

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 30 September 2024 as follows:**SUMMARY OF KEY INFORMATION****FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2024**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.09.2024 RM'000	Preceding Year Quarter 30.09.2023 RM'000	Current Year to-date 30.09.2024 RM'000	Preceding Year to-date 30.09.2023 RM'000
1 Revenue	81,020	87,245	171,778	172,066
2 Profit before tax	25,614	25,450	61,738	52,075
3 Profit for the period	17,764	18,139	44,781	37,174
4 Profit after tax attributable to owners of the Company	17,776	18,148	44,800	37,185
5 Basic earnings per share (sen)	0.64	0.64	1.61	1.32
6 Diluted earnings per share (sen)	0.64	0.64	1.60	1.32
7 Proposed/Declared dividend per share (sen)	0.00	0.60	0.75	1.20
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
8 Net assets per share attributable to owners of the Company (RM)	0.1266		0.1246	

ADDITIONAL INFORMATION

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.09.2024 RM'000	Preceding Year Quarter 30.09.2023 RM'000	Current Year to-date 30.09.2024 RM'000	Preceding Year to-date 30.09.2023 RM'000
1 Gross interest income	347	164	593	456
2 Gross interest expense	(636)	(809)	(1,392)	(1,549)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2024**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Quarter 30.09.2024 (RM'000)	Preceding Quarter 30.09.2023 (RM'000)	Current Year To Date 30.09.2024 (RM'000)	Preceding Year To Date 30.09.2023 (RM'000)
Continuing Operations				
Revenue	81,020	87,245	171,778	172,066
Operating expenses	(55,661)	(62,023)	(110,370)	(120,746)
Other income	891	1,037	1,722	2,304
Profit from operations	26,250	26,259	63,130	53,624
Finance costs	(636)	(809)	(1,392)	(1,549)
Profit before tax	25,614	25,450	61,738	52,075
Income tax expense	(7,850)	(7,311)	(16,957)	(14,901)
Profit after tax	17,764	18,139	44,781	37,174
Other comprehensive income, net of tax				
- Foreign currency translation differences	(15)	-	(83)	(162)
Total comprehensive income for the period	17,749	18,139	44,698	37,012
Profit after taxation attributable to:				
Owners of the Company	17,776	18,148	44,800	37,185
Non-controlling interests	(12)	(9)	(19)	(11)
	17,764	18,139	44,781	37,174
Total comprehensive income attributable to:				
Owners of the Company	17,779	18,149	44,747	37,018
Non-controlling interests	(30)	(10)	(49)	(6)
	17,749	18,139	44,698	37,012
Earnings per share (sen) attributable to owners of the Company :				
- Basic (Note B11a)	0.64	0.64	1.61	1.32
- Diluted (Note B11b)	0.64	0.64	1.60	1.32

The 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 2024 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 30 SEPTEMBER 2024

	As at 30.09.2024 (RM'000)	As at 31.03.2024 (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	98,544	104,291
Right-of-use assets	10,866	11,377
Other investments	1,350	1,350
Goodwill	2,702	2,702
	<u>113,462</u>	<u>119,720</u>
CURRENT ASSETS		
Projects-in-progress	2,077	1,182
Inventories	48,916	58,779
Trade receivables	131,861	168,122
Other receivables, deposits and prepayments	8,363	7,567
Short-term investments	105,190	84,278
Deposits with licensed banks	10,602	6,364
Cash and bank balances	24,141	22,268
	<u>331,150</u>	<u>348,560</u>
TOTAL ASSETS	<u>444,612</u>	<u>468,280</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	266,001	261,294
Treasury shares	(87,926)	(78,811)
Merger deficit	(11,072)	(11,072)
Employees' share option reserve	2,558	-
Fair value reserve	240	240
Foreign exchange translation reserve	(225)	(172)
Retained profits	183,205	195,562
Equity attributable to owners of the Company	<u>352,781</u>	<u>367,041</u>
Non-controlling interests	184	233
TOTAL EQUITY	<u>352,965</u>	<u>367,274</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	12,581	14,220
Deferred taxation	4,054	4,692
	<u>16,635</u>	<u>18,912</u>
CURRENT LIABILITIES		
Trade payables	7,803	14,987
Other payables and accruals	18,529	13,990
Provision for taxation	14,747	7,517
Short-term borrowings	33,933	45,600
	<u>75,012</u>	<u>82,094</u>
TOTAL LIABILITIES	<u>91,647</u>	<u>101,006</u>
TOTAL EQUITY AND LIABILITIES	<u>444,612</u>	<u>468,280</u>
Net assets per share attributable to ordinary owners of the Company (RM)	0.1266	0.1313

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 2024 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2024

				Non-distributable		Distributable				
	Share	Treasury	Merger	Employees'	Fair	Foreign	Retained	Attributable	Non-	Total
	Capital	Shares	Deficit	Share	Value	Exchange	Profits	to Owners	controlling	Equity
	RM'000	RM'000	RM'000	Option	Reserve	Reserve	RM'000	of the	Interests	RM'000
				Reserve	RM'000	RM'000		Company	RM'000	RM'000
				RM'000				RM'000		RM'000
At 1 April 2024	261,294	(78,811)	(11,072)	-	240	(172)	195,562	367,041	233	367,274
Profit after taxation for the financial year	-	-	-	-	-	-	44,800	44,800	(19)	44,781
Other comprehensive income for the financial year:										
- Foreign exchange translation differences	-	-	-	-	-	(53)	-	(53)	(30)	(83)
Total comprehensive income for the financial year	-	-	-	-	-	(53)	44,800	44,747	(49)	44,698
Contributions by and distributions to owners of the Company:										
- purchase of treasury shares	-	(9,115)	-	-	-	-	-	(9,115)	-	(9,115)
- dividends (Note B10)	-	-	-	-	-	-	(57,157)	(57,157)	-	(57,157)
- recognition of ESOS expense	-	-	-	3,200	-	-	-	3,200	-	3,200
- issuance of shares upon exercise of ESOS	4,065	-	-	-	-	-	-	4,065	-	4,065
- transfer to share capital for ESOS exercised	642	-	-	(642)	-	-	-	-	-	-
Total transactions with owners	4,707	(9,115)	-	2,558	-	-	(57,157)	(59,007)	-	(59,007)
At 30 September 2024	266,001	(87,926)	(11,072)	2,558	240	(225)	183,205	352,781	184	352,965

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 2024 and the accompanying explanatory notes attached to these interim financial statements.

DATASONIC GROUP BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2024

	CUMULATIVE QUARTERS	
	Current Year	Preceding Year
	To Date	To Date
	30.09.2024	30.09.2023
	(RM'000)	(RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	61,738	52,075
Adjustments for :		
Amortisation of development expenditure	-	2,977
Depreciation of property, plant and equipment	7,242	11,909
Depreciation of right-of-use assets	571	525
ESOS expense	3,200	-
Impairment of goodwill	-	860
Interest income	(593)	(456)
Interest expense:		
- interest expense on lease liabilities	15	27
- other interest expense	1,377	1,522
Inventories written off	-	99
Investment in an associate written off	1,500	-
Property, plant and equipment written off	-	2
Unrealised loss/(gain) on foreign exchange	577	(57)
Writeback of impairment losses on trade receivables	(232)	-
Operating profit before working capital changes	<u>75,395</u>	<u>69,483</u>
Changes in projects-in-progress	(895)	126
Changes in inventories	9,863	(6,741)
Changes in trade and other receivables	35,431	(31,991)
Changes in trade and other payables	<u>(2,426)</u>	<u>(4,977)</u>
Cash from operating activities	117,368	25,900
Income tax paid	(10,365)	(8,894)
Income tax refund	-	1
Interest paid	<u>(1,392)</u>	<u>(1,549)</u>
Net cash from operating activities	<u>105,611</u>	<u>15,458</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	593	456
Additional investment in an associate	(1,500)	-
Purchase of property, plant and equipment	(1,488)	(6,661)
(Placement)/Withdrawal of deposits pledged to licensed banks	<u>(79)</u>	<u>491</u>
Net cash for investing activities	<u>(2,474)</u>	<u>(5,714)</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)

	CUMULATIVE QUARTERS	
	Current Year	Preceding Year
	To Date	To Date
	30.09.2024	30.09.2023
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of:		
- ordinary shares	-	10
- ESOS exercised	4,065	-
Dividends paid	(57,157)	(38,120)
Purchase of treasury shares	(9,115)	(8,241)
Repayment of lease liabilities	(453)	(386)
Repayment of hire purchase	(58)	-
Drawdown of trade financing	32,219	41,175
Repayment of trade financing	(42,490)	(31,730)
Repayment of term loans	(2,088)	(2,059)
Repayment of term financing	(496)	(716)
Net cash for financing activities	<u>(75,573)</u>	<u>(40,067)</u>
Net decrease in Cash and Cash Equivalents	27,564	(30,323)
Effects of foreign exchange translation	(620)	103
Cash and Cash Equivalents at beginning of the financial year	106,546	151,240
Cash and Cash Equivalents at end of the financial year	<u>133,490</u>	<u>121,020</u>
Cash and Cash equivalents at the end of the financial year comprise the following:		
Deposits with licensed banks	10,602	5,907
Cash and bank balances	24,141	22,208
Short-term investments	105,190	98,812
	<u>139,933</u>	<u>126,927</u>
Less: Deposits pledged to licensed banks	(6,443)	(5,907)
	<u>133,490</u>	<u>121,020</u>

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 2024 and the accompanying explanatory notes attached to these interim financial statements.

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

A1 Accounting Policies and Basis of Preparation

a) Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standard 134: Interim Financial Reporting and paragraph 9.22 of the 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 financial statements also complies with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standards Board.

These financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2024.

These 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 2024.

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 2024.

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):-

Amendment to MFRS 16: Lease Liability in Sale and Leaseback

Amendment to MFRS 101: Classification of Liabilities as Current or Non-current

Amendment to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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)

b) 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)

Effective Date

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

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 2024 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.

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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 under review.

A6 Debt and Equity Securities

(i) 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 30 September 2024, the Company repurchased, in total its equity securities of 184,661,900 ordinary shares at an average price of RM0.48 per share as treasury shares, the consideration of which amounted to RM87,926,087 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.

(ii) 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.

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

A6 Debt and Equity Securities (Cont'd)

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

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.

On 29 September 2022, 12 October 2022, 26 May 2023, 23 June 2023, 2 August 2023, and 29 February 2024, the Company announced changes in the composition of the ESOS Committee members.

On 5 June 2024, the Company had made an offer of options under the ESOS Options to eligible persons to subscribe for new shares in the Company under the Company's ESOS with exercise price of RM0.446 per share.

The fair values of share options were estimated by the Group using the Binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The fair values of share options granted is RM0.0705 per share.

On 9 October 2024, the Company announced changes in the composition of the ESOS Committee members.

On 6 November 2024, on behalf of the Board of Directors of Datasonic, Malacca Securities Sdn Bhd had announced that the Company proposed to undertake allocation of options to Directors of the Company under Datasonic's employee's share option scheme that was established in 2021.

The movements of the ESOS during the period are as follows:

Vesting Period	Expiry Date	Exercise Price (RM)	←-----Number of share options-----→				
			As at 01.04.2024	Granted 05.06.2024	Not accepted by employees	As at 30.09.2024	
			'000	'000	'000	'000	'000
Tranche 1 Not applicable	15 Jul 26	0.446	-	71,725	(4,315)	(9,113)	58,297
Tranche 2 1 year (2025)	15 Jul 26	0.446	-	71,725	(4,315)	-	67,410
			-	143,450	(8,630)	(9,113)	125,707

The movement of ESOS reserve during the period are presented as follows:

	RM'000
ESOS reserve as at 1 Apr 2024	-
Recognition of ESOS expense	3,200
Transfer to share capital for ESOS exercised	(642)
ESOS reserve as at 30 Sep 2024	<u>2,558</u>

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

A7 Segmental Information

The Group is organised into the following:-

30 September 2024	Customised Solutions	Manufacturing	Investment Holding	Elimination	Consolidated
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
REVENUE					
External	133,813	37,965	-	-	171,778
Inter-segment	1,639	9,070	36,630	(47,339)	-
Total Revenue	<u>135,452</u>	<u>47,035</u>	<u>36,630</u>	<u>(47,339)</u>	<u>171,778</u>
RESULT					
Profit from operations					63,130
Finance costs					<u>(1,392)</u>
Profit before tax					<u>61,738</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.

A9 Material Events

(a) During the Reporting Period

- (i) On 4 June 2024, the Company announced that Datasonic Technologies Sdn. Bhd. ("DTSB"), a wholly-owned subsidiary of the Company received and accepted five (5) Letters of Extension, all dated 31 May 2024 from Kementerian Dalam Negeri ("KDN") in respect of the award and extension of the following contracts for the total contract value of RM181,657,605.25:-
- 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 June 2024 to 30 November 2024 for a contract value of RM27,810,820.00.
 - For the amendments to the contract for the comprehensive maintenance services of card personalisation centres at JPN for a period of six (6) months commencing from 1 June 2024 to 30 November 2024 for an additional contract value of RM11,567,967.99.

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

A9 Material Events (Cont'd)

(a) During the Reporting Period (Cont'd)

- (i) On 4 June 2024, the Company announced that Datasonic Technologies Sdn. Bhd. ("DTSB"), a wholly-owned subsidiary of the Company received and accepted five (5) Letters of Extension, all dated 31 May 2024 from Kementerian Dalam Negeri ("KDN") in respect of the award and extension of the following contracts for the total contract value of RM181,657,605.25:- (Cont'd)
- For the supply of the Malaysian Passport Chips to Jabatan Imigresen Malaysia ("JIM") for a period of six (6) months commencing from 1 June 2024 to 30 November 2024 for an additional contract value of RM59,767,243.46.
 - For the supply of the Malaysian Passport Documents to JIM for a period of six (6) months commencing from 1 June 2024 to 30 November 2024 for an additional contract value of RM29,808,487.50; and
 - For the supply of Polycarbonate Biodata Pages to JIM for a period of six (6) months commencing from 1 June 2024 to 30 November 2024 for an additional contract value of RM52,703,086.30.
- (ii) On 29 July 2024, the Company announced that Datasonic Technologies Sdn. Bhd. ("DTSB"), a wholly-owned subsidiary of the Company received and accepted the Letter Of Award dated 22 July 2024 from Kementerian Ekonomi ("KE") in respect of the rental of eight hundred and eighteen (818) units of self-service machines (vending machine) for the implementation of Program Inisiatif Pendapatan Rakyat (IPR) Inisiatif Usahawan Makanan (INSAN) at KE ("Contract") for a period of twenty-four (24) months for a contract value of RM21,163,296.00. The commencement date of the Contract will be determined by KE in due course.

(b) Subsequent to the Reporting Period

- (i) On 29 October 2024, the Company announced that DTSB received and accepted the Letter Of Award dated 21 October 2024 from Road Transport Department of Malaysia ("RTD") for the supply and printing services of special category of driving license cards to RTD ("Contract") for a period of thirty-six (36) months commencing from 1 November 2024 to 31 October 2027 for a contract value of RM21,523,320.00.
- (ii) On 4 November 2024, the Company announced that the Company entered into a conditional share sale agreement ("SSA") with Revenue Group Berhad ("Vendor") for the proposed acquisition by the Company of 51% equity interest in Innov8tif Holdings Sdn. Bhd. ("Innov8tif Holdings"), comprising 717,570 ordinary shares in Innov8tif Holdings, for a total cash consideration of RM40 million, subject to the terms as set out in the SSA.

On 8 November 2024, the Board announced the additional information as requested by Bursa Malaysia Securities Berhad ("Bursa Securities") via letter dated 7 November 2024 in relation to the proposed acquisition.

- (iii) On 6 November 2024, on behalf of the Board of Directors of Datasonic, Malacca Securities Sdn Bhd ("Malacca Securities") had announced that the Company proposed to undertake three proposals as disclosed in Note B7.

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 30.09.2024 RM'000	As at 31.03.2024 RM'000
<u>Approved and contracted for:</u>		
Renovation	52	30
Acquisition of machineries and equipment	533	133

A12 Changes in Contingent Liabilities

	As at 30.09.2024 RM'000	As at 31.03.2024 RM'000
Performance guarantees extended to customers	16,427	18,476

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 30.09.2024 (RM'000)	Preceding Year Quarter 30.09.2023 (RM'000)	(RM'000)	%	Current Year To Date 30.09.2024 (RM'000)	Preceding Year To Date 30.09.2023 (RM'000)	(RM'000)	%
Revenue	81,020	87,245	(6,225)	-7%	171,778	172,066	(288)	0%
Profit from operations	26,250	26,259	(9)	0%	63,130	53,624	9,506	18%
Profit before tax	25,614	25,450	164	1%	61,738	52,075	9,663	19%
Profit after tax	17,764	18,139	(375)	-2%	44,781	37,174	7,607	20%
Profit after tax attributable to owners of the Company	17,776	18,148	(372)	-2%	44,800	37,185	7,615	20%

Individual Quarter

The Group achieved a revenue of RM81.02 million in the current financial quarter which was lower when compared to RM87.25 million in the corresponding quarter of the preceding financial year.

RM69.67 million of the Group's revenue in the current financial quarter was derived from the supply of smart cards, passport and personalisation services which was lower than RM75.67 million earned in the corresponding quarter of the preceding financial year resulted from lesser demand from customers for the said products and services.

The current financial quarter recorded a lower profit from operations compared with the profit in the corresponding quarter of the preceding financial year was mainly due to lesser demand from customers.

Cumulative Quarters

The Group achieved a revenue of RM171.78 million in the current financial period which was lower when compared to RM172.07 million in the preceding financial period.

RM149.88 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 lower than the total of RM151.45 million earned in the preceding financial period resulted from lesser demand from customers for the said products and services.

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

Assets and liabilities

The total assets and total liabilities as at 30 September 2024 against the balances of 31 March 2024 was as follows:

	As at 30.09.2024	As at 31.03.2024	Variance RM'000	%
Total assets	444,612	468,280	(23,668)	(5.1%)
Total liabilities	91,647	101,006	(9,359)	(9.3%)

The decrease in total assets of RM23.67 million mainly resulted from improved collections from customers.

The decrease in total liabilities of RM9.4 million mainly resulted from repayment of borrowings.

DATASONIC GROUP BERHAD

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B ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**B1 Review of Performance (Cont'd)****Cash flow for the six months ended 30 September 2024**

The Group achieved cash inflow of 105.61 million from operating activities in the financial period under review.

The net cash for financing activities mainly from dividend payment which amounted to RM57.16 million.

B2 Comparison with Immediate Preceding Quarter's Results

	Current Quarter 30.09.2024 (RM'000)	Immediate Preceding Quarter 30.06.2024 (RM'000)	Variance	
			(RM'000)	%
Revenue	81,020	90,758	(9,738)	(11%)
Profit from operations	26,250	36,880	(10,630)	(29%)
Profit before tax	25,614	36,124	(10,510)	(29%)
Profit after tax	17,764	27,017	(9,253)	(34%)
Profit after tax attributable to owners of the Company	17,776	27,024	(9,248)	(34%)

The Group's revenue of RM81.02 million in the current financial quarter was lesser than RM90.76 million reported in the immediate preceding quarter mainly due to lower supplies of smart cards, passports and personalisation services which resulted in lower profit before tax for the quarter under review.

B3 Commentary on Prospects

Moving forward, while we anticipate market uncertainties to persist in the current financial year, the Group continues to be upbeat on the outlook. Our order flow, strategic initiative and promising prospects bolster this optimism. Additionally, the Ministry of Finance projects a gross domestic product ("GDP") growth of 4.0% to 5.0% in 2024, compared to 3.7% achieved in 2023, further supports this positive outlook.

At Datasonic, we continue to be laser focused on the execution of our strategic plans while undertaking a prudent approach as we capture the opportunities ahead to further expand our business.

The healthy demand for passports is sustaining, which we expect will continue in the next quarter of FY2025. Our utmost priority remains on ensuring a continuous, timely and high-quality delivery to our clients, aimed at meeting the elevated public demand.

On the i-Kad, the delivery is expected to continue picking up healthily as Datasonic will be supporting the ePass renewals as well as new i-Kad applications. Separately, our team is looking forward to deploy more autogates to our customers with our continued commitment, delivery and performance. As we charge towards FY25, Datasonic is looking towards delivering exceptional value to our stakeholders.

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 30.09.2024 (RM'000)	Preceding Year Quarter 30.09.2023 (RM'000)	Current Year Year To Date 30.09.2024 (RM'000)	Preceding Year Year To Date 30.09.2023 (RM'000)
Amortisation of development expenditure	-	438	-	2,977
Depreciation of right-of-use assets	288	278	571	525
ESOS expense	2,515	-	3,200	-
Fair value gain on short-term investments	(542)	(870)	(1,125)	(1,838)
Impairment of goodwill	-	860	-	860
Interest income at amortised cost	(347)	(164)	(593)	(456)
Interest expense:				
- on financial liabilities at amortised cost	629	795	1,377	1,522
- on lease liabilities	7	14	15	27
Inventories written off	-	99	-	99
Investment in an associate written off	1,500	-	1,500	-
Loss/(Gain) on foreign exchange:				
- realised	(255)	(10)	(230)	577
- unrealised	565	(271)	577	(57)
Property, plant and equipment:				
- depreciation	3,462	5,924	7,242	11,909
- written off	-	-	-	2
Staff costs	16,927	16,891	31,946	33,268
Writeback on impairment losses on trade receivables	(171)	-	(232)	-

B6 Income Tax Expense

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 30.09.2024 (RM'000)	Preceding Year Quarter 30.09.2023 (RM'000)	Current Year Year To Date 30.09.2024 (RM'000)	Preceding Year Year To Date 30.09.2023 (RM'000)
Current tax:				
- for the current financial quarter	8,031	7,405	17,595	15,107
Deferred tax:				
- for the current financial quarter	(241)	(85)	(634)	(236)
- under/(over)provision in previous financial year	60	(9)	(4)	30
	<u>7,850</u>	<u>7,311</u>	<u>16,957</u>	<u>14,901</u>

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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)

B7 Status of Corporate Proposals

On 6 November 2024, on behalf of the Board of Directors of Datasonic, Malacca Securities Sdn Bhd (“Malacca Securities”) had announced that the Company proposes to undertake the following:

- (i) proposed bonus issue of up to 1,548,419,500 free warrants in Datasonic on the basis of 1 free warrant for every 2 existing ordinary shares in Datasonic held by the shareholders of the Company on an entitlement date to be determined and announced later;
- (ii) proposed allocation of options to Directors of the Company under Datasonic’s employee’s share option scheme that was established in 2021; and
- (iii) proposed amendment to the constitution of the Company;

(collectively referred to as the "Proposals")

On 8 November 2024, on behalf of the Board, Malacca Securities wishes to announce that the application in relation to the Proposals has been submitted to Bursa Securities.

On 15 November 2024, on behalf of the Board, Malacca Securities wishes to announce that Bursa Securities had vide its letter dated 15 November 2024 approved the admission to the Official List and listing and quotation of up to 1,548,419,500 new Warrants to be issued pursuant to the Proposed Bonus Warrants on the Main Market of Bursa Securities; and listing and quotation of up to 1,548,419,500 new ordinary shares to be issued arising from the exercise of the new Warrants, subject to the following conditions:

- (i) Malacca Securities and Datasonic must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities (“Main LR”) pertaining to the implementation of the Proposed Bonus Warrants;
- (ii) Malacca Securities to inform Bursa Securities upon the completion of the Proposed Bonus Warrants;
- (iii) Malacca Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Bonus Warrants is completed;
- (iv) Payment of listing fees, if any, based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable;
- (v) Datasonic to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of new Warrants as at the end of each quarter together with a detailed computation of listing fees payable; and
- (vi) To incorporate comments in respect of draft circular to shareholders.

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

30.09.2024	Effective interest rates %	Short term RM'000	Long term RM'000	Total RM'000
<u>Secured:</u>				
Hire Purchase	3.39	119	394	513
Lease Liabilities	4.20 - 4.45	366	104	470
Term Loans	4.30 - 4.45	3,523	12,083	15,606
Trade Financing	4.88 - 5.71	29,925	-	29,925
		<u>33,933</u>	<u>12,581</u>	<u>46,514</u>
31.03.2024	Effective interest rates %	Short term RM'000	Long term RM'000	Total RM'000
<u>Secured:</u>				
Hire Purchase	3.39	117	454	571
Lease Liabilities	4.20 - 4.45	712	151	863
Term Financing	4.45	496	-	496
Term Loans	4.30 - 4.45	4,079	13,615	17,694
Trade Financing	5.20 - 5.82	40,196	-	40,196
		<u>45,600</u>	<u>14,220</u>	<u>59,820</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 2024:		
- A fourth interim single tier tax-exempt dividend of 1.30 sen per share declared on 30 May 2024	36,258	02.07.2024
In respect of the financial year ended 31 March 2025:		
- A first interim single tier tax-exempt dividend of 0.75 sen per share declared on 29 August 2024	20,899	27.09.2024
	<u>57,157</u>	

**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 30.09.2024 (RM'000)	Preceding Year Quarter 30.09.2023 (RM'000)	Current Year Year To Date 30.09.2024 (RM'000)	Preceding Year Year To Date 30.09.2023 (RM'000)
Profit after tax attributable to owners of the Company (RM'000)	17,776	18,148	44,800	37,185
Weighted average number of ordinary shares in issue ('000)	2,789,903	2,825,850	2,789,903	2,825,850
Basic earnings per share (sen)	0.64	0.64	1.61	1.32

(b) Diluted Earnings Per Share

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 30.09.2024 (RM'000)	Preceding Year Quarter 30.09.2023 (RM'000)	Current Year Year To Date 30.09.2024 (RM'000)	Preceding Year Year To Date 30.09.2023 (RM'000)
Profit after tax attributable to owners of the Company (RM'000)	17,776	18,148	44,800	37,185
Weighted average number of ordinary shares in issue ('000)	2,789,903	2,825,850	2,789,903	2,825,850
Effect of dilution:				
- Exercise of ESOS ('000)	6,137	-	6,137	-
Adjusted weighted average number of ordinary shares in issue ('000)	2,796,040	2,825,850	2,796,040	2,825,850
Diluted earnings per share (sen)	0.64	0.64	1.60	1.32

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
28 November 2024