

INTERIM FINANCIAL REPORT**DATASONIC GROUP BERHAD**

Registration No. 200801008472 (809759-X)

Incorporated in Malaysia

The Directors are pleased to present the Interim Financial Report for the period ended 31 December 2023 as follows:

SUMMARY OF KEY INFORMATION**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.12.2023 RM'000	Preceding Year Quarter 31.12.2022 RM'000	Current Year to-date 31.12.2023 RM'000	Preceding Year to-date 31.12.2022 RM'000
1 Revenue	80,499	82,091	252,565	239,803
2 Profit before tax	21,818	25,032	73,893	77,428
3 Profit for the period	16,464	16,721	53,638	53,651
4 Profit after tax attributable to owners of the Company	16,473	16,727	53,658	53,665
5 Basic earnings per share (sen)	0.58	0.68	1.90	2.19
6 Diluted earnings per share (sen)	0.58	0.68	1.90	2.19
7 Proposed/Declared dividend per share (sen)	0.50	0.50	1.70	1.25
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
8 Net assets per share attributable to owners of the Company (RM)	0.1238		0.1241	

Remarks:

In the third quarter of the current financial year ending 31 March 2024, a third interim single-tier tax exempt dividend of 0.50 sen per share was declared on 29 February 2024, the Entitlement Date is 15 March 2024 and payable on 29 March 2024. This dividend has not been reflected in the financial statements for the financial year under review but it will be accounted for in shareholders' equity as an appropriation of retained profits for the next quarter ending 31 March 2024.

ADDITIONAL INFORMATION

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.12.2023 RM'000	Preceding Year Quarter 31.12.2022 RM'000	Current Year to-date 31.12.2023 RM'000	Preceding Year to-date 31.12.2022 RM'000
1 Gross interest income	313	127	769	285
2 Gross interest expense	(851)	(466)	(2,400)	(1,080)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Quarter 31.12.2023 (RM'000)	Preceding Quarter 31.12.2022 (RM'000)	Current Year To Date 31.12.2023 (RM'000)	Preceding Year To Date 31.12.2022 (RM'000)
Continuing Operations				
Revenue	80,499	82,091	252,565	239,803
Operating expenses	(58,801)	(57,733)	(179,547)	(163,863)
Other income	971	1,140	3,275	2,568
Profit from operations	22,669	25,498	76,293	78,508
Finance costs	(851)	(466)	(2,400)	(1,080)
Profit before tax	21,818	25,032	73,893	77,428
Income tax expense	(5,354)	(8,311)	(20,255)	(23,777)
Profit after tax	16,464	16,721	53,638	53,651
Other comprehensive income, net of tax				
- Foreign currency translation differences	3	-	(159)	(7)
Total comprehensive income for the period	16,467	16,721	53,479	53,644
Profit after taxation attributable to:				
Owners of the Company	16,473	16,727	53,658	53,665
Non-controlling interests	(9)	(6)	(20)	(14)
	16,464	16,721	53,638	53,651
Total comprehensive income attributable to:				
Owners of the Company	16,476	16,727	53,494	53,666
Non-controlling interests	(9)	(6)	(15)	(22)
	16,467	16,721	53,479	53,644
Earnings per share (sen) attributable to owners of the Company :				
- Basic (Note B11a)	0.58	0.68	1.90	2.19
- Diluted (Note B11b)	0.58	0.68	1.90	2.19

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to these interim financial statements.

DATASONIC GROUP BERHAD
Registration No. 200801008472 (809759-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	As at 31.12.2023 (RM'000)	As at 31.03.2023 (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	105,890	110,132
Right-of-use assets	11,656	12,038
Other investment	1,110	110
Goodwill	3,302	4,162
Development expenditures	438	3,852
	<u>122,396</u>	<u>130,294</u>
CURRENT ASSETS		
Projects-in-progress	2,411	1,597
Inventories	57,863	48,723
Trade receivables	148,693	114,605
Other receivables, deposits and prepayments	11,443	12,504
Short-term investments	87,068	133,092
Deposits with licensed banks	5,948	6,399
Cash and bank balances	19,098	18,148
	<u>332,524</u>	<u>335,068</u>
TOTAL ASSETS	<u>454,920</u>	<u>465,362</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	261,294	261,284
Treasury shares	(73,235)	(62,267)
Merger deficit	(11,072)	(11,072)
Foreign exchange translation reserve	(227)	(63)
Retained profits	170,947	172,262
Equity attributable to owners of the Company	<u>347,707</u>	<u>360,144</u>
Non-controlling interests	231	246
TOTAL EQUITY	<u>347,938</u>	<u>360,390</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	15,230	18,734
Deferred taxation	5,157	5,183
	<u>20,387</u>	<u>23,917</u>
CURRENT LIABILITIES		
Trade payables	16,424	19,457
Other payables and accruals	10,562	15,679
Provision for taxation	9,424	5,317
Short-term borrowings	50,185	40,602
	<u>86,595</u>	<u>81,055</u>
TOTAL LIABILITIES	<u>106,982</u>	<u>104,972</u>
TOTAL EQUITY AND LIABILITIES	<u>454,920</u>	<u>465,362</u>
Net assets per share attributable to ordinary owners of the Company (RM)	0.1238	0.1271

Notes:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**

	Share Capital RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Non- distributable Foreign Exchange Translation Reserve RM'000	Distributable Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 April 2023	261,284	(62,267)	(11,072)	(63)	172,262	360,144	246	360,390
Profit after taxation for the financial year	-	-	-	-	53,658	53,658	(20)	53,638
Other comprehensive income for the financial year:								
- Foreign exchange translation	-	-	-	(164)	-	(164)	5	(159)
Total comprehensive income for the financial year	-	-	-	(164)	53,658	53,494	(15)	53,479
Contributions by and distributions to owners of the Company:								
- purchase of treasury shares	-	(10,968)	-	-	-	(10,968)	-	(10,968)
- dividends (Note B10)	-	-	-	-	(54,973)	(54,973)	-	(54,973)
- transfer to share capital for warrant exercised	10	-	-	-	-	10	-	10
Total transactions with owners	10	(10,968)	-	-	(54,973)	(65,931)	-	(65,931)
At 31 December 2023	261,294	(73,235)	(11,072)	(227)	170,947	347,707	231	347,938

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 March 2023 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023

	CUMULATIVE QUARTERS	
	Current Year To Date 31.12.2023 (RM'000)	Preceding Year To Date 31.12.2022 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	73,893	77,428
Adjustments for :		
Amortisation of development expenditure	3,414	8,155
Depreciation of property, plant and equipment	18,408	18,382
Depreciation of right-of-use assets	806	185
Gain on disposal of property, plant and equipment	(38)	-
Impairment of goodwill	860	-
Interest income	(769)	(285)
Interest expense:		
- interest expense on lease liabilities	38	-
- other interest expense	2,362	1,080
Inventories written off	195	-
Property, plant and equipment written off	8	2
Unrealised (gain)/loss on foreign exchange	(111)	2
Writeback of impairment losses on inventories	-	(34)
Operating profit before working capital changes	99,066	104,915
Changes in projects-in-progress	(814)	(310)
Changes in inventories	(9,335)	11,533
Changes in trade and other receivables	(33,020)	(14,505)
Changes in trade and other payables	(8,297)	2,645
Cash from operating activities	47,600	104,278
Income tax paid	(16,176)	(5,335)
Income tax refund	1	-
Interest paid	(2,400)	(1,080)
Net cash from operating activities	29,025	97,863
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	769	285
Additional of other investment	(1,000)	-
Proceeds from disposal of property, plant and equipment	38	-
Purchase of property, plant and equipment	(13,555)	(2,542)
Withdrawal/(Placement) of deposits pledged to licensed banks	451	(275)
Net cash for investing activities	(13,297)	(2,532)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023 (CONT'D)

	CUMULATIVE QUARTERS	
	Current Year	Preceding Year
	To Date	To Date
	31.12.2023	31.12.2022
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	10	-
Dividends paid	(54,973)	(28,462)
Purchase of treasury shares	(10,968)	(15,837)
Drawdown of trade financing	60,245	21,996
Repayment of trade financing	(50,413)	(4,926)
Repayment of term loans	(3,095)	(3,082)
Repayment of term financing	(1,079)	(1,042)
Repayment of hire purchase	(18)	-
Repayment of lease liabilities	(603)	-
Net cash for financing activities	(60,894)	(31,353)
Net (decrease)/increase in Cash and Cash Equivalents	(45,166)	63,978
Effects of foreign exchange translation	92	7
Cash and Cash Equivalents at beginning of the financial year	151,240	114,748
Cash and Cash Equivalents at end of the financial year	106,166	178,733
Cash and Cash equivalents at the end of the financial year comprise the following:		
Deposits with licensed banks	5,948	6,382
Cash and bank balances	19,098	27,503
Short-term investments	87,068	151,230
	112,114	185,115
Less: deposits pledged to licensed banks	(5,948)	(6,382)
	106,166	178,733

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to these interim financial statements.

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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

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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and Issuers Communication No. 1/2017 - Guidance on Disclosures in Notes to Quarterly Report issued by 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 March 2023.

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 financial performance of the Company and its subsidiaries ("The Group") since the financial year ended 31 March 2023.

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 March 2023.

During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendment to MFRS 101: Disclosure of Accounting Policies

Amendment to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

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

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

Changes in Accounting Policies (Cont'd)

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial quarter:

Malaysian Financial Reporting Standards ("MFRS") and IC Interpretations (including the Consequential Amendments)	<u>Effective Date</u>
Amendment to MFRS 16: Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendment to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: The Effect of Changes in Foreign Exchange Rates	1 January 2025

The Group did not early adopt the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) as they are not expected to have material impact on the financial statements of the Group upon their initial applications.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 31 March 2023 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 under review.

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 financial quarter under review.

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 under review.

A6 Debt and Equity Securities

(i) Warrants

The Company had on 6 July 2018 issued 675,000,000 free Warrants on the basis of one (1) Warrant for every two (2) existing ordinary shares.

Following the completion of the Bonus Issue on 2 October 2020, the exercise price and the number of outstanding Warrants 2018/2023 had been adjusted in accordance with the provisions of the Deed Poll ("Adjustments") and the salient terms of the Warrants 2018/2023 are as follows:-

- (a) Each warrant entitles the registered holder to subscribe for one (1) new ordinary shares in the Company at any time on or before the maturity date, 5 July 2023, falling five (5) years from the date of issue of the Warrants. Unexercised Warrants after the exercise period will thereafter lapse and cease to be valid;
- (b) Exercise price of the Outstanding Warrants 2018/2023 = RM0.54 sen;
- (c) Number of additional Warrants 2018/2023 arising from the Adjustments = 675,000,000 Warrants 2018/2023; and
- (d) The new ordinary shares to be issued upon the exercise of the Warrants shall rank pari passu in all respects with the existing ordinary shares of the Company.

Upon the expiry date of the Warrants 2018/2023 on 5 July 2023, there were issuance of 19,000 new ordinary shares pursuant to the exercise of Warrants 2018/2023 at the exercise price of RM0.54 sen per share.

Movement in the Warrants since listing and quotation thereof as follows:

	Number of Warrants 2018/2023
At 1 April 2023	1,350,000,000
Exercised of warrants	<u>(8,000)</u>
At 30 June 2023	1,349,992,000
Exercised of warrants	<u>(11,000)</u>
At 5 July 2023	<u>1,349,981,000</u>

The remaining unexercised Warrants 2018/2023 of 1,349,981,000 had lapsed on 5 July 2023.

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

A6 Debt and Equity Securities (Cont'd)

(ii) Share Buy-Back

The Company had obtained the approval from its shareholders at the Annual General Meeting to purchase its own shares at any time up to 10% of the total number of issued shares quoted on Bursa Malaysia Securities Berhad ("Share Buy-Back").

The shares purchased can be retained as treasury shares, distributed as dividend, transfer, resold or subsequently cancelled in accordance with Section 127 of the Companies Act 2016.

The Share Buy-Back shall continue to be in force until the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by an ordinary resolution passed at the meeting, the authority is renewed.

As at 31 December 2023, the Company repurchased, in total its equity securities of 153,511,900 ordinary shares at an average price of RM0.48 per share as treasury shares, the consideration of which amounted to RM73,234,840 inclusive of transaction costs.

None of the treasury shares held was distributed, resold, cancelled, transferred in accordance with Section 127 of the Companies Act 2016 during the financial year.

(iii) Employees' Share Option Scheme ("ESOS")

On 6 December 2019, the Company had proposed to establish and implement an ESOS of up to 7.5% of the total number of issued ordinary shares of Datasonic (excluding treasury shares, if any) at any point in time during the duration of the ESOS for the eligible Directors and employees of Datasonic and its subsidiaries ("Datasonic Group or Group") (excluding dormant subsidiaries).

On 24 December 2019, the additional listing application in relation to the Proposed ESOS has been submitted to Bursa Securities. On 20 January 2020, Bursa Securities approved the listing of and quotation for such number of new ordinary shares to be issued pursuant to the exercise of option under the ESOS, subject to the following conditions:

- i) An Investment Bank is required to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting approving the ESOS; and
- ii) Datasonic is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of options under the ESOS as at the end of each quarter together with a detailed computation of the listing fee payable.

At the Extraordinary General Meeting held on 20 February 2020, the shareholders had approved of the ESOS. The ESOS Committee was formed by the Board on 27 February 2020.

On 16 July 2021, the Company announced the effective date for the implementation of the ESOS, which was the date of full compliance of the ESOS in accordance with paragraph 6.43(1) of the Listing Requirements. The ESOS shall continue to be in force for a period of 5 years from the effective date.

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

A6 Debt and Equity Securities (Cont'd)

(iii) Employees' Share Option Scheme ("ESOS") (Cont'd)

On 29 September 2022, 12 October 2022, 26 May 2023, 23 June 2023 and 2 August 2023, the Company announced changes in the composition of the ESOS Committee members.

To date of this report no share option has been offered.

A7 Segmental Information

The Group is organised into the following:-

31 December 2023	Customised Solutions	Manufacturing	Investment Holding	Elimination	Consolidated
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
REVENUE					
External	201,086	51,479	-	-	252,565
Inter-segment	17,548	20,967	69,642	(108,157)	-
Total Revenue	<u>218,634</u>	<u>72,446</u>	<u>69,642</u>	<u>(108,157)</u>	<u>252,565</u>
RESULT					
Profit from operations					76,293
Finance costs					<u>(2,400)</u>
Profit before tax					<u>73,893</u>

A8 Valuations of Property, Plant and Equipment

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

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

A9 Material Events

During the Reporting Period

- (i) On 13 June 2023, the Company announced that Datasonic Technologies Sdn Bhd ("DTSB") received and accepted a Letter dated 6 June 2023 from Kementerian Dalam Negeri ("KDN") in respect of the amendments to the contract for the supply of the Malaysian Passport Chips or 12.5 million of Passport Chips commencing from 1 December 2021 to 30 November 2023 with additional contract ceiling value of RM37,612,500 and made up the total contract ceiling value to RM387,752,500.
- (ii) On 9 January 2024, the Company announced that DTSB received and accepted one (1) Letter of Award and four (4) Letters of Extension, all dated 5 January 2024 from KDN in respect of the award and extension of the following contracts for the total contract value of RM174,999,222.76:-
- (a) Letter of Award dated 5 January 2024 from KDN for the supply of MyKad, MyTentera, MyPOCA raw cards and consumables to Jabatan Pendaftaran Negara ("JPN") for a period of six (6) months commencing from 1 December 2023 to 31 May 2024 for a contract value of RM28,690,459.65 (not subject to 6% Sales and Service Tax).
- (b) Letter of Extension dated 5 January 2024 from KDN for the comprehensive maintenance services of card personalisation centres at JPN for a period of six (6) months commencing from 1 December 2023 to 31 May 2024 for an additional contract value of RM11,353,746.36 (inclusive of 6% Sales and Service Tax).
- (c) Letter of Extension dated 5 January 2024 from KDN for the supply of the Malaysian Passport Chips to Jabatan Imigresen Malaysia ("JIM") for a period of six (6) months commencing from 1 December 2023 to 31 May 2024 for an additional contract value of RM60,201,838.05 (inclusive of 6% Sales and Service Tax).
- (d) Letter of Extension dated 5 January 2024 from KDN for the supply of the Malaysian Passport Documents to JIM for a period of six (6) months commencing from 1 December 2023 to 31 May 2024 for an additional contract value of RM25,326,975.00 (not subject to 6% Sales and Service Tax); and
- (e) Letter of Extension dated 5 January 2024 from KDN for the supply of Polycarbonate Biodata Pages to JIM for a period of six (6) months commencing from 1 December 2023 to 31 May 2024 for an additional contract value of RM49,426,203.70 (not subject to 6% Sales and Service Tax).

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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 are no changes in the composition of the Group in the current financial quarter under review.

A11 Capital Commitments

	As at 31.12.2023 RM'000	As at 31.03.2023 RM'000
<u>Approved and contracted for:</u>		
Renovation	374	351
Acquisition of machineries and equipment	1,629	1,596

A12 Changes in Contingent Liabilities

	As at 31.12.2023 RM'000	As at 31.03.2023 RM'000
Performance guarantees extended to customers	17,394	17,052

A13 Related Party Transactions

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

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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**

	Individual Quarter		Variance		Cumulative Quarters		Variance	
	Current Year Quarter 31.12.2023 (RM'000)	Preceding Year Quarter 31.12.2022 (RM'000)			Current Year To Date 31.12.2023 (RM'000)	Preceding Year To Date 31.12.2022 (RM'000)		
Revenue	80,499	82,091	(1,592)	-2%	252,565	239,803	12,762	5%
Profit from operations	22,669	25,498	(2,829)	-11%	76,293	78,508	(2,215)	-3%
Profit before tax	21,818	25,032	(3,214)	-13%	73,893	77,428	(3,535)	-5%
Profit after tax	16,464	16,721	(257)	-2%	53,638	53,651	(13)	0%
Profit after tax attributable to owners of the Company	16,473	16,727	(254)	-2%	53,658	53,665	(7)	0%

Individual Quarter

The Group achieved a revenue of RM80.50 million in the current financial quarter which was lower when compared to RM82.09 million in the corresponding quarter of the preceding financial year.

The Group's revenue in the current financial quarter derived from the supply of smart cards, passport and personalisation services was consistent with the revenue earned in the corresponding quarter of the preceding financial year except for the supply of autogate in the corresponding quarter of the preceding financial year.

The current financial quarter recorded a lower profit from operations compared with the profit in the corresponding quarter of the preceding financial year.

Cumulative Quarters

The Group achieved a revenue of RM252.57 million in the current financial period which was higher when compared to RM239.80 million in the preceding financial period.

RM219.57 million of the Group's revenue in the current financial period was derived from the supply of smart cards, passport and personalisation services which was higher than the total of RM203.41 million earned in the preceding financial period resulted from more demand from customers for the said products and services.

The current financial period reported a lower profit from operations when compared with the profit in the preceding financial period mainly due to increase of operation costs.

Assets and liabilities

The total assets and total liabilities as at 31 December 2023 against the balances of 31 March 2023 was as follows:

	As at	As at	Variance	
	31.12.2023	31.03.2023	RM'000	%
Total assets	454,920	465,362	(10,442)	-2.2%
Total liabilities	106,982	104,972	2,010	1.9%

The decrease in total assets of RM10.44 million was principally due to higher utilisation of short-term investments fund for operations.

The increase in total liabilities of RM2.01 million was principally due to higher utilisation of borrowings for payment to suppliers.

DATASONIC GROUP BERHAD

Registration No. 200801008472 (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)**B1 Review of Performance (Cont'd)****Cash flow for the nine months ended 31 December 2023**

The Group achieved cash inflow of RM29.02 million from operating activities in the financial period under review.

The net cash for financing activities was mainly for dividend payment amounted to RM54.97 million.

B2 Comparison with Immediate Preceding Quarter's Results

	Current Quarter 31.12.2023 (RM'000)	Immediate Preceding Quarter 30.09.2023 (RM'000)	Variance	
			(RM'000)	%
Revenue	80,499	87,245	(6,746)	-8%
Profit from operations	22,669	26,259	(3,590)	-14%
Profit before tax	21,818	25,450	(3,632)	-14%
Profit after tax	16,464	18,139	(1,675)	-9%
Profit after tax attributable to owners of the Company	16,473	18,148	(1,675)	-9%

The Group's revenue of RM80.50 million in the current financial quarter was lower than RM87.25 million reported in the immediate preceding quarter mainly due to lesser supplies of smart cards which resulted in lower profit before tax for the quarter under review.

B3 Commentary on Prospects

Forging ahead, the macroeconomic conditions are expected to remain demanding. For the final quarter of 2023, Malaysia's gross domestic product ("GDP") grew by 3.0% as published by the Bank Negara Malaysia. As for 2024, the GDP growth is projected to be at 4.0% to 5.0% as forecasted by the Ministry of Finance.

For us, our top priority remains on the smooth, uninterrupted and quality delivery of our products to our clients. To recap, Datasonic had in January 2024, clinched the RM134.95 million contract extension for Malaysian passport solutions and the RM28.69 million contract award for supply of MyKad Solutions. These wins not only enhanced our order book but also serve as a testament to our proven track record, delivery and technical expertise.

Moving forward, we anticipate the high demand for passports and MyKad to sustain, which certainly bodes well for us. As for i-Kad, the deployment has been gaining good traction and we expect this positive trend to sustain going forward. At the same time, Datasonic has been continuing its effort in the business development front and is leveraging on our experience and expertise to strengthen and diversify our businesses. Datasonic's outlook continues to be bright underpinned by our enlarged order book supported by our cautious approach and healthy balance sheet.

B4 Variance of Actual Profit from Forecast Profit

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

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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 arrived at after charging/(crediting):-

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 31.12.2023 (RM'000)	Preceding Year Quarter 31.12.2022 (RM'000)	Current Year Year To Date 31.12.2023 (RM'000)	Preceding Year Year To Date 31.12.2022 (RM'000)
Amortisation of development expenditure	437	2,560	3,414	8,155
Depreciation of right-of-use assets	281	61	806	185
Fair value gain on short-term investments	(654)	(993)	(2,492)	(2,214)
Impairment of goodwill	-	-	860	-
Interest income:				
- at fair value through profit or loss	-	9	-	-
- at amortised cost	(313)	(136)	(769)	(285)
Interest expense:				
- on financial liabilities at amortised cost	840	466	2,362	1,080
- on lease liabilities	11	-	38	-
Inventories:				
- written off	96	-	195	-
(Gain)/Loss on foreign exchange:				
- realised	(30)	485	547	647
- unrealised	(54)	(44)	(111)	2
Property, plant and equipment:				
- Depreciation	6,499	6,327	18,408	18,382
- Gain on disposal	(38)	-	(38)	-
- Written off	8	-	8	2
Staff costs	14,377	12,580	46,906	40,039

B6 Income Tax Expense

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 31.12.2023 (RM'000)	Preceding Year Quarter 31.12.2022 (RM'000)	Current Year Year To Date 31.12.2023 (RM'000)	Preceding Year Year To Date 31.12.2022 (RM'000)
Current tax:				
- for the current financial quarter	5,625	7,886	20,732	22,844
- overprovision in previous financial year	(450)	(87)	(450)	(87)
Deferred tax:				
- for the current financial quarter	76	440	(160)	750
- underprovision in previous financial year	103	72	133	270
	5,354	8,311	20,255	23,777

B7 Status of Corporate Proposals

There were no corporate proposals for the current financial quarter under review except as disclosed under Note A6.

DATASONIC GROUP BERHAD

Registration No. 200801008472 (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)**B8 Group Borrowings**

31.12.2023	Effective interest rates %	Short term RM'000	Long term RM'000	Total RM'000
<u>Secured:</u>				
Hire Purchase	3.39	116	484	600
Lease liabilities	4.20 - 4.45	889	190	1,079
Term Financing	4.45	864	-	864
Term Loans	4.30 - 4.45	4,177	14,556	18,733
Trade Financing	4.95 - 5.89	44,139	-	44,139
		<u>50,185</u>	<u>15,230</u>	<u>65,415</u>
31.03.2023	Effective interest rates %	Short term RM'000	Long term RM'000	Total RM'000
<u>Secured:</u>				
Lease liabilities	4.20	708	550	1,258
Term Financing	4.20	1,447	496	1,943
Term Loans	4.05 - 4.20	4,140	17,688	21,828
Trade Financing	3.68 - 5.98	34,307	-	34,307
		<u>40,602</u>	<u>18,734</u>	<u>59,336</u>

All borrowings are denominated in Ringgit Malaysia.

B9 Material Litigation

The Group does not have any material litigation for the current financial quarter under review.

B10 Dividends

	RM'000	Date of Payment
In respect of the financial year ended 31 March 2023:		
- A fourth interim single tier tax-exempt dividend of 0.75 sen per share declared on 26 May 2023	21,231	04.07.2023
In respect of the financial year ended 31 March 2024:		
- A first interim single tier tax-exempt dividend of 0.60 sen per share declared on 30 August 2023	16,889	04.10.2023
- A second interim single tier tax-exempt dividend of 0.60 sen per share declared on 30 November 2023	16,853	29.12.2023
	<u>54,973</u>	

In respect of the financial quarter ended 31 December 2023, the directors had on 29 February 2024 declared a third interim single tier tax-exempt dividend of 0.50 sen per share, the Entitlement Date is 15 March 2024 and payable on 29 March 2024. This dividend has not been reflected in the financial statements for the current financial year under review but it will be accounted for in shareholders' equity as an appropriation of retained profits for the next quarter ending 31 March 2024.

**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

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 31.12.2023 (RM'000)	Preceding Year Quarter 31.12.2022 (RM'000)	Current Year Year To Date 31.12.2023 (RM'000)	Preceding Year Year To Date 31.12.2022 (RM'000)
Profit after tax attributable to owners of the Company (RM'000)	16,473	16,727	53,658	53,665
Weighted average number of ordinary shares in issue ('000)	2,820,805	2,455,051	2,820,805	2,455,051
Basic earnings per share (sen)	0.58	0.68	1.90	2.19

(b) Diluted Earnings Per Share

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 31.12.2023 (RM'000)	Preceding Year Quarter 31.12.2022 (RM'000)	Current Year Year To Date 31.12.2023 (RM'000)	Preceding Year Year To Date 31.12.2022 (RM'000)
Profit after tax attributable to owners of the Company (RM'000)	16,473	16,727	53,658	53,665
Weighted average number of ordinary shares in issue ('000)	2,820,805	2,455,051	2,820,805	2,455,051
Diluted earnings per share (sen)	0.58	0.68	1.90	2.19

B12 Fair value of changes in financial liabilities

The Group does not have any financial liabilities that are measured at fair value for the current financial quarter under review.

By order of the Board
Kuala Lumpur
29 February 2024