

**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 March 2023 as follows:

**SUMMARY OF KEY INFORMATION****FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.03.2023 RM'000	Preceding Year Quarter 31.03.2022 RM'000	Current Year to-date 31.03.2023 RM'000	Preceding Year to-date 31.03.2022 RM'000
1 Revenue	104,902	54,337	344,705	136,428
2 Profit before tax	30,755	15,241	108,183	12,737
3 Profit for the period	22,694	13,364	76,345	10,225
4 Profit after tax attributable to owners of the Company	22,702	13,368	76,367	10,244
5 Basic earnings per share (sen)	0.80	0.47	2.68	0.36
6 Diluted earnings per share (sen)	0.80	0.47	2.68	0.36
7 Proposed/Declared dividend per share (sen)	0.75	0.25	2.00	0.60
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
8 Net assets per share attributable to owners of the Company (RM)	0.1271		0.1194	

## Remarks:

In the fourth quarter of the current financial year ended 31 March 2023, a fourth interim single-tier tax exempt dividend of 0.75 sen per share was declared on 26 May 2023, the Entitlement Date of which will be determined and announced in due course. 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 30 June 2023.

**ADDITIONAL INFORMATION**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.03.2023 RM'000	Preceding Year Quarter 31.03.2022 RM'000	Current Year to-date 31.03.2023 RM'000	Preceding Year to-date 31.03.2022 RM'000
1 Gross interest income	76	88	361	3,000
2 Gross interest expense	(579)	(313)	(1,659)	(1,459)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Quarter 31.03.2023 (RM'000) Unaudited	Preceding Quarter 31.03.2022 (RM'000) Unaudited	Current Year To Date 31.03.2023 (RM'000) Audited	Preceding Year To Date 31.03.2022 (RM'000) Audited
<b>Continuing Operations</b>				
Revenue	104,902	54,337	344,705	136,428
Operating expenses	(75,025)	(39,628)	(238,888)	(126,182)
Other income	1,457	845	4,025	3,950
Profit from operations	31,334	15,554	109,842	14,196
Finance costs	(579)	(313)	(1,659)	(1,459)
<b>Profit before tax</b>	30,755	15,241	108,183	12,737
Income tax expense	(8,061)	(1,877)	(31,838)	(2,512)
<b>Profit after tax</b>	22,694	13,364	76,345	10,225
<b>Other comprehensive income, net of tax</b>				
- Foreign currency translation differences	(1)	(16)	(8)	24
<b>Total comprehensive income for the period</b>	22,693	13,348	76,337	10,249
<b>Profit after taxation attributable to:</b>				
Owners of the Company	22,702	13,368	76,367	10,244
Non-controlling interests	(8)	(4)	(22)	(19)
	22,694	13,364	76,345	10,225
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	22,694	13,366	76,360	10,282
Non-controlling interests	(1)	(18)	(23)	(33)
	22,693	13,348	76,337	10,249
Earnings per share (sen) attributable to owners of the Company :				
- Basic (Note B11a)	0.80	0.47	2.68	0.36
- Diluted (Note B11b)	0.80	0.47	2.68	0.36

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

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

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	<b>As at 31.03.2023 (RM'000)</b>	<b>As at 31.03.2022 (RM'000)</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	110,132	131,261
Right-of-use assets	12,038	11,027
Other investment	110	110
Goodwill	4,162	4,162
Development expenditures	3,852	15,359
Trade receivables (2)	-	2,146
	<u>130,294</u>	<u>164,065</u>
<b>CURRENT ASSETS</b>		
Projects-in-progress	1,597	3,180
Inventories	48,723	52,225
Trade receivables	114,605	48,619
Other receivables, deposits and prepayments	12,504	9,442
Tax recoverable	-	2,392
Short-term investments	133,092	110,111
Deposits with licensed banks	6,399	6,107
Cash and bank balances	18,148	4,637
	<u>335,068</u>	<u>236,713</u>
<b>TOTAL ASSETS</b>	<u>465,362</u>	<u>400,778</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	261,284	261,284
Treasury shares	(62,267)	(46,430)
Merger deficit	(11,072)	(11,072)
Foreign exchange translation reserve	(63)	(56)
Retained profits	172,262	138,520
Equity attributable to owners of the Company	<u>360,144</u>	<u>342,246</u>
Non-controlling interests	246	269
<b>TOTAL EQUITY</b>	<u>360,390</u>	<u>342,515</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	18,734	23,749
Deferred taxation	5,183	4,334
	<u>23,917</u>	<u>28,083</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	19,457	6,583
Other payables and accruals	15,679	14,648
Provision for taxation	5,317	-
Short-term borrowings	40,602	8,949
	<u>81,055</u>	<u>30,180</u>
<b>TOTAL LIABILITIES</b>	<u>104,972</u>	<u>58,263</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>465,362</u>	<u>400,778</u>
Net assets per share attributable to ordinary owners of the Company (RM)	0.1271	0.1194

Notes:

- (1) 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 2022 and the accompanying explanatory notes attached to these interim financial statements.
- (2) These represent revenue earned for work performed and goods delivered but related invoices have yet to be issued in accordance with contractual terms.

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 MARCH 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 2022	261,284	(46,430)	(11,072)	(56)	138,520	342,246	269	342,515
Profit after taxation for the financial year	-	-	-	-	76,367	76,367	(22)	76,345
Other comprehensive income for the financial year:								
- Foreign exchange translation	-	-	-	(7)	-	(7)	(1)	(8)
Total comprehensive income for the financial year	-	-	-	(7)	76,367	76,360	(23)	76,337
Contributions by and distributions to owners of the Company:								
- purchase of treasury shares	-	(15,837)	-	-	-	(15,837)	-	(15,837)
- dividends (Note B10)	-	-	-	-	(42,625)	(42,625)	-	(42,625)
Total transactions with owners	-	(15,837)	-	-	(42,625)	(58,462)	-	(58,462)
At 31 March 2023	261,284	(62,267)	(11,072)	(63)	172,262	360,144	246	360,390

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

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

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**

	<b>CUMULATIVE QUARTERS</b>	
	<b>Current Year To Date 31.03.2023 (RM'000)</b>	<b>Preceding Year To Date 31.03.2022 (RM'000)</b>
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
Profit before taxation	108,183	12,737
Adjustments for :		
Allowance for impairment losses:		
- inventories	37	-
- trade receivables	3,572	3,656
- other receivables	-	155
Amortisation of development expenditure	11,507	4,982
Bad debt written off	-	94
Depreciation of property, plant and equipment	24,899	11,996
Depreciation of right-of-use assets	419	514
Fair value (gain)/loss on trade receivable	(170)	59
Gain on disposal of property, plant and equipment	(46)	(47)
Interest income	(361)	(3,000)
Interest expense:		
- interest expense on lease liabilities	14	55
- other interest expense	1,645	1,404
Inventories written off	136	-
Property, plant and equipment written off	2	19
Reversal of excess accrued operational costs	-	(4,500)
Unrealised (gain)/loss on foreign exchange	(272)	18
Writeback of impairment losses on:		
- inventories	(214)	(121)
- trade receivables	(53)	-
Operating profit before working capital changes	<u>149,298</u>	<u>28,021</u>
Changes in projects-in-progress	1,583	(977)
Changes in inventories	3,554	(3,823)
Changes in trade and other receivables	(70,156)	(17,025)
Changes in trade and other payables	<u>13,951</u>	<u>(4,547)</u>
Cash from operating activities	98,230	1,649
Income tax paid	(23,280)	(2,178)
Interest paid	<u>(1,659)</u>	<u>(1,459)</u>
<b>Net cash from/(for) operating activities</b>	<b><u>73,291</u></b>	<b><u>(1,988)</u></b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	361	3,000
Proceeds from disposal of property, plant and equipment	174	130
Purchase of property, plant and equipment	(3,868)	(7,321)
Placement of deposits pledged to licensed banks	(292)	(4)
<b>Net cash for investing activities</b>	<b><u>(3,625)</u></b>	<b><u>(4,195)</u></b>

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH QUARTER ENDED 31 MARCH 2023 (CONT'D)**

	<b>CUMULATIVE QUARTERS</b>	
	<b>Current Year To Date 31.03.2023 (RM'000)</b>	<b>Preceding Year To Date 31.03.2022 (RM'000)</b>
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares	-	126,284
Dividends paid	(42,625)	(11,484)
Purchase of treasury shares	(15,837)	(8,850)
Repayment of lease liabilities	(172)	(912)
Drawdown of trade financing	39,116	15,125
Repayment of trade financing	(8,234)	(18,959)
Repayment of term loans	(4,108)	(21,097)
Repayment of term financing	(1,394)	(1,356)
<b>Net cash (for)/from financing activities</b>	<b>(33,254)</b>	<b>78,751</b>
Net increase in Cash and Cash Equivalents	36,412	72,568
Effects of foreign exchange translation	80	(11)
Cash and Cash Equivalents at beginning of the financial year	114,748	42,191
Cash and Cash Equivalents at end of the financial year	<b>151,240</b>	<b>114,748</b>
Cash and Cash equivalents at the end of the financial year comprise the following:		
Deposits with licensed banks	6,399	6,107
Cash and bank balances	18,148	4,637
Short-term investments	133,092	110,111
	<b>157,639</b>	<b>120,855</b>
Less: deposits pledged to licensed banks	(6,399)	(6,107)
	<b>151,240</b>	<b>114,748</b>

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

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

**A1 Accounting Policies and Basis of Preparation**

a) Basis of Preparation

The interim financial statements are audited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standard 134: Interim Financial Reporting and paragraph 9.22 of the 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 2022.

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 2022.

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 2022.

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 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

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:

<b>Malaysian Financial Reporting Standards ("MFRS") and IC Interpretations (including the Consequential Amendments)</b>	<u><b>Effective Date</b></u>
Amendment to MFRS 16 Leases: Lease Liability in Sale and Leaseback	1 January 2024
MFRS 17 Insurance Contracts	1 January 2023
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 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
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
Amendment to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendment to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from Single Transaction	1 January 2023

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.



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

**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 2022 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.

**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.

To date of this report 1,350,000,000 Warrants remained unexercised.

**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 March 2023, the Company had repurchased, in total its equity securities of 129,450,000 ordinary shares at an average price of RM0.48 per share as treasury shares, the consideration of which amounted to RM62,267,093 with transaction costs.

None of the treasury shares held were 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 and 12 October 2022, the Company announced changes in the composition of the ESOS Committee members.

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

(iv) Private Placement

On 20 November 2020, the Company had proposed to undertake a private placement of new ordinary shares in Datasonic ("Datasonic Shares" or "Shares"), representing up to 10% of the total number of issued shares (excluding treasury shares), to independent third-party investors.

On 2 December 2020, Bursa Securities approved the listing and quotation of up to 405,000,000 Placement Shares.

On 29 March 2021, the Board had fixed the issue price for 262,000,000 Placement Shares at RM0.482 per Placement Shares, represents a discount of approximately RM0.0532 or 9.94% to the 5D-VWAP of Datasonic Shares up to and including 26 March 2021 of RM0.5352 per Datasonic Share.

The Private Placement was completed on 7 April 2021 and the new ordinary shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 8 April 2021.

On 7 October 2021, the Board resolved to revise the utilisation of proceeds raised from the Private Placement by re-allocating the proceeds.

On 4 April 2022, the Board has resolved to extend the timeframe for the utilisation of the remaining unutilised proceeds raised from the Private Placement, re-allocated to finance Datasonic's existing and future projects for an additional six (6) months of up to eighteen (18) months from the listing of placement shares.

The Board is of the opinion that the extension of time for the utilisation of proceeds raised from the Private Placement is in the best interest of the Company and is not subject to the approval of the shareholders of the Company or any regulatory authorities.

The proceeds raised from the Private Placement has been fully utilised in May 2022.

<b>Description</b>	<b>Proposed utilisation RM'000</b>	<b>Reallocation 7.10.2021 RM'000</b>	<b>Revised utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Unutilised balance RM'000</b>	<b>Revised timeframe for utilisation</b>
Repayment of bank borrowings	79,950	(55,356)	24,594	(24,594)	-	-
Finance Datasonic's existing and future projects	45,949	55,356	101,305	(101,305)	-	Within 18 months
Estimated expenses in relation to the Private Placement	385	-	385	(385)	-	-
	<u>126,284</u>	<u>-</u>	<u>126,284</u>	<u>(126,284)</u>	<u>-</u>	

There was no other issuance, cancellation, repurchase, resale or repayment of debt securities or movement in the share capital for the current financial quarter under review.

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

**A7 Segmental Information**

The Group is organised into the following:-

<b>31 March 2023</b>	<b>Customised Solutions</b>	<b>Manufacturing</b>	<b>Investment Holding</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>REVENUE</b>					
External	293,968	50,737	-	-	344,705
Inter-segment	6,721	9,627	75,908	(92,256)	-
<b>Total Revenue</b>	<u>300,689</u>	<u>60,364</u>	<u>75,908</u>	<u>(92,256)</u>	<u>344,705</u>
<b>RESULT</b>					
Profit from operations					109,842
Finance costs					<u>(1,659)</u>
Profit before tax					<u>108,183</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**

**(i) During the Reporting Period**

- (a) On 15 June 2022, the Company announced that Datasonic Technologies Sdn. Bhd. ("DTSB"), a wholly-owned subsidiary of the Company received and accepted Letter of Award ("LOA") dated 10 June 2022 from PERKESO to provide the services of developing the Data Analytics Hub for Employment Insurance System, PERKESO for a period of five (5) years commencing from 1 July 2022 to 30 June 2027 for a contract sum of RM9,658,398.40.
- (b) On 15 August 2022, the Company announced that DTSB received and accepted a Letter dated 9 August 2022 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 total additional contract ceiling value of RM31,390,000 from RM318,750,000 to RM350,140,000.
- (c) On 7 November 2022, the Company announced that DTSB received and accepted LOA dated 31 October 2022 from KDN for the supply of foreign worker card (i-Kad) to Jabatan Imigresen Malaysia for a period of thirty-six (36) months commencing from 1 November 2022 to 31 October 2025 for a contract value of RM140,000,000.00.

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

**A9 Material Events (Cont'd)**

**(i) During the Reporting Period (Cont'd)**

(d) On 9 December 2022, the Company announced that Datasonic Group Berhad ("DGB") entered into a Memorandum of Agreement ("MOA") with the Ministry of Urban Planning, Housing and Territorial Development ("MUHAT") of the Republic of Guinea to combine their capacities and resources to co-operate and collaborate on issues relating to the printing of secure documents, digitization and improvement of land management solutions and services of the Republic of Guinea ("eLandROG"). The Company is in the midst of negotiations with the Government of ROG pertaining to the detailed collaboration, scope of works & services as well as major terms and condition of the contract with MUHAT.

There is no material development on the status of the MOA as at 26 May 2023.

(e) On 16 March 2023, the Company announced that DTSB received and accepted Letter of Extension ("LOE") dated 10 March 2023 from KDN in respect of the amendments to the contract for the supply of MyKad, MyTentera, MyPOCA raw cards and consumables to the National Registration Department, for a period of three (3) months commencing from 15 February 2023 to 14 May 2023 for an additional contract value of RM12,529,717.00.

**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**

	<b>As at 31.03.2023 RM'000</b>	<b>As at 31.03.2022 RM'000</b>
<u>Approved and contracted for:</u>		
Renovation	351	5
Acquisition of machineries and equipment	1,596	681

**A12 Changes in Contingent Liabilities**

	<b>As at 31.03.2023 RM'000</b>	<b>As at 31.03.2022 RM'000</b>
Performance guarantees extended to customers	17,052	19,833
Performance guarantees extended to suppliers	-	20
	<u>17,052</u>	<u>19,853</u>

**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	Preceding Year			Current Year	Preceding Year		
	Quarter 31.03.2023 (RM'000)	Quarter 31.03.2022 (RM'000)	(RM'000)	%	To Date 31.03.2023 (RM'000)	To Date 31.03.2022 (RM'000)	(RM'000)	%
Revenue	104,902	54,337	50,565	93%	344,705	136,428	208,277	153%
Profit from operations	31,334	15,554	15,780	101%	109,842	14,196	95,646	674%
Profit before tax	30,755	15,241	15,514	102%	108,183	12,737	95,446	749%
Profit after tax	22,694	13,364	9,330	70%	76,345	10,225	66,120	647%
Profit after tax attributable to owners of the Company	22,702	13,368	9,334	70%	76,367	10,244	66,123	645%

**Individual Quarter**

The Group achieved a revenue of RM104.9 million in the current financial quarter which was higher when compared to RM54.34 million in the corresponding quarter of the preceding financial year.

RM92.65 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 higher than the total of RM46.1 million earned in the corresponding quarter of the preceding financial year resulted from more demand from customers for the said products and services.

Consequently, the current financial quarter recorded an increased profit from operations compared with a lower profit in the corresponding quarter of the preceding financial year.

**Cumulative Quarters**

The Group achieved a revenue of RM344.7 million in the current financial period which was higher when compared to RM136.43 million in the preceding financial period.

RM296.06 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 RM103.2 million earned in the preceding financial period resulted from more demand from customers of the said products and services.

The current financial period, hence reported a higher profit from operations when compared with a lower profit in the the preceding financial period.

**Assets and liabilities**

The increase in total assets and total liabilities as at 31 March 2023 against the balances of 31 March 2022 was as follows:

	As at	As at	Variance	
	31.03.2023	31.03.2022	RM'000	%
Total assets	465,362	400,778	64,584	16.1%
Total liabilities	104,972	58,263	46,709	80.2%

The increase in total assets of RM64.58 million mainly resulted from higher receivables.

The increase in total liabilities of RM46.71 million was principally due to more payables and borrowings.

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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 twelve months ended 31 March 2023**

The Group achieved cash inflow of RM73.29 million from operating activities in the financial period under review.

The net cash for financing activities was mainly for dividend payment amounted to RM42.62 million.

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

	<b>Current Quarter 31.03.2023 (RM'000)</b>	<b>Immediate Preceding Quarter 31.12.2022 (RM'000)</b>	<b>Variance</b>	
			<b>(RM'000)</b>	<b>%</b>
Revenue	104,902	82,091	22,811	28%
Profit from operations	31,334	25,498	5,836	23%
Profit before tax	30,755	25,032	5,723	23%
Profit after tax	22,694	16,721	5,973	36%
Profit after tax attributable to owners of the Company	22,702	16,727	5,975	36%

The Group's revenue of RM104.9 million in the current financial quarter was higher than RM82.09 million reported in the immediate preceding quarter mainly due to more supplies of smart cards and passport which led to higher profit before tax for the quarter under review.

**B3 Commentary on Prospects**

Moving forward, elevated market uncertainties are expected to persist and global economies will experience a slowdown compared to the previous year. For us, the situation has been manageable thus far and the Group is confident to overcome the obstacles ahead by leveraging on our technical expertise & experience, proven track record alongside with our sound management practices.

Nevertheless, despite these headwinds, there are bright spots ahead. In particular, the demand for passports has been strong since the reopening of international borders and the Group anticipates this trend to continue in the near future. With that, Datasonic remains highly committed to meeting this demand with our timely and uninterrupted deliveries as part of our ongoing contributions to national security and to the public. In addition to this core focus, the Group is also excited about the increasing orders of MyKad to rebound healthily to pre-COVID-19 levels.

In the meantime, Datasonic will also step-up efforts on our pursuit of various new programmes and initiatives with international travel returning to normalcy, which forms part of our plan to diversify our revenue stream.

Overall, the Group continues to be positive on the bright prospects ahead for Datasonic and looks forward to a satisfactory financial performance for FY2024, 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 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 31.03.2023 (RM'000)	Preceding Year Quarter 31.03.2022 (RM'000)	Current Year Year To Date 31.03.2023 (RM'000)	Preceding Year Year To Date 31.03.2022 (RM'000)
Amortisation of development expenditure	3,352	2,085	11,507	4,982
Bad debt written-off	-	94	-	94
Depreciation of right-of-use assets	234	102	419	514
Fair value gain on short-term investments	1,372	506	3,551	511
Interest income:				
- at fair value through profit or loss	-	(26)	-	(1,803)
- at amortised cost	(76)	(62)	(361)	(1,197)
Interest expense:				
- on financial liabilities at amortised cost	565	304	1,645	1,404
- on lease liabilities	14	9	14	55
Inventories:				
- allowance for impairment loss	37	-	37	-
- writeback	(214)	(121)	(214)	(121)
- written off	136	-	136	-
Loss/(Gain) on foreign exchange:				
- realised	150	(134)	797	(98)
- unrealised	(274)	25	(272)	18
Other receivables:				
- allowance for impairment loss	-	155	-	155
Property, plant and equipment:				
- Depreciation	6,517	3,403	24,899	11,996
- Written off	-	19	2	19
- Gain on disposal	(46)	(14)	(46)	(47)
Reversal of excess accrued operational costs	-	(4,500)	-	(4,500)
Staff costs	12,886	13,256	52,925	43,625
Trade receivables:				
- allowance for impairment loss	3,572	3,656	3,572	3,656
- fair value (gain)/loss	(170)	59	(170)	59
- writeback	(53)	-	(53)	-



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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)****B6 Income Tax Expense**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter	Preceding Year Quarter	Current Year Year To Date	Preceding Year Year To Date
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Current tax:				
- for the current financial quarter	8,037	1,010	30,881	2,051
- (over)/underprovision in previous financial year	195	-	108	134
Deferred tax:				
- for the current financial quarter	(128)	566	622	566
- (over)/underprovision in previous financial year	(43)	301	227	(239)
	<u>8,061</u>	<u>1,877</u>	<u>31,838</u>	<u>2,512</u>

**B7 Status of Corporate Proposals**

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

**B8 Group Borrowings**

	Effective interest rates	Short term	Long term	Total
	%	RM'000	RM'000	RM'000
<b>31.03.2023</b>				
<u>Secured:</u>				
Lease liability	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>
<b>31.03.2022</b>				
<u>Secured:</u>				
Term Financing	3.20	1,398	1,939	3,337
Term Loans	3.05 - 3.20	4,126	21,810	25,936
Trade Financing	3.76 - 3.91	3,425	-	3,425
		<u>8,949</u>	<u>23,749</u>	<u>32,698</u>

All borrowings are denominated in Ringgit Malaysia.

**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)****B9 Material Litigation**

A wholly-owned subsidiary, Datasonic Technologies Sdn. Bhd. ("DTSB"), has on 1 August 2018 received a writ of summons together with the statement of claim dated 30 July 2018 ("Suit") filed by Percetakan Keselamatan Nasional Sdn Bhd ("PKN") against DTSB.

The Suit is in relation to a disagreement between DTSB and PKN over the price of 1,500,000 Malaysian Passport booklets supplied by PKN to DTSB as DTSB's sub-contractor for the interim period of 6 months from 1 December 2016 to 31 May 2017, before the Malaysian Passport booklets were fully printed and supplied by DTSB to the Government of Malaysia.

In the last financial year, the High Court had delivered its judgement for the Defendant i.e. DTSB to pay a total sum of RM15,000,000 to the Plaintiff.

The High Court also dismissed the Plaintiff's claim for GST and prejudgement interest calculated from the date of the Plaintiff's invoices. Instead, the High Court had only awarded a post judgment interest rate of 4% per annum.

Cost of RM30,000 was awarded and to be paid to the Defendant.

On 2 November 2021, DTSB had been served with a Notice of Appeal filed by PKN at the Court of Appeal on 29 October 2021.

For the reporting date under review, further developments are as follows:-

On 15 June 2022, the appeal filed by PKN against DTSB was heard by the Court of Appeal. After having heard the arguments by Counsels of both parties, the Court of Appeal has fixed the date for decision on 18 August 2022.

On 18 August 2022, the Court of Appeal has been vacated by the Court and a new Case Management to set new decision date is fixed on 30 August 2022.

On 1 September 2022, the Court of Appeal has fixed the date for decision on 26 October 2022.

On 26 October 2022, Court of Appeal had allowed part of PKN's appeal, that is only with regards to the judgment interest and cost awarded by the High Court.

The Court of Appeal agreed with the findings of the High Court. The sum to be paid for the passport booklet is RM10.00 per passport booklet and PKN is not entitled to the Goods and Services Tax.

The Court of Appeal found that the learned trial judge has erred in deciding that the post judgment interest rate of 4% per annum and awarding the cost of RM30,000 to DTSB. The Court of Appeal ordered that PKN is entitled to the interest of 5% per annum. Therefore, the Court of Appeal ordered DTSB to refund the cost of RM30,000 to PKN and further awarded the cost of RM5,000 to PKN for the appeal.

No Notice of Appeal has been filed by PKN and the time limit for PKN to file their appeal has lapsed on 26 November 2022.

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**B ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)****B10 Dividends**

	RM'000	Date of Payment
In respect of the financial year ended 31 March 2022:		
- A fourth interim single tier tax-exempt dividend of 0.25 sen per share declared on 31 May 2022	7,161	30.06.2022
In respect of the financial year ended 31 March 2023:		
- A first interim single tier tax-exempt dividend of 0.25 sen per share declared on 30 August 2022	7,138	28.10.2022
- A second interim single tier tax-exempt dividend of 0.50 sen per share declared on 30 November 2022	14,163	29.12.2022
- A third interim single tier tax-exempt dividend of 0.50 sen per share declared on 27 February 2023	14,163	23.03.2023
	42,625	

In respect of the financial year ended 31 March 2023, the directors had on 26 May 2023 declared a fourth interim single tier tax-exempt dividend of 0.75 sen per share, the Entitlement Date of which will be determined and announced in due course. 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 30 June 2023.

**B11 Earnings per Share****(a) Basic Earnings Per Share**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 31.03.2023 (RM'000)	Preceding Year Quarter 31.03.2022 (RM'000)	Current Year To Date 31.03.2023 (RM'000)	Preceding Year To Date 31.03.2022 (RM'000)
Profit after tax attributable to owners of the Company (RM'000)	22,702	13,368	76,367	10,244
Weighted average number of ordinary shares in issue ('000)	2,850,789	2,867,888	2,850,789	2,867,888
Basic earnings per share (sen)	0.80	0.47	2.68	0.36

**(b) Diluted Earnings Per Share**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 31.03.2023 (RM'000)	Preceding Year Quarter 31.03.2022 (RM'000)	Current Year To Date 31.03.2023 (RM'000)	Preceding Year To Date 31.03.2022 (RM'000)
Profit after tax attributable to owners of the Company (RM'000)	22,702	13,368	76,367	10,244
Weighted average number of ordinary shares in issue ('000)	2,850,789	2,867,888	2,850,789	2,867,888
Diluted earnings per share (sen)	0.80	0.47	2.68	0.36

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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)**

**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  
26 May 2023