment	3,918	947
Interest expense	3,450	327
Interest income	(489)	(70)
Gain on disposal of property, plant and equipment	(30)	(48)
Gain on disposal of asset held for sale	(2,477)	-
Unrealised gain on foreign exchange	-	(18)
Unrealised loss on foreign exchange	189	55
Operating profit before changes in working capital	<u>50,382</u>	<u>23,142</u>
Changes in inventories	1,184	861
Changes in projects in progress	29,054	(6,302)
Changes in trade and other receivables	16,919	(18,743)
Changes in trade and other payables	(1,380)	2,891
Changes in amount owing to holding company	(1,486)	18,812
Cash generated from operations	<u>94,673</u>	<u>20,661</u>
Interest paid	(3,450)	(327)
Tax paid	(5,141)	(4,310)
<b>Net cash used in operating activities</b>	<u><b>86,082</b></u>	<u><b>16,024</b></u>
<b>CASH FLOWS FOR-<del>INVESTING</del> ACTIVITIES</b>		
Interest received	489	70
Development expenditures	(612)	278
Proceeds from disposal of property, plant and equipment	34	48
Proceeds from disposal of asset held for sale	5,000	-
Purchase of property, plant and equipment	(95,945)	(2,144)
Advances to related companies	-	(38)
<b>Net cash used in investing activities</b>	<u><b>(91,034)</b></u>	<u><b>(1,786)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from holding company	-	1,162
Dividend paid	(4,500)	-
Drawdown of term loan	43,807	-
Repayment of borrowings	(23,911)	(6,494)
Repayment to related companies	-	(630)
<b>Net cash generated from financing activities</b>	<u><b>15,396</b></u>	<u><b>(5,962)</b></u>
Net decrease in Cash and Cash Equivalents	10,444	8,276
Cash and Cash Equivalents at beginning of the financial period	42,063	8,326
Cash and Cash Equivalents at end of the financial period	<u><b>52,507</b></u>	<u><b>16,602</b></u>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (CONT'D)**

	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Quarter</b>
	<b>30.06.2013</b>	<b>30.06.2012</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Cash and Cash equivalents at the end of the financial period comprise the following:		
Deposits with licensed banks	20,757	17,265
Cash and bank balances	31,750	(663)
	<u>52,507</u>	<u>16,602</u>

Note:

The above unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

**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 Malaysia Financial Reporting Standard 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The condensed consolidated interim financial statements also complies with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standards Board.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012.

These 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 year ended 31 December 2012.

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 audited financial statements for the year ended 31 December 2012.

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

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (Revised) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 - 2011 Cycle

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.

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

**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 advanced the application of the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but which are not yet effective for the current financial period:-

<b>MFRSs, 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
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10: Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
Amendments to MFRS 127: Consolidated and Separate Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

The initial application of a standard which will be applied prospectively or which requires extended disclosures is not expected to have any significant financial impact 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 2012 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 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 for the current quarter.

**A5. Changes in Estimates**

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

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

**A6. Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale or repayment of debt securities nor any movement in the share capital for the current quarter.

**A7. Segmental Information**

In this quarter, the Group has reclassified its segments for reporting purposes by combining the Smart Card Personalisation and Customised Software & Hardware Solutions divisions into one segment, called Customised Smart Card Solutions. This was done for better presentation of the financial information to facilitate performance review, resource allocation and decision making.

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

	<b>Customised Smart Card Solutions (RM'000)</b>	<b>Investment Holding (RM'000)</b>	<b>Elimination (RM'000)</b>	<b>Consolidated (RM'000)</b>
<b>REVENUE</b>				
External revenue	118,288	-	-	118,288
Inter-segment revenue	-	8,700	(8,700)	-
<b>Total Revenue</b>	<u>118,288</u>	<u>8,700</u>	<u>(8,700)</u>	<u>118,288</u>
<b>RESULT</b>				
Segment profit after taxation after accounting for:	35,373	5,266	(5,000)	35,639
Other income	2,656	367	-	3,023
Operating expenses	(73,846)	(3,570)	-	(77,416)
Finance costs	(3,450)	-	-	(3,450)
Income tax expense	<u>(4,575)</u>	<u>(231)</u>	<u>-</u>	<u>(4,806)</u>

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

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

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

Saved as disclosed in Notes A11 on the acquisition of properties and B7(a) on the bonus issue, there were no other material events subsequent to the end of the current quarter that have not been reflected in this quarterly results as at the date of this report.



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

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

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

**A11. Capital Commitments**

	<b>As at 30.06.2013 RM'000</b>	<b>As at 31.12.12 RM'000</b>
<u>Approved and contracted for:</u>		
Acquisition of machineries	<u>15,945</u>	<u>70,232</u>
Acquisitions of properties	<u>11,747<sup>(ii)</sup></u>	<u>14,500<sup>(i)</sup></u>

(i) On 7 February 2013, the Company had entered into a Sale and Purchase Agreement for the acquisition of a property for a cash consideration of RM14.5 million of which RM9.65 million has been paid. The property is located in Petaling Jaya, Selangor and is intended to be the new headquarter of the Group which will include manufacturing plant facilities as well as regional personalisation solution centre. The acquisition was completed in April 2013.

(ii) On 24 July 2013, Datasonic Technologies Sdn. Bhd. ("DTSB"), a wholly-owned subsidiary of the Company, has committed to purchase two adjacent units of retail offices with a total built-up area of 14,800 square feet and 9,673 square feet respectively located at the commercial development known as Olive Hill Business Park (Phase 2) ("Properties") to be erected on the freehold land in Mukim and Daerah Petaling, State of Selangor. The total purchase price amounting to RM11.75 million of which RM0.23 million has been paid. The Properties would be used for the Research and Development and Project Management Offices.

DTSB is expected to enter into two Sale and Purchase Agreements with the developer in September 2013.

**A12. Changes in Contingent Liabilities**

The contingent liabilities of the Group were as follows:

	<b>As at 30.06.2013 RM'000</b>	<b>As at 31.12.12 RM'000</b>
Performance guarantees (secured) extended to customers	<u>16,803</u>	<u>9,705</u>

**A13. Significant Related Party Transactions**

The Group has no significant transactions with related parties in the quarter under review.

**DATASONIC GROUP BERHAD**  
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**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 revenue of RM59.01 million in the second quarter ended 30 June 2013 as compared to RM58.79 million in the corresponding quarter of the preceding year.

RM40.75 million of the Group's revenue is derived from the supply of smart cards and consumables. The other main sources of revenue are from the supply of hardware consumables and datapages, personalisation solutions, maintenance and technical support services.

The Group's improved profit before taxation position quarter on quarter was the result of effective cost control measures by the management.

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

The Group's revenue of RM59.01 million in the current quarter was marginally lower than the RM59.27 million reported in the immediate preceding quarter.

The Group's revenue derived from the supply of smart cards and consumables was RM3.84 million higher than the immediate preceding quarter. The Group's revenue from the supply of hardware consumables and datapages, personalisation solutions, maintenance and technical support services was RM5.47 million lower than the immediate preceding quarter.

The Group's improved profit before taxation position when compared with the immediate preceding quarter was primarily due to effective cost control measures implemented by the management.

**B3. Commentary on Prospects**

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

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

The Group did not issue any profit forecast or profit guarantee for the current quarter.

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

**B5. Profit Before Taxation**

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

	INDIVIDUAL QUARTER		CUMULATIVE YTD	
	Current Year Quarter 30.06.2013 (RM'000)	Preceding Year Quarter 30.06.2012 (RM'000)	Current Year To Date 30.06.2013 (RM'000)	Preceding Year To Date 30.06.2012 (RM'000)
Interest income	(228)	(39)	(489)	(70)
Interest expense	1,734	264	3,450	327
Impairment losses *	-	-	4,822	-
Depreciation of property, plant and equipment	3,475	443	3,918	947
Rental of equipment, premises & vehicles	361	231	637	436
Staff costs	5,349	3,711	8,956	7,054
(Gain) on disposal of property and equipment	(25)	(1)	(30)	(48)
(Gain) on disposal of asset held for sales	-	-	(2,477)	-
Foreign exchange loss - realised	(161)	149	(86)	89
Foreign exchange loss - unrealised	171	104	189	37

\* This relates to an allowance for impairment losses effected in the first quarter ended 31 March 2013 for a potential project which did not materialise.

**B6. Income tax expense**

	INDIVIDUAL QUARTER		CUMULATIVE YTD	
	Current Year Quarter 30.06.2013 (RM'000)	Preceding Year Quarter 30.06.2012 (RM'000)	Current Year To Date 30.06.2013 (RM'000)	Preceding Year To Date 30.06.2012 (RM'000)
Current tax:				
- for the current period	2,212	3,098	5,114	5,853
Deferred tax:				
- for the current period	(6)	(11)	(206)	41
	<u>2,206</u>	<u>3,087</u>	<u>4,908</u>	<u>5,894</u>

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

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**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**

There were no other corporate proposals except for the following:

**(a) Bonus issue**

On 24 April 2013, the Company had announced a proposal to undertake a bonus issue of 45 million new ordinary shares of RM0.50 each on the basis of 1 bonus share for every 2 existing shares held.

Bursa Malaysia Securities Berhad had approved the listing of and quotation for the 45 million bonus shares on the main market with normal conditions as stipulated in its letter and this was announced by the Company on 20 May 2013.

On 27 May 2013, the Company had despatched the required circular to shareholders in relation to the proposed bonus issue together with the notice of extraordinary general meeting. This meeting was duly held on 18 June 2013 whereat the shareholders unanimously approved the bonus issue.

On 5 July 2013, the bonus issue exercise was completed and the bonus shares were listed on the Main Market of Bursa Securities, the financial effects of which would be reflected in the third quarter as follows:

**(i) Share premium**

	<b>(RM'000)</b>
Share premium	29,533
Less: Amount capitalised for bonus issue	<u>(22,500)</u>
Balance after bonus issue	<u>7,033</u>

**(ii) Issued and paid-up share capital**

	<b>Number of shares ( '000)</b>	<b>Share Capital (RM'000)</b>
Share capital	90,000	45,000
Issued for bonus issue	<u>45,000</u>	<u>22,500</u>
Balance after bonus issue	<u>135,000</u>	<u>67,500</u>

**DATASONIC GROUP BERHAD**  
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**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)**

**(b) Utilisation of proceeds**

The status of the utilisation of the proceeds of the Company's IPO as at 30 August 2013 can be summarised as follows:

Description	Proposed utilisation	Actual	Balance to		Intended timeframe for utilisation (from the listing date)
	after approved variation on 31 May 2013 (RM'000)	utilisation as at 30 August 2013 (RM'000)	utilise (RM'000)	(%)	
Capital expenditure	17,100	15,006	2,094	12%	Within three (3) years
R&D expenditure	6,000	1,950	4,050	68%	Within two (2) years
Working capital	15,000	14,676	324	2%	Within one (1) year
Listing expenses *	2,648	2,648	-	0%	Upon listing
Total gross proceeds	40,748	34,280	6,468		

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

**B8. Group Borrowings**

Total Group borrowings as at 30 June 2013 were as follows :-

	Short term RM'000	Long term RM'000	As at 30.06.2013 Total RM'000
Hire purchase	17	121	138
<u>Secured:</u>			
Term Loan / Term Financing	303	118,776	119,079

All borrowings are denominated in Ringgit Malaysia.

**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 Sdn. Bhd. ("**Datasonic Corporation**"), filed a writ of summons on 11 January 2011 against Huawei Technologies (M) Sdn Bhd ("**Huawei**") for breach of a partnership agreement which Datasonic Corporation is claiming for an undetermined amount based on accounts, interests and costs ("**Datasonic Action**").

Huawei, in return, had filed a counterclaim for the amount of RM30.0 million inter-alia, claiming for loss of reputation ("**Counterclaim**") due to the Datasonic Action. Datasonic Corporation has filed the Reply and Defence to the Counterclaim.

Subsequently, Huawei had applied for an application to consolidate the Datasonic Action and another action brought against them by Dibena Enterprise Sdn Bhd which was dismissed by the High Court of Kuala Lumpur ("**Dibena Action**"). The High Court of Kuala Lumpur held that the Datasonic Action and the Counterclaim will only be heard after the final determination of the Dibena Action which is ongoing.

The Group's solicitor is of the opinion that Datasonic Corporation has an arguable case for the Datasonic Action but the final outcome will depend on the evidence led at the trial and after the final determination of the Dibena Action. In relation to the Counterclaim, the solicitor is of the opinion that the action is frivolous and is unlikely to succeed, which the Board has taken heed of.

**B10. Dividend**

- (i) 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 sen per share, amounting to RM4.5 million based on the issued and paid up share capital as at 31 December 2012.

The dividend was paid on 15 May 2013 to depositors whose names appeared in the Record of Depositors on 17 April 2013.

- (ii) In respect of the financial year ending 31 December 2013, the directors had on 30 August 2013 declared the first interim single-tier tax exempt dividend of 7.5 sen per share, amounting to RM10.13 million based on the issued and paid up share capital as at 30 August 2013. The Entitlement Date will be determined and announced in due course.

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

**B11. 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 30.06.2013 (RM'000)	Preceding Year Quarter 30.06.2012 (RM'000)	Current Year To Date 30.06.2013 (RM'000)	Preceding Year To Date 30.06.2012 (RM'000)
Total comprehensive income attributable to owners of the parent (RM'000)	20,589	8,497	35,639	16,055
Weighted average number of ordinary share in issue ('000)	90,000	69,626	90,000	69,626
Basic earning per share (sen)	<u>22.88</u>	<u>12.20</u>	<u>39.60</u>	<u>23.06</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 quarter.

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

The breakdown of the retained profits of the Group as at 30 June 2013 and 31 December 2012, into the realised and unrealised elements is as follows:

	30.06.2013 (RM'000)	31.12.2012 (RM'000)
Total retained earnings of the Group		
- Realised	78,029	46,899
- Unrealised	312	303
	<u>78,341</u>	<u>47,202</u>

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

By order of the Board  
Petaling Jaya  
30 August 2013