

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 June 2023 as follows:

SUMMARY OF KEY INFORMATION**FOR THE FIRST QUARTER ENDED 30 JUNE 2023**

		Individual Quarter		Cumulative Quarters	
		Current Year Quarter 30.06.2023 RM'000	Preceding Year Quarter 30.06.2022 RM'000	Current Year to-date 30.06.2023 RM'000	Preceding Year to-date 30.06.2022 RM'000
1	Revenue	84,821	64,082	84,821	64,082
2	Profit before tax	26,625	16,484	26,625	16,484
3	Profit for the period	19,035	12,029	19,035	12,029
4	Profit after tax attributable to owners of the Company	19,037	12,033	19,037	12,033
5	Basic earnings per share (sen)	0.67	0.42	0.67	0.42
6	Diluted earnings per share (sen)	0.67	0.42	0.67	0.42
7	Proposed/Declared dividend per share (sen)	0.60	0.25	0.60	0.25
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
8	Net assets per share attributable to owners of the Company (RM)	0.1260		0.1271	

Remarks:

In the first quarter of the current financial year ending 31 March 2024, a first interim single-tier tax exempt dividend of 0.60 sen per share was declared on 30 August 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 September 2023.

ADDITIONAL INFORMATION

		Individual Quarter		Cumulative Quarters	
		Current Year Quarter 30.06.2023 RM'000	Preceding Year Quarter 30.06.2022 RM'000	Current Year to-date 30.06.2023 RM'000	Preceding Year to-date 30.06.2022 RM'000
1	Gross interest income	292	214	292	214
2	Gross interest expense	(740)	(263)	(740)	(263)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current	Preceding	Current	Preceding
	Quarter	Quarter	Year To Date	Year To Date
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
	Unaudited	Unaudited	Audited	Audited
Continuing Operations				
Revenue	84,821	64,082	84,821	64,082
Operating expenses	(58,723)	(47,954)	(58,723)	(47,954)
Other income	1,267	619	1,267	619
Profit from operations	27,365	16,747	27,365	16,747
Finance costs	(740)	(263)	(740)	(263)
Profit before tax	26,625	16,484	26,625	16,484
Income tax expense	(7,590)	(4,455)	(7,590)	(4,455)
Profit after tax	19,035	12,029	19,035	12,029
Other comprehensive income, net of tax				
- Foreign currency translation differences	(162)	4	(162)	4
Total comprehensive income for the period	18,873	12,033	18,873	12,033
Profit after taxation attributable to:				
Owners of the Company	19,037	12,033	19,037	12,033
Non-controlling interests	(2)	(4)	(2)	(4)
	19,035	12,029	19,035	12,029
Total comprehensive income attributable to:				
Owners of the Company	18,869	12,041	18,869	12,041
Non-controlling interests	4	(8)	4	(8)
	18,873	12,033	18,873	12,033
Earnings per share (sen) attributable to owners of the Company :				
- Basic (Note B11a)	0.67	0.42	0.67	0.42
- Diluted (Note B11b)	0.67	0.42	0.67	0.42

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 30 JUNE 2023

	As at 30.06.2023 (RM'000)	As at 31.03.2023 (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	104,600	110,132
Right-of-use assets	11,791	12,038
Other investment	110	110
Goodwill	4,162	4,162
Development expenditures	1,313	3,852
	<u>121,976</u>	<u>130,294</u>
CURRENT ASSETS		
Projects-in-progress	1,553	1,597
Inventories	50,225	48,723
Trade receivables	125,861	114,605
Other receivables, deposits and prepayments	17,598	12,504
Short-term investments	116,836	133,092
Deposits with licensed banks	6,007	6,399
Cash and bank balances	25,606	18,148
	<u>343,686</u>	<u>335,068</u>
TOTAL ASSETS	<u>465,662</u>	<u>465,362</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	261,288	261,284
Treasury shares	(63,572)	(62,267)
Merger deficit	(11,072)	(11,072)
Foreign exchange translation reserve	(231)	(63)
Retained profits	170,068	172,262
Equity attributable to owners of the Company	<u>356,481</u>	<u>360,144</u>
Non-controlling interests	250	246
TOTAL EQUITY	<u>356,731</u>	<u>360,390</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	17,148	18,734
Deferred taxation	5,071	5,183
	<u>22,219</u>	<u>23,917</u>
CURRENT LIABILITIES		
Trade payables	11,427	19,457
Other payables and accruals	16,365	15,679
Provision for taxation	7,632	5,317
Short-term borrowings	51,288	40,602
	<u>86,712</u>	<u>81,055</u>
TOTAL LIABILITIES	<u>108,931</u>	<u>104,972</u>
TOTAL EQUITY AND LIABILITIES	<u>465,662</u>	<u>465,362</u>
Net assets per share attributable to ordinary owners of the Company (RM)	0.1260	0.1271

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 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	-	-	-	-	19,037	19,037	(2)	19,035
Other comprehensive income for the financial year:								
- Foreign exchange translation	-	-	-	(168)	-	(168)	6	(162)
Total comprehensive income for the financial year	-	-	-	(168)	19,037	18,869	4	18,873
Contributions by and distributions to owners of the Company:								
- purchase of treasury shares	-	(1,305)	-	-	-	(1,305)	-	(1,305)
- dividends (Note B10)	-	-	-	-	(21,231)	(21,231)	-	(21,231)
- transfer to share capital for warrant exercised	4	-	-	-	-	4	-	4
Total transactions with owners	4	(1,305)	-	-	(21,231)	(22,532)	-	(22,532)
At 30 June 2023	261,288	(63,572)	(11,072)	(231)	170,068	356,481	250	356,731

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 FIRST QUARTER ENDED 30 JUNE 2023

	CUMULATIVE QUARTERS	
	Current Year To Date 30.06.2023 (RM'000)	Preceding Year To Date 30.06.2022 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	26,625	16,484
Adjustments for :		
Amortisation of development expenditure	2,539	2,243
Depreciation of property, plant and equipment	5,985	5,660
Depreciation of right-of-use assets	247	62
Interest income	(292)	(214)
Interest expense:		
- interest expense on lease liabilities	13	-
- other interest expense	727	263
Unrealised loss/(gain) on foreign exchange	214	(41)
Writeback of impairment losses on inventories	-	(34)
Operating profit before working capital changes	36,058	24,423
Changes in projects-in-progress	44	292
Changes in inventories	(1,389)	2,212
Changes in trade and other receivables	(16,199)	(16,943)
Changes in trade and other payables	(7,743)	(1,661)
Cash from operating activities	10,771	8,323
Income tax paid	(5,387)	(329)
Interest paid	(740)	(263)
Net cash from operating activities	4,644	7,731
 CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	292	214
Purchase of property, plant and equipment	(453)	(1,051)
Placement of deposits pledged to licensed banks	392	(62)
Net cash from/(for) investing activities	231	(899)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2023 (CONT'D)

	CUMULATIVE QUARTERS	
	Current Year	Preceding Year
	To Date	To Date
	30.06.2023	30.06.2022
	(RM'000)	(RM'000)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	4	-
Dividends paid	(21,231)	(7,161)
Purchase of treasury shares	(1,305)	(482)
Repayment of lease liabilities	(174)	-
Drawdown of trade financing	23,369	8,341
Repayment of trade financing	(12,712)	(3,444)
Repayment of term loans	(1,027)	(1,029)
Repayment of term financing	(356)	(344)
Net cash for financing activities	(13,432)	(4,119)
Net (decrease)/increase in Cash and Cash Equivalents	(8,557)	2,713
Effects of foreign exchange translation	(241)	8
Cash and Cash Equivalents at beginning of the financial year	151,240	114,748
Cash and Cash Equivalents at end of the financial year	<u>142,442</u>	<u>117,469</u>
Cash and Cash equivalents at the end of the financial year comprise the following:		
Deposits with licensed banks	6,007	6,169
Cash and bank balances	25,606	16,073
Short-term investments	116,836	101,396
	<u>148,449</u>	<u>123,638</u>
Less: deposits pledged to licensed banks	(6,007)	(6,169)
	<u>142,442</u>	<u>117,469</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 2023 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 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)

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)	<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

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.

As at 30 June 2023, there were issuance of 8,000 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 Warrants 2018/2023 expired on 5 July 2023 and the remaining unexercised Warrants 2018/2023 of 1,349,981,000 have lapsed.

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

As at 30 June 2023, the Company had repurchased, in total its equity securities of 132,111,900 ordinary shares at an average price of RM0.48 per share as treasury shares, the consideration of which amounted to RM63,572,302 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) AmInvestment 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:-

30 June 2023	Customised Solutions	Manufacturing	Investment Holding	Elimination	Consolidated
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
REVENUE					
External	71,899	12,922	-	-	84,821
Inter-segment	62,813	12,071	22,977	(97,861)	-
Total Revenue	<u>134,712</u>	<u>24,993</u>	<u>22,977</u>	<u>(97,861)</u>	<u>84,821</u>
RESULT					
Profit from operations					27,365
Finance costs					<u>(740)</u>
Profit before tax					<u>26,625</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 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.

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)

- (b) On 13 June 2023, the Company announced that 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.

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 30.06.2023 RM'000	As at 31.03.2023 RM'000
<u>Approved and contracted for:</u>		
Renovation	300	351
Acquisition of machineries and equipment	1,888	1,596

A12 Changes in Contingent Liabilities

	As at 30.06.2023 RM'000	As at 31.03.2023 RM'000
Performance guarantees extended to customers	17,356	17,052

A13 Related Party Transactions

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

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

B1 Review of Performance

	Individual Quarter		Variance		Cumulative Quarters		Variance	
	Current Year Quarter 30.06.2023 (RM'000)	Preceding Year Quarter 30.06.2022 (RM'000)	(RM'000)	%	Current Year To Date 30.06.2023 (RM'000)	Preceding Year To Date 30.06.2022 (RM'000)	(RM'000)	%
Revenue	84,821	64,082	20,739	32%	84,821	64,082	20,739	32%
Profit from operations	27,365	16,747	10,618	63%	27,365	16,747	10,618	63%
Profit before tax	26,625	16,484	10,141	62%	26,625	16,484	10,141	62%
Profit after tax	19,035	12,029	7,006	58%	19,035	12,029	7,006	58%
Profit after tax attributable to owners of the Company	19,037	12,033	7,004	58%	19,037	12,033	7,004	58%

Individual Quarter/Cumulative Quarter

The Group achieved a revenue of RM84.82 million in the current financial quarter which was higher when compared to RM64.08 million in the corresponding quarter of the preceding financial year.

RM75.77 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 RM55.80 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.

Assets and liabilities

The increase in total assets and total liabilities as at 30 June 2023 against the balances of 31 March 2023 was as follows:

	As at 30.06.2023	As at 31.03.2023	Variance RM'000	%
Total assets	465,662	465,362	300	0.1%
Total liabilities	108,931	104,972	3,959	3.8%

The increase in total liabilities of RM3.95 million was principally due to higher utilisation of borrowings.

Cash flow for the three months ended 30 June 2023

The Group achieved cash inflow of RM4.64 million from operating activities in the financial period under review.

The net cash for financing activities was mainly for dividend payment amounted to RM21.23 million.

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

	Current Quarter 30.06.2023 (RM'000)	Immediate Preceding Quarter 31.03.2023 (RM'000)	Variance	
			(RM'000)	%
Revenue	84,821	104,902	(20,081)	-19%
Profit from operations	27,365	31,334	(3,969)	-13%
Profit before tax	26,625	30,755	(4,130)	-13%
Profit after tax	19,035	22,694	(3,659)	-16%
Profit after tax attributable to owners of the Company	19,037	22,702	(3,665)	-16%

The Group's revenue of RM84.82 million in the current financial quarter was lower than RM104.90 million reported in the immediate preceding quarter mainly due to lesser supplies of smart cards and passports which led to lower profit before tax for the quarter under review.

B3 Commentary on Prospects

The new financial year ahead (FY2024) is anticipated to remain challenging owing to heightened market ambiguities arising from ongoing macroeconomic issues and the global economic growth which is forecasted to be moderate. Bank Negara Malaysia ("BNM") is projecting the gross domestic product ("GDP") growth to slow down to 4.5% in 2023 as compared to the high growth base of 8.7% in 2022.

Despite the headwinds, we remain steadfast in the execution of our strategic plans with prudent management. We have identified several pockets of growth that we can leverage on to further grow our business.

The demand for passports is anticipated to remain on an upwards trajectory for the FY2024. We have enhanced our capacity and capabilities to ensure uninterrupted, timely and quality delivery to our client to support the pent up demand from the public. Meanwhile, the demand for MyKad has also continued to gain traction in this financial year and we have prepared ourselves to accommodate the upcoming surge in orders.

Having secured the i-Kad project in FY2023, we have made preparations to deploy and implement this project which has commenced in early August 2023. This project has also opened up more opportunities for us to market various other solutions and e-services.

Premised upon our strategic plans, a healthy order book and our prudent management, the outlook continues to be bright as we charge forward towards a new chapter of growth.

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.

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)**B5 Profit Before Taxation**

Profit before taxation is arrived at after charging/(crediting):-

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 30.06.2023 (RM'000)	Preceding Year Quarter 30.06.2022 (RM'000)	Current Year Year To Date 30.06.2023 (RM'000)	Preceding Year Year To Date 30.06.2022 (RM'000)
Amortisation of development expenditure	2,539	2,243	2,539	2,243
Depreciation of right-of-use assets	247	62	247	62
Fair value gain on short-term investments	(968)	(521)	(968)	(521)
Interest income:				
- at fair value through profit or loss	-	(148)	-	(148)
- at amortised cost	(292)	(66)	(292)	(66)
Interest expense:				
- on financial liabilities at amortised cost	727	263	727	263
- on lease liabilities	13	-	13	-
Loss/(Gain) on foreign exchange:				
- realised	587	175	587	175
- unrealised	214	(41)	214	(41)
Property, plant and equipment:				
- Depreciation	5,985	5,660	5,985	5,660
Staff costs	16,377	14,207	16,377	14,207

B6 Income Tax Expense

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 30.06.2023 (RM'000)	Preceding Year Quarter 30.06.2022 (RM'000)	Current Year Year To Date 30.06.2023 (RM'000)	Preceding Year Year To Date 30.06.2022 (RM'000)
Current tax:				
- for the current financial quarter	7,702	4,118	7,702	4,118
Deferred tax:				
- for the current financial quarter	(151)	137	(151)	137
- underprovision in previous financial year	39	200	39	200
	7,590	4,455	7,590	4,455

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

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B ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**B8 Group Borrowings**

30.06.2023	Effective interest rates %	Short term RM'000	Long term RM'000	Total RM'000
<u>Secured:</u>				
Lease liability	4.20	715	369	1,084
Term Financing	4.45	1,462	125	1,587
Term Loans	4.30 - 4.45	4,147	16,654	20,801
Trade Financing	4.95 - 5.94	44,964	-	44,964
		<u>51,288</u>	<u>17,148</u>	<u>68,436</u>
31.03.2023	Effective interest rates %	Short term RM'000	Long term RM'000	Total RM'000
<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>

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
	<u>21,231</u>	

In respect of the financial quarter ended 30 June 2023, the directors had on 30 August 2023 declared a first interim single tier tax-exempt dividend of 0.60 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 September 2023.

**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 30.06.2023 (RM'000)	Preceding Year Quarter 30.06.2022 (RM'000)	Current Year Year To Date 30.06.2023 (RM'000)	Preceding Year Year To Date 30.06.2022 (RM'000)
Profit after tax attributable to owners of the Company (RM'000)	19,037	12,033	19,037	12,033
Weighted average number of ordinary shares in issue ('000)	2,831,709	2,864,359	2,831,709	2,864,359
Basic earnings per share (sen)	<u>0.67</u>	<u>0.42</u>	<u>0.67</u>	<u>0.42</u>

(b) Diluted Earnings Per Share

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 30.06.2023 (RM'000)	Preceding Year Quarter 30.06.2022 (RM'000)	Current Year Year To Date 30.06.2023 (RM'000)	Preceding Year Year To Date 30.06.2022 (RM'000)
Profit after tax attributable to owners of the Company (RM'000)	19,037	12,033	19,037	12,033
Weighted average number of ordinary shares in issue ('000)	2,831,709	2,864,359	2,831,709	2,864,359
Diluted earnings per share (sen)	<u>0.67</u>	<u>0.42</u>	<u>0.67</u>	<u>0.42</u>

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
30 August 2023