

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014**

	<b>INDIVIDUAL QUARTER Current Quarter (RM'000)</b>	<b>CUMULATIVE QUARTER Current Period to-date (RM'000)</b>
<b>Continuing Operations</b>		
Revenue	71,555	123,392
Operating expenses	(41,085)	(78,136)
Other income	140	299
Profit from operations	<u>30,610</u>	<u>45,555</u>
Finance costs	(1,898)	(3,854)
<b>Profit before tax</b>	<u>28,712</u>	<u>41,701</u>
Income tax expense	(1,008)	(1,569)
<b>Profit for the Quarter</b>	<u><u>27,704</u></u>	<u><u>40,132</u></u>
Total comprehensive income attributable to:		
Owners of the parent	27,704	40,132
Minority interest	-	-
	<u><u>27,704</u></u>	<u><u>40,132</u></u>
Earnings per share (sen) attributable to owners of the parent :		
- Basic (Note B13)	<u><u>2.05</u></u>	<u><u>2.97</u></u>

Notes:

- (1) 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 2013 and the accompanying explanatory notes attached to these interim financial statements.
- (2) Consequent upon the change in the financial year end to 31 March 2015 as announced to Bursa Malaysia Securities Berhad on 28 February 2014, there are no comparative figures disclosed for the current quarter and the cumulative period-to-date of the preceding quarter/year. The absence of the comparatives for the period under review is because of the contention that the first three months ended 31 March 2014 is not regarded as the first quarter of the changed financial year ending 31 March and hence there are no corresponding comparatives for the individual and cumulative quarters.
- (3) The quarterly report on the consolidated financial results for the individual and cumulative quarters ended 30 June 2013 in respect of the previous financial year ended 31 December 2013 was reported on 30 August 2013.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

	<b>As at 30.06.2014 (RM'000)</b>	<b>As at 31.12.2013 (RM'000)</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	143,742	146,585
Other investment	110	110
Development expenditures	1,946	2,297
	<u>145,798</u>	<u>148,992</u>
<b>CURRENT ASSETS</b>		
Projects-in-progress	32,748	30,554
Inventories	1,849	2,182
Trade receivables	153,928	137,985
Other receivables, deposits and prepayments	6,846	3,439
Tax recoverable	780	-
Deposits with licensed banks	8,116	8,282
Cash and bank balances	5,902	27,142
	<u>210,169</u>	<u>209,584</u>
<b>TOTAL ASSETS</b>	<u>355,967</u>	<u>358,576</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	135,000	67,500
Share premium	-	7,033
Merger deficit	(11,072)	(11,072)
Retained profits	80,641	114,476
Total equity	<u>204,569</u>	<u>177,937</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	112,963	134,730
Deferred taxation	37	71
	<u>113,000</u>	<u>134,801</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	9,340	17,113
Other payables and accruals	6,003	9,868
Short term borrowings	23,055	16,865
Provision for taxation	-	1,992
	<u>38,398</u>	<u>45,838</u>
Total liabilities	<u>151,398</u>	<u>180,639</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>355,967</u>	<u>358,576</u>
Net assets per share attributable to ordinary owners of the parent (RM)	0.1515	0.1318

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 2013 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 FINANCIAL PERIOD ENDED 30 JUNE 2014**

	<---- Attributable to equity holders of the Company ---->				
	<----- Non distributable ----->			Distributable	Total
	Share capital (RM'000)	Share Premium (RM'000)	Merger Deficit (RM'000)	Retained Earnings (RM'000)	
At 1 January 2014	67,500	7,033	(11,072)	114,476	177,937
Total comprehensive income for the period	-	-	-	40,132	40,132
Dividends paid (Note B12)	-	-	-	(13,500)	(13,500)
Bonus shares issued on 11 June 2014	67,500	(7,033)	-	(60,467)	-
At 30 June 2014	<u>135,000</u>	<u>-</u>	<u>(11,072)</u>	<u>80,641</u>	<u>204,569</u>

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 2013 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 FINANCIAL PERIOD ENDED 30 JUNE 2014**

	<b>Current Period to-date 30.06.2014 (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Profit before taxation	41,701
Adjustments for :	
Allowance for impairment on inventories	114
Depreciation of property, plant and equipment	13,101
Development expenditures expensed	666
Interest expense	3,854
Interest income	(297)
Unrealised gain on foreign exchange	(280)
Operating profit before changes in working capital	<u>58,859</u>
Changes in projects-in-progress	(2,194)
Changes in inventories	219
Changes in trade and other receivables	(21,466)
Changes in trade and other payables	<u>(11,358)</u>
Cash generated from operations	24,060
Interest paid	(3,854)
Tax paid	(4,375)
<b>Net cash generated from operating activities</b>	<u><u>15,831</u></u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>	
Interest received	297
Development expenditures paid	(315)
Purchase of property, plant and equipment	(8,142)
<b>Net cash used in investing activities</b>	<u><u>(8,160)</u></u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>	
Dividend paid	(13,500)
Repayment of hire purchase obligations	(9)
Drawdown of trade financing	6,181
Repayment of term loans	(21,749)
<b>Net cash used in financing activities</b>	<u><u>(29,077)</u></u>
Net decrease in Cash and Cash Equivalents	(21,406)
Cash and Cash Equivalents at beginning of the financial period	35,424
Cash and Cash Equivalents at end of the financial period	<u><u>14,018</u></u>

**DATASONIC GROUP BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014 (CONT'D)**

	<b>Current Period to-date 30.06.2014 (RM'000)</b>
Cash and Cash equivalents at the end of the financial period comprise the following:	
Deposits with licensed banks	8,116
Cash and bank balances	5,902
	<u>14,018</u>

Notes:

- (1) The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.
- (2) Consequent upon the change in the financial year end to 31 March 2015 as announced to Bursa Malaysia Securities Berhad on 28 February 2014, there are no comparative figures disclosed for the current quarter and the cumulative period-to-date of the preceding quarter/year. The absence of the comparatives for the period under review is because of the contention that the first three months ended 31 March 2014 is not regarded as the first quarter of the changed financial year ending 31 March and hence there are no corresponding comparatives for the individual and cumulative quarters.
- (3) The quarterly report on the consolidated financial results for the individual and cumulative quarters ended 30 June 2013 in respect of the previous financial year ended 31 December 2013 was reported on 30 August 2013.

**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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). 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 2013.

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 2013.

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 2013.

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

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011) Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21: Levies

The above MFRSs, IC Interpretations and amendments did not have any 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 quarter:-

<b>MFRS, Financial Reporting Standards ("FRSs") and IC Interpretations (including the Consequential Amendments)</b>	<b><u>Effective Date</u></b>
Amendment to MFRSs (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendment to MFRSs (Annual Improvements to MFRSs 2011-2013 Cycle)	1 July 2014
Defined Benefit Plans: Employee Contributions (Amendments to MFRS 119)	1 July 2014
Accounting for Acquisitions of Interests in Joint Operations (Amendments to MFRS 11)	1 January 2016
Regulatory Deferral Accounts	1 January 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS 138)	1 January 2016
MFRS 9 (2009) Financial instruments	To be announced by MASB
MFRS 9 (2010) Financial instruments	To be announced by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	To be announced by MASB
Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)	To be announced by MASB

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 on the financial statements of the current and prior quarters 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 2013 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 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 for the financial quarter under review except for the Bonus Issue disclosed in Note B9(a).

**DATASONIC GROUP BERHAD**  
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**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 on the results of the current financial quarter.

**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 financial quarter under review except for the Bonus Issue disclosed in Note B9(a).

**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	123,392	-	-	123,392
Inter-segment revenue	-	80,110	(80,110)	-
<b>Total Revenue</b>	<u>123,392</u>	<u>80,110</u>	<u>(80,110)</u>	<u>123,392</u>
<b>RESULT</b>				
Segment profit after taxation after accounting for:	39,905	74,227	(74,000)	40,132
Other income	41	258	-	299
Operating expenses	78,480	5,766	(6,110)	78,136
Finance costs	3,851	3	-	3,854
Income tax expense	<u>1,197</u>	<u>372</u>	<u>-</u>	<u>1,569</u>

**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 quarter**

Saved as disclosed in Notes B7 on the Acquisition of Companies and B8 on the Incorporation of a Subsidiary, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim results as at the date of this report.



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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 financial quarter.

**A11. Capital Commitments**

	<b>As at</b> <b>30.06.2014</b> <b>RM'000</b>	<b>As at</b> <b>31.12.2013</b> <b>RM'000</b>
<u>Approved and contracted for:</u>		
Renovation	2,235	1,192
Acquisition of machineries	97	1,209
Acquisitions of properties <sup>(Notes)</sup>	15,415	10,572

Notes:

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 division.

On 30 May 2014, DTSB has committed to purchase four units of office with a total area of approximately 12,800 square feet located in Putrajaya, at a total purchase consideration of RM6.98 million, of which a sum of RM2.13 million was paid. These offices are intended to be used as Project Management Offices. The Sale and Purchase Agreements were signed on 3 July 2014.

**A12. Changes in Contingent Liabilities**

The contingent liabilities were as follows:

	<b>As at</b> <b>30.06.2014</b> <b>RM'000</b>	<b>As at</b> <b>31.12.2013</b> <b>RM'000</b>
Performance guarantees (secured) extended to customers	26,352	17,696

**A13. Related Party Transactions**

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

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

**B1. Review of Performance**

The Group achieved a revenue of RM71.56 million and a profit before taxation of RM28.71 million in the current financial quarter ended 30 June 2014.

RM64.93 million of the Group's revenue is derived from the supply of smart cards, datapages and personalisation solutions.

There is no comparison with the corresponding quarter in the preceding year due to the change of financial year end from 31 December to 31 March, as announced to Bursa Malaysia on 28 February 2014.

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

The Group's revenue of RM71.56 million in the current financial quarter was higher than the RM51.84 million reported in the immediate preceding quarter principally due to higher deliveries of smart cards.

The Group's profit before taxation in the current financial quarter increased to RM28.71 million on comparison with the immediate preceding quarter primarily due to higher revenue generated.

**B3. Commentary on Prospects**

The Group's performance for the remaining quarters of the financial period ending 31 March 2015 is expected to be satisfactory, 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 financial quarter.

**B5. Profit Before Taxation**

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

	<b>INDIVIDUAL QUARTER Current Quarter (RM'000)</b>	<b>CUMULATIVE QUARTER Current Period to-date (RM'000)</b>
Interest income	139	297
Interest expense	1,898	3,854
Impairment	-	114
Depreciation of property, plant and equipment	6,165	13,101
Staff costs	5,418	11,040
Foreign exchange gain - realised	140	47
Foreign exchange gain - unrealised	8	280
	<u>8</u>	<u>280</u>

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

**B6. Income tax expense**

	<b>INDIVIDUAL QUARTER Current Quarter (RM'000)</b>	<b>CUMULATIVE QUARTER Current Period to-date (RM'000)</b>
Current tax:		
- for the current financial quarter	1,019	1,603
Deferred tax:		
- for the current financial quarter	(11)	(34)
	<u>1,008</u>	<u>1,569</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 Quarter 18 May 2012 to 17 May 2017 whereby the statutory income from approved activities are exempted from tax.

**B7. Acquisition of Companies**

(a) On 9 April 2014, the Company entered into a Share Sale Agreement with Formosa Prosonic Industries Berhad for the acquisition of 24,861,790 ordinary shares of RM1.00 each, representing 99.45% of the equity interest in Asia Pacific Card & System Sdn Bhd together with its wholly-owned subsidiary, Constant Ahead Sdn Bhd ("APCS Group"), for a total cash consideration of RM21.88 million, of which a deposit of 10% of RM2.19 million was paid as at 30 June 2014.

The above acquisition of APCS Group was completed upon settlement of the balance of the consideration on 16 July 2014 and became a subsidiary of the Company.

(b) On 25 June 2014, Datasonic Technologies Sdn Bhd ("DTSB"), a wholly owned subsidiary, entered into a conditional Share Sale Agreement ("SSA") with HKS Primatrix Sdn Bhd ("HKSP") for the acquisition of 6,000 ordinary shares of RM1.00 each, representing 30% of the equity interest in FuelSubs House Sdn Bhd ("FHSB") for a total cash consideration of RM10 million.

The completion of the acquisition is conditional upon fulfilment of the Conditions Precedent of securing the letter of award which is still pending.

**B8. Incorporation of a Subsidiary**

On 25 July 2014, the Company incorporated a subsidiary known as Datasonic Innovation Sdn Bhd ("DISB").

The authorised and paid-up share capital of DISB are RM400,000 and RM100 respectively. 70% of the total paid-up share capital in DISB has been subscribed by the Company which comprises of 70 ordinary shares of RM1.00 each.

The intended principal activity of DISB is to provide services relating to biometric solutions.

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

**B9. Status of Corporate Proposals**

There were no other corporate proposals for the financial quarter under review except for the following:

**(a) Bonus Issue**

On 28 February 2014, the Company had announced a proposal to undertake a Bonus Issue of 675 million new ordinary shares of RM0.10 each in the Company on the basis of 1 bonus share for every 1 existing ordinary share then held.

Bursa Malaysia Securities Berhad (“Bursa Malaysia”) had approved the exercise with normal conditions as stipulated in its letter which was announced by the Company on 25 April 2014.

On 27 May 2014, the shareholders unanimously approved the Company's proposal by capitalising RM7.03 million from the share premium account and RM60.37 million from the retained earnings. The new ordinary shares shall, upon issue and allotment, rank pari passu in all respects with the existing ordinary shares.

The bonus issue was completed on 11 June 2014 and the new ordinary shares were listed on the Main Market of Bursa Malaysia with the issued and paid-up share capital of the Company amounted to RM135 million comprising of 1.35 billion ordinary shares of RM0.10 each.

**(b) Utilisation of Proceeds**

The proceeds of the Company's Initial Public Offer are fully utilised as at 29 August 2014 which is summarised below:

<b>Description</b>	<b>Proposed utilisation after approved variation on 31 May 2013 (RM'000)</b>	<b>Actual utilisation as at 29 August 2014 (RM'000)</b>	<b>Balance to utilise (RM'000) (%)</b>	<b>Intended timeframe for utilisation (from the listing date)</b>	<b>Note</b>
Capital expenditure	17,100	17,100	- 0%	Within three (3) years	(i)
R&D expenditure	6,000	6,000	- 0%	Within two (2) years	(i)
Working capital	15,000	15,000	- 0%	-	-
Listing expenses	2,648	2,648	- 0%	-	(ii)
<b>Total gross proceeds</b>	<b>40,748</b>	<b>40,748</b>	<b>-</b>		

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

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

**B10. Group Borrowings**

Total Group borrowings as at 30 June 2014 were as follows :-

	Short term RM'000	Long term RM'000	As at 30.06.2014 Total RM'000
Hire purchase	18	103	121
<u>Secured:</u>			
Term Loan / Term Financing	320	112,860	113,180
Trade Financing	22,717	-	22,717
	<u>23,037</u>	<u>112,860</u>	<u>135,897</u>

All borrowings are denominated in Ringgit Malaysia.

**B11. 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.

**B12. Dividends**

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.

The dividend was paid on 28 May 2014 to depositors whose names appeared in the Record of Depositors on 16 May 2014.

In respect of the financial period ending 31 March 2015, the directors had on 29 August 2014 declared the first interim single-tier tax exempt dividend of 1.0 sen per share, amounting to RM13.50 million based on the issued and paid up share capital as at 29 August 2014. The Entitlement Date will be determined and announced in due course.

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

**B13. 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 1.35 billion ordinary shares.

	<b>INDIVIDUAL QUARTER Current Quarter (RM'000)</b>	<b>CUMULATIVE QUARTER Current Period to-date (RM'000)</b>
Total comprehensive income attributable to owners of the parent (RM'000)	27,704	40,132
Weighted average number of ordinary shares in issue ('000)	1,350,000	1,350,000 *
Basic earnings per share (sen)	<u>2.05</u>	<u>2.97</u>

Note:

\* The number of ordinary shares presented in the cumulative quarter reflects the adjustment arising from the Bonus Issue, which was completed on 11 June 2014 as if the event had occurred on 1 January 2014.

(b) 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.

**B14. Disclosure on realised and unrealised profits**

The breakdown of the retained profits of the Group into their realised and unrealised elements as at 30 June 2014 and 31 December 2013 is as follows:

	<b>30.06.2014 (RM'000)</b>	<b>31.12.2013 (RM'000)</b>
Total retained profits of the Group		
- Realised	80,399	114,811
- Unrealised	<u>242</u>	<u>(335)</u>
	<u>80,641</u>	<u>114,476</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 the Main Market Listing Requirement of Bursa Malaysia, as issued by the Malaysia Institute of Accountants on 20 December 2010.

By order of the Board  
Kuala Lumpur  
29 August 2014