

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

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS COMPREHENSIVE INCOME**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2013 (RM'000)	Preceding Year Quarter 31.12.2012 (RM'000)	Current Year To Date 31.12.2013 (RM'000)	Preceding Year To Date 31.12.2012 (RM'000)
<b>Continuing Operations</b>				
Revenue	72,553	41,965	260,741	178,729
Operating expenses	(45,477)	(40,070)	(163,095)	(142,169)
Other income	155	237	3,320	466
Profit from operations	<u>27,231</u>	<u>2,132</u>	<u>100,966</u>	<u>37,026</u>
Finance costs	(2,026)	(1,070)	(7,222)	(1,594)
<b>Profit before tax</b>	<u>25,205</u>	<u>1,062</u>	<u>93,744</u>	<u>35,432</u>
Income tax expense	(2,389)	2,706	(11,845)	(7,314)
<b>Profit for the period</b>	<u><u>22,816</u></u>	<u><u>3,768</u></u>	<u><u>81,899</u></u>	<u><u>28,118</u></u>
Total comprehensive income attributable to:				
Owners of the parent	22,816	3,768	81,899	28,118
Minority interest	-	-	-	-
	<u><u>22,816</u></u>	<u><u>3,768</u></u>	<u><u>81,899</u></u>	<u><u>28,118</u></u>
Earnings per share (sen) attributable to owners of the parent :				
- Basic (Note B11)	<u><u>3.38</u></u>	<u><u>0.56</u></u>	<u><u>12.13</u></u>	<u><u>4.91</u></u>

The audited 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)**

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2013**

	<b>As at 31.12.2013 (RM'000)</b>	<b>As at 31.12.2012 (RM'000)</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	146,585	51,552
Development expenditures	2,297	3,668
Investment in club membership	110	110
	<u>148,992</u>	<u>55,330</u>
<b>CURRENT ASSETS</b>		
Inventories	2,182	6,162
Projects-in-progress	30,554	57,073
Trade receivables	137,985	72,563
Other receivables, deposits and prepayments	3,439	926
Tax recoverable	-	2,931
Deposits with licensed banks	8,282	35,705
Cash and bank balances	27,142	7,611
	<u>209,584</u>	<u>182,971</u>
Asset held for sale	-	2,523
	<u>209,584</u>	<u>185,494</u>
<b>TOTAL ASSETS</b>	<u>358,576</u>	<u>240,824</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	67,500	45,000
Share premium	7,033	29,533
Merger deficit	(11,072)	(11,072)
Retained profits	114,476	47,202
Total equity	<u>177,937</u>	<u>110,663</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	134,730	75,704
Deferred taxation	71	329
	<u>134,801</u>	<u>76,033</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	17,113	7,984
Other payables and accruals	9,868	17,606
Amount owing to former holding company *	-	3,808
Provision for taxation	1,992	-
Short term borrowings	16,865	24,730
	<u>45,838</u>	<u>54,128</u>
Total liabilities	<u>180,639</u>	<u>130,161</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>358,576</u>	<u>240,824</u>
Net assets per share attributable to ordinary owners of the parent (sen) **	26.36	16.39

Notes:

\* Dibena Enterprise Sdn Bhd (a company incorporated in Malaysia) ceased to be the holding company from 27 August 2013.

\*\* The net assets per share of the Group is calculated based on the net asset value at the end of the financial year of RM177,937,000 (2012 – RM110,663,000) divided by the number of ordinary shares at the end of the financial year of 675,000,000 of RM0.10 each (2012 – 675,000,000 of RM0.10 each).

The audited 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)**

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 year	-	-	-	81,899	81,899
Bonus shares issued (Note B7(a))	22,500	(22,500)	-	-	-
Dividends paid (Note B10)	-	-	-	(14,625)	(14,625)
At 31 December 2013	<u>67,500</u>	<u>7,033</u>	<u>(11,072)</u>	<u>114,476</u>	<u>177,937</u>

The audited 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)

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**

	<b>Current Year To Date 31.12.2013 (RM'000)</b>	<b>Preceding Year To Date 31.12.2012 (RM'000)</b>
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
Profit before taxation	93,744	35,432
Adjustments for :		
Allowance for impairment on development expenditures	1,222	-
Allowance for impairment on inventories	3,600	85
Allowance for impairment on trade receivables	2	288
Depreciation of property, plant and equipment	16,739	1,856
Development expenditures expensed off	1,061	4,954
Equipment written off	37	-
Interest expense	7,222	1,594
Interest income	(801)	(402)
Inventories written off	-	26
Gain on disposal of asset held for sale	(2,477)	-
Gain on disposal of equipment	(35)	(49)
Writeback of impairment on trade receivables	-	(19)
Writeback of inventories written down	-	(7)
Unrealised loss/(gain) on foreign exchange	264	(26)
Operating profit before changes in working capital	<u>120,578</u>	<u>43,732</u>
Changes in projects-in-progress	26,519	(50,527)
Changes in inventories	380	(4,214)
Changes in trade and other receivables	(67,914)	(45,910)
Changes in trade and other payables	1,104	7,850
Changes in amount owing to former holding company	(2,306)	21,211
Cash generated from/(used in) operations	<u>78,361</u>	<u>(27,858)</u>
Interest paid	(7,222)	(1,594)
Tax paid	(7,180)	(13,966)
<b>Net cash generated from/(used in) operating activities</b>	<u><b>63,959</b></u>	<u><b>(43,418)</b></u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	801	402
Development expenditures paid	(1,099)	(2,880)
Proceeds from disposal of equipment	38	49
Proceeds from disposal of asset held for sale	5,000	-
Purchase of property, plant and equipment	(111,625)	(42,849)
<b>Net cash used in investing activities</b>	<u><b>(106,885)</b></u>	<u><b>(45,278)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(14,625)	-
Dividend paid by subsidiaries	-	(7,000)
(Repayment to)/Advances from former holding company	(1,502)	1,502
Drawdown of hire purchase	140	-
Repayment of hire purchase obligations	(10)	-
Drawdown of term loans	59,807	72,375
Proceeds from issuance of shares	-	39,720
Repayment of trade financing	(6,358)	22,894
Repayment of term loans	(1,165)	(7,058)
<b>Net cash generated from financing activities</b>	<u><b>36,287</b></u>	<u><b>122,433</b></u>
Net (decrease)/increase in Cash and Cash Equivalents	(6,639)	33,737
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>35,424</b></u>	<u><b>42,063</b></u>

**DATASONIC GROUP BERHAD**  
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**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013 (CONT'D)**

	<b>Current Year To Date 31.12.2013 (RM'000)</b>	<b>Preceding Year To Date 31.12.2012 (RM'000)</b>
Cash and Cash equivalents at the end of the financial period comprise the following:		
Deposits with licensed banks	8,282	35,705
Cash and bank balances	27,142	7,611
Bank overdraft	-	(1,253)
	<u>35,424</u>	<u>42,063</u>

The audited 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 audited 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 (2011) 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**  
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**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>
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011) Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014
MFRS 9 (2009) Financial instruments	1 January 2015
MFRS 9 (2010) Financial instruments	1 January 2015
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015

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 financial statements of the current and prior periods 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 cyclical or seasonal 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 period under review except for the Bonus Issue and Share Split exercise disclosed in Note B7(a) and Note B7(b) respectively.

**A5. Changes in Estimates**

There were no changes in estimates that have a material effect on 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 or any movement in the share capital for the period under review except for the Bonus Issue and Share Split exercise disclosed in Note B7(a) and Note B7(b) respectively.

**A7. Segmental Information**

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	260,741	-	-	260,741
Inter-segment revenue	-	24,925	(24,925)	-
<b>Total Revenue</b>	<u>260,741</u>	<u>24,925</u>	<u>(24,925)</u>	<u>260,741</u>
<b>RESULT</b>				
Segment profit after taxation after accounting for:	81,649	15,750	(15,500)	81,899
Other income	2,639	681	-	3,320
Operating expenses	(163,067)	(9,453)	9,425	(163,095)
Finance costs	(7,218)	(4)	-	(7,222)
Income tax expense	<u>(11,446)</u>	<u>(399)</u>	<u>-</u>	<u>(11,845)</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**

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 except for the following:

**(a) Change of Financial Year End**

The Board of Directors of the Company has on 28 February 2014, approved the change in the financial year end of the Company from 31 December to 31 March. The next audited financial statements shall be for a period of 15 months made up from 1 January 2014 to 31 March 2015.

**(b) Proposed Bonus Issue**

The Company announced a proposal to undertake a bonus issue of 675,000,000 new ordinary shares of RM0.10 each on the basis of one bonus share for every one existing share held at a date to be determined.



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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 31.12.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
<u>Approved and contracted for:</u>		
Renovation	1,192	-
Acquisition of machineries	1,209	70,232
Acquisitions of properties	10,572 <sup>(ii)</sup>	14,500 <sup>(i)</sup>

(i) On 7 February 2013, the Company entered into a Sale and Purchase Agreement for the acquisition of a property for a cash consideration of RM14.50 million. The acquisition was fully paid and completed in April 2013. 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.

(ii) On 30 September 2013, Datasonic Technologies Sdn. Bhd. ("DTSB"), a wholly-owned subsidiary of the Company, entered into two Sale and Purchase Agreements for the purchase of two adjacent units of retail offices with a total built-up area of 14,800 square feet and 9,673 square feet located at the commercial development known as Olive Hill Business Park (Phase 2) ("Properties") to be erected on a piece of freehold land in Mukim and Daerah Petaling in the State of Selangor at a total purchase consideration of RM11.75 million, of which a sum of RM1.18 million was paid. The Properties are intended to be used for the Research and Development and Project Management Offices.

**A12. Changes in Contingent Liabilities**

The contingent liabilities were as follows:

	<b>As at 31.12.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
Performance guarantees (secured) extended to customers	17,696	9,705

**A13. Related Party Transactions**

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

**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 RM72.55 million in the fourth quarter ended 31 December 2013 as compared to RM41.97 million in the corresponding quarter of the preceding year.

RM35.72 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 datapages, personalisation solutions, and site preparation for personalisation centres which generated a revenue of RM30.72 million.

The Group's improved profit before taxation on the basis of quarter on quarter was as a result of higher revenue earned and effective cost control measures implemented by the management.

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

The Group's revenue of RM72.55 million in the current quarter was higher than the RM69.90 million reported in the immediate preceding quarter.

The Group's revenue derived from the supply of datapages, personalisation solutions, and site preparation for personalisation centres was RM4.53 million higher than the immediate preceding quarter, whilst the revenue from the supply of smart cards and consumables was RM1.32 million lower than the immediate preceding quarter.

The Group's profit before taxation was lower when compared with the immediate preceding quarter and this was primarily due to the increase in operating expenses in the current quarter.

**B3. Commentary on Prospects**

The prospects for growth are positive as the Group is expected to continue to perform better in the next financial period ending 31 March 2015, 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 at after taking the following into consideration:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2013 (RM'000)	Preceding Year Quarter 31.12.2012 (RM'000)	Current Year To Date 31.12.2013 (RM'000)	Preceding Year To Date 31.12.2012 (RM'000)
Interest income	(178)	(223)	(801)	(402)
Interest expense	2,026	1,070	7,222	1,594
Impairment *	-	-	4,822	-
Depreciation of property, plant and equipment	7,839	456	16,739	1,856
Staff costs	7,963	6,446	22,222	17,369
(Gain) on disposal of equipment	-	-	(35)	(49)
(Gain) on disposal of asset held for sales	-	-	(2,477)	-
Foreign exchange (gain)/loss - realised	(82)	273	237	463
Foreign exchange (gain)/loss - unrealised	80	46	264	(26)

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

**B6. Income tax expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2013 (RM'000)	Preceding Year Quarter 31.12.2012 (RM'000)	Current Year To Date 31.12.2013 (RM'000)	Preceding Year To Date 31.12.2012 (RM'000)
Current tax:				
- for the current period	2,381	(2,782)	12,229	6,809
- (Over)/underprovision in preceding financial year	-	86	(126)	445
Deferred tax:				
- for the current period	71	8	(195)	103
- (Over)/underprovision in preceding financial year	(63)	(18)	(63)	(43)
	<u>2,389</u>	<u>(2,706)</u>	<u>11,845</u>	<u>7,314</u>

On 6 November 2012, a wholly-owned subsidiary, Datasonic Smart Solutions Sdn Bhd (formerly known as Smart Consult Solutions Sdn Bhd) was granted Multimedia Super Corridor ("MSC") 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.

**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 for the period under review except for the following:

**(a) Bonus Issue**

The Company had on 18 June 2013 increased its issued and paid-up share capital from RM45,000,000 to RM67,500,000 by way of a bonus issue of 45,000,000 new ordinary shares of RM0.50 each credited as fully paid-up on the basis of 1 bonus share for every 2 existing ordinary shares held and the bonus shares were listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 5 July 2013.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

**(b) Share Split**

(i) The Company had on 10 December 2013 amended its authorised share capital of RM1,000,000,000 comprising 2,000,000,000 ordinary shares of RM0.50 each into 10,000,000,000 ordinary shares of RM0.10 each to facilitate the implementation of the Share Split which involved the subdivision of every 1 existing ordinary share of RM0.50 each into 5 ordinary shares of RM0.10 each in the Company.

(ii) Pursuant to the Share Split on 10 December 2013, the issued and paid-up share capital of the Company had been subdivided into RM67,500,000 from 135,000,000 ordinary shares of RM0.50 each to 675,000,000 ordinary shares of RM0.10 each.

These subdivided shares were listed on the Main Market of Bursa Securities on 27 December 2013.

**(c) Utilisation of Proceeds**

The status of the utilisation of the proceeds of the Company's IPO as at 28 February 2014 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 28 February 2014 (RM'000)	utilise (RM'000)	(%)	
Capital expenditure	17,100	16,967	133	1%	Within three (3) years
R&D expenditure	6,000	4,433	1,567	26%	Within two (2) years
Working capital	15,000	15,000	-	0%	-
Listing expenses *	2,648	2,648	-	0%	-
Total gross proceeds	40,748	39,048	1,700		

\* 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 directly attributable to the issuance of the said shares were written off against the share premium account.

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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)**

**B8. Group Borrowings**

Total Group borrowings as at 31 December 2013 were as follows :-

	<b>Short term RM'000</b>	<b>Long term RM'000</b>	<b>As at 31.12.2013 Total RM'000</b>
Hire purchase	<u>18</u>	<u>112</u>	<u>130</u>
<u>Secured:</u>			
Term Loan / Term Financing	311	134,618	134,929
Trade Financing	<u>16,536</u>	<u>-</u>	<u>16,536</u>
	<u>16,847</u>	<u>134,618</u>	<u>151,465</u>

All borrowings are denominated in Ringgit Malaysia.

**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 filed a counterclaim for the amount of RM30.00 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 a related party, Dibena Enterprise Sdn Bhd ("**Dibena Action**"), which was dismissed by the High Court of Kuala Lumpur. 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 currently proceeding.

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.

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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)**

**B10. Dividends**

	<b>Group/Company</b>	
	<b>Sen Per</b>	<b>2013</b>
	<b>Share</b>	<b>RM'000</b>
		<b>Date of</b>
		<b>Payment</b>
In respect of the financial year ended 31 December 2012:		
- First interim single-tier tax exempt dividend declared on 28 February 2013	5.0	4,500
		15 May 2013
In respect of the financial year ended 31 December 2013:		
- First interim single-tier tax exempt dividend declared on 30 August 2013	7.5	10,125
		29 November 2013
		<hr style="width: 100%; border: 0.5px solid black;"/>
		14,625
		<hr style="width: 100%; border: 0.5px solid black;"/>

In respect of the financial year ended 31 December 2013, the Directors had on 28 February 2014 declared a second interim single-tier tax exempt dividend of 2.0 sen per share, amounting to RM13.50 million based on the issued and paid-up share capital as at 31 December 2013 of 675,000,000 ordinary shares of RM0.10 each. The Entitlement Date will be determined and announced in due course. 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 period ending 31 March 2015.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2013.

**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)**

**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 675,000,000 ordinary shares.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2013 (RM'000)	Preceding Year Quarter 31.12.2012 (RM'000)	Current Year To Date 31.12.2013 (RM'000)	Preceding Year To Date 31.12.2012 (RM'000)
Total comprehensive income attributable to owners of the parent (RM'000)	22,816	3,768	81,899	28,118
Weighted average number of ordinary shares in issue ('000)	675,000	675,000	675,000	572,295
Basic earnings per share (sen)	<u>3.38</u>	<u>0.56</u>	<u>12.13</u>	<u>4.91</u>

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

Shares issued pursuant to:

- incorporation of the Company ('000)	#	#	#	#
- acquisition of subsidiaries ('000)	69,626	69,626	69,626	69,626
- effect of Public Issue ('000)	20,374	20,374	20,374	6,680
- effect of Bonus Issue* ('000)	45,000	45,000	45,000	38,153
- effect of Share Split* ('000)	540,000	540,000	540,000	457,836
	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>	<u>572,295</u>

Notes:

# 4 units of ordinary shares.

\* The comparative figures of the weighted average number of ordinary shares for the computation of the basic earnings per ordinary share have been restated to reflect the adjustments arising from the Bonus Issue and Share Split exercises which were completed on 5 July 2013 and 27 December 2013 respectively as if the events had occurred on 1 January 2012.

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

**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)**

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

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

	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Total retained profits of the Group		
- Realised	114,811	47,505
- Unrealised	<u>(335)</u>	<u>(303)</u>
	<u>114,476</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  
Kuala Lumpur  
28 February 2014