# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

	INDIVIDUA Current Quarter 30.09.2015 (RM'000)	L QUARTER Preceding Year Quarter 30.09.2014 (RM'000)	CUMULATIV Current Year To Date 30.09.2015 (RM'000)	E QUARTERS Preceding Year To Date 30.09.2014 (RM'000)
Continuing Operations Revenue	51,279	53,487	105,639	125,042
Operating expenses	(37,532)	(40,737)	(76,651)	(81,822)
Other income	316	262	655	402
Profit from operations	14,063	13,012	29,643	43,622
Finance costs	(1,182)	(1,863)	(2,682)	(3,761)
Profit before tax	12,881	11,149	26,961	39,861
Income tax expense	(575)	(1,760)	(2,336)	(2,768)
Profit after tax	12,306	9,389	24,625	37,093
Other comprehensive income, net of tax				
- Foreign currency translation differences	6		3	
Total comprehensive income for the quarter	12,312	9,389	24,628	37,093
Profit after taxation attributable to:				
Owners of the parent Minority interest	12,353 (47)	9,404 (15)	24,712 (87)	37,108 (15)
	12,306	9,389	24,625	37,093
Total comprehensive income attributable to:				
Owners of the Company	12,359	9,404	24,715	37,108
Non-controlling interests	(47)	(15)	(87)	(15)
	12,312	9,389	24,628	37,093
Earnings per share (sen) attributable to owners of the parent :				
- Basic (Note B11)	0.92	0.70	1.83	2.75

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjuction with the Audited Financial Statements for the financial period ended 31 March 2015 and the accompanying explanatory notes attached to these interim financial statements.

The Group has changed its financial year end from 31 December to 31 March. The comparatives for cumulative quarters represent 6 months results from 1 April 2014 to 30 September 2014.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	As at 30.09.2015 (RM'000)	As at 31.03.2015 (RM'000)
NON-CURRENT ASSETS	(14.1 000)	(1411 000)
Property, plant and equipment	131,818	140,557
Development expenditures	22,386	11,125
Goodwill	4,153	4,153
Other investment	110	110
Trade receivables (2)	5,533	6,582
	164,000	162,527
CURRENT ASSETS		
Projects-in-progress	36,537	41,003
Inventories	2,826	2,673
Trade receivables	78,435	101,073
Other receivables, deposits and prepayments	3,486	1,828
Tax recoverable	7,862	7,858
Deposits with licensed banks	22,192	3,965
Cash and bank balances	18,327	45,018
	169,665	203,418
TOTAL ASSETS	333,665	365,945
EQUITY AND LIABILITIES EQUITY		
Share capital	135,000	135,000
Merger deficit	(11,072)	(11,072)
Foreign currency translation reserve	3	2
Retained profits	110,131	98,919
Equity attributable to owners of the Company	234,062	222,849
Non-controlling interests	(77)	10
TOTAL EQUITY	233,985	222,859
NON-CURRENT LIABILITIES		
Long term borrowings	73,723	102,062
Deferred taxation	18	64
	73,741	102,126
CURRENT LIABILITIES		
Trade payables	12,034	1,537
Other payables and accruals	6,693	7,126
Short term borrowings	7,212	32,297
TOTAL LANGUAGE	25,939	40,960
TOTAL LIABILITIES	99,680	143,086
TOTAL EQUITY AND LIABILITIES	333,665	365,945
Net assets per share attributable to ordinary	o	
owners of the parent (RM)	0.1734	0.1651

## Notes:

- (1) The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2015 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.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

	< No	Foreign Currency		Distributable  Retained	Attributable to Owners of the	Non- controlling	Total
	Capital RM'000	Deficit RM'000	Reserve RM'000	Profits RM'000	Company RM'000	Interest RM'000	Equity RM'000
At 1 April 2015	135,000	(11,072)	2	98,919	222,849	10	222,859
Profit after taxation for the financial period Other comprehensive income for the financial period:	-	-	-	24,712	24,712	(87)	24,625
- Foreign currency translation differences  Total comprehensive income for the financial period, net of tax	<u>-</u> -	-	1	24,712	24,713	(87)	24,626
Contributions by and distributions to owners of the Company: - dividends paid by the Company (Note B11)	-	-	-	(13,500)	(13,500)	-	(13,500)
At 30 September 2015	135,000	(11,072)	3	110,131	234,062	(77)	233,985

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2015 and the accompanying explanatory notes attached to these interim financial statements.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

	<b>CUMULATIVE QUARTERS</b>		
	Current Year To Date 30.09.2015	Preceding Year To Date 30.09.2014	
CASH FLOWS FROM OPERATING ACTIVITIES	(RM'000)	(RM'000)	
Profit before taxation	26,961	39,861	
Adjustments for :			
Depreciation of property, plant and equipment	14,300	12,608	
Development expenditures expensed off	88	470	
Equipment written off	6	2.761	
Interest expense Interest income	2,682 (596)	3,761 (370)	
Gain on disposal of equipment	(14)	(370)	
Unrealised loss on foreign exchange	718	151	
Writeback of impairment of trade receivables	-	(30)	
Operating profit before changes in working capital	44,145	56,451	
Changes in projects-in-progress	4,466	(6,206)	
Changes in inventories	(153)	515	
Changes in trade and other receivables	20,999	10,967	
Changes in trade and other payables	9,309	(1,232)	
Cash generated from operations	78,766	60,495	
Interest paid	(2,682)	(3,761)	
Tax paid	(2,386)	(7,242)	
Net cash generated from operating activities	73,698	49,492	
CASH FLOWS FOR INVESTING ACTIVITIES			
Acquisition of subsidiaries	-	(16,903)	
Interest received	596	370	
Development expenditures paid	(11,349)	(324)	
Investment in an associate	-	(30)	
Proceeds from disposal of equipment	32	- (15.605)	
Purchase of property, plant and equipment	(4,555)	(15,637)	
Placement of fixed deposits pledged	(1,460)	(1,607)	
Net cash used in investing activities	(16,736)	(34,131)	
CASH FLOWS FOR FINANCING ACTIVITIES			
Dividends paid	(13,500)	(13,500)	
Repayment of hire purchase obligations	(10)	(10)	
Drawdown of term loans	(25.170)	22,114	
(Repayment)/drawdown of trade financing	(25,178)	(9,633)	
Repayment of term loans	(28,236)	(18,821)	
Net cash used in financing activities	(66,924)	(19,850)	
Net decrease in Cash and Cash Equivalents	(9,962)	(4,489)	
Effects of foreign exchange translation	38	-	
Cash and Cash Equivalents at beginning of the financial period	45,072	32,056	
Cash and Cash Equivalents at end of the financial period	35,148	27,567	

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015 (CONT'D)

Cash and Cash equivalents at the end of the financial period	CUMULATIV Current Year To Date 30.09.2015 (RM'000)	E QUARTERS Preceding Year To Date 30.09.2014 (RM'000)
comprise the following:		
Deposits with licensed banks	22,192	20,428
Cash and bank balances	18,327	11,434
	40,519	31,862
Less: deposits pledged with licensed bank	(5,371)	(4,295)
	35,148	27,567

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjuction with the Audited Financial Statements for the financial period ended 31 March 2015 and the accompanying explanatory notes attached to these interim financial statements.

The Group has changed its financial year end from 31 December to 31 March. The comparatives for cumulative quarters represent 6 months results from 1 April 2014 to 30 September 2014.

## 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"). 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 period ended 31 March 2015.

These interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("The Group") since the financial period ended 31 March 2015.

#### 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 period ended 31 March 2015.

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

Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions

Amendment to MFRSs (Annual Improvements to MFRSs 2010-2012 Cycle)

Amendment to MFRSs (Annual Improvements to MFRSs 2011-2013 Cycle)

The above MFRSs, IC Interpretations and amendments did not have any material impact on the financial statements of the Group upon their initial application.

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

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

The Company has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial quarter:-

MFRS, Financial Reporting Standards ("FRSs") and IC Interpretations (including the Consequential Amendments)	<b>Effective Date</b>
Amendment to MFRSs (Annual Improvements to MFRSs 2012-2014 Cycle)	1 January 2016
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities- Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements- Disclosure Initiative	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

The initial application of a standard which will be applied prospectively or which requires extended disclosures is not expected to have any significant financial impact to the financial statements of the current and prior quarters upon their first adoption.

## A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the financial period ended 31 March 2015 was not qualified.

#### A3 Comments about Seasonality or Cyclicality

The Group did not experience any significant cyclical or seasonal sales cycle factors during the current financial quarter under review.

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

## 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

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

## A7 Segmental Information

The Group is organised into the following reporting business segments:-

	Customised Solutions (RM'000)	Manufacturing (RM'000)	Investment Holding (RM'000)	Elimination (RM'000)	Consolidated (RM'000)
REVENUE					
External	105,366	273	-	-	105,639
Inter-segment		15,336	20,010	(35,346)	
Total Revenue	105,366	15,609	20,010	(35,346)	105,639
RESULT Profit/(Loss) from operations	51,143	(1,402)	15,248	(35,346)	29,643
Finance costs	(2,289)	(22)	(371)	-	(2,682)
Profit before taxation					26,961
Income tax expense					(2,336)
Profit after taxation					24,625
Other comprehensive income, n	et of tax				
- Foreign currency translation diff					3
					24,628
Non-controlling interests					87
Total comprehensive income att	ributable to the	e Owners of the Co	mpany		24,715

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

#### 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 Subsequent To The End of the Interim quarter

There were no other material events subsequent to the end of the current financial quarter under review except for the acquisitions of companies as diclosed in note B7.

#### A10 Effects of changes in Composition of the Group

There were no material changes in the composition of the Group in the current financial quarter under review.

#### **A11 Capital Commitments**

	As at 30.09.2015 RM'000	As at 31.03.2015 RM'000
Approved and contracted for:		
Renovation	118	851
Acquisition of machineries	1,002	
Acquisitions of properties (Note)	4,296	6,058

#### Note:

On 30 September 2013, Datasonic Technologies Sdn. Bhd. ("DTSB"), a wholly-owned subsidiary of the Company, entered into two Sale and Purchase Agreements for the purchase of two adjacent units of retail offices with a total built-up area of 14,800 square feet and 9,673 square feet located at the commercial development known as Olive Hill Business Park (Phase 2) ("Properties") to be erected on a piece of freehold land in Mukim and Daerah Petaling in the State of Selangor at a total purchase consideration of RM11.75 million, of which a sum of RM7.45 million was paid. The Properties are intended to be used for the Research and Development division.

#### A12 Changes in Contingent Liabilities

Changes in Contingent Liabilities	As at 30.09.2015 RM'000	As at 31.03.2015 RM'000
Performance guarantees (secured) extended to customers	11,059	19,175

## **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

The Group achieved a revenue of RM51.26 million in the current financial quarter ended 30 September 2015 which is lower when compared to RM53.49 million in the corresponding quarter of the preceding financial year.

RM42.33 million of the Group's revenue in the current financial quarter is derived from the supply of smart cards, datapages, consumables and personalisation solutions.

The Group's profit before taxation in the current financial quarter was higher on the basis of quarter on quarter comparison with that in the preceding financial period due to lower costs incurred.

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

The Group's revenue of RM51.26 million in the current financial quarter is lower than the RM54.36 million reported in the immediate preceding quarter principally due to lesser quantity of consumables delivered.

The Group's profit before taxation in the current financial quarter decreased to RM12.88 million in comparison with the immediate preceding quarter primarily as a result of lower revenue generated.

#### **B3** Commentary on Prospects

The unexpected changes in the currency exchange rates will have some impact on the Group's operations. The management is presently taking relevant steps to minimise the related impact. Barring any other unforeseen circumstances, the prospects for growth are expected to be satisfactory in the remaining period of the financial year ending 31 March 2016.

#### **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.

### **B5** Profit Before Taxation

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTE	
	Current Year Quarter 30.09.2015 (RM'000)	Preceding Year Quarter 30.09.2014 (RM'000)	Current Year To Date 30.09.2015 (RM'000)	Preceding Year To Date 30.09.2014 (RM'000)
Interest income	(275)	(231)	(596)	(370)
Interest expense	1,182	1,863	2,682	3,761
Depreciation of property, plant and equipment	6,987	6,443	14,300	12,608
Staff costs	6,702	7,450	14,144	12,868
(Gain) on disposal of equipment	-	-	(14)	-
Foreign exchange loss/(gain) - realised	552	102	666	(38)
Foreign exchange loss - unrealised	631	159	718	151

## 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 QUARTER		CUMULATIVE QUART	
	Current Year Quarter 30.09.2015 (RM'000)	Preceding Year Quarter 30.09.2014 (RM'000)	Current Year To Date 30.09.2015 (RM'000)	Preceding Year To Date 30.09.2014 (RM'000)
Current tax:				
- for the current financial quarter	582	1,395	2,382	2,414
- Underprovision in preceding financial year	-	312	-	312
Deferred tax:				
- for the current financial quarter	(7)	53	(46)	42
	575	1,760	2,336	2,768

On 6 November 2012, a wholly-owned subsidiary, Datasonic Smart Solutions Sdn Bhd was granted Multimedia Super Corridor ("MSC") status which qualifies it for Pioneer Status incentive under the Promotion of Investments Act, 1986 for the period from 18 May 2012 to 17 May 2017 whereby the statutory income from approved activities are exempted from tax.

### **B7** Acquisitions of companies

On 15 October 2015, the Company has acquired:

- (i) two ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Amalan Fokus Sdn Bhd for a total consideration of RM2.00; and
- (ii) two ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Astana Inovasi Sdn Bhd for a total consideration of RM2.00.

#### **B8** Status of Corporate Proposals

There were no corporate proposals for the current financial quarter under review.

## B9 Group Borrowings

Total Group borrowings as at 30 September 2015 were as follows:-

	Short term RM'000	Long term RM'000	As at 30.09.2015 Total RM'000
Hire purchase	19	79	98
Secured:			
Term Financing	2,827	11,631	14,458
Term Loans	731	13,676	14,407
Trade Financing	3,635	-	3,635
Contract Financing	-	48,337	48,337
	7,193	73,644	80,837

All borrowings are denominated in Ringgit Malaysia.

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

#### **B10** Material Litigation

A subsidiary, Datasonic Corporation Sdn. Bhd. ("Datasonic Corporation"), filed a writ of summons on 11 January 2011 against Huawei Technologies (M) Sdn Bhd ("Huawei") for breach of a partnership agreement which Datasonic Corporation is claiming for an undetermined amount based on accounts, interests and costs ("Datasonic Action").

Huawei, in return filed a counterclaim for the amount of RM30.00 million inter-alia, claiming for loss of reputation ("Counterclaim") due to the Datasonic Action.

On 7 October 2015, the Court of Appeal upheld the decision of the high court and dismissed the appeal and cross-appeals. The management decided not to pursue the matter.

#### **B11 Dividends**

In respect of the financial period ended 31 March 2015, the directors had on 29 May 2015 declared a second interim single tier tax-exempt dividend of 1 sen per share, amounting to RM13.50 million based on the issued and paid up share capital as at 31 March 2015 of 1,350,000,000 ordinary shares of RM0.10 each.

The dividend was paid on 25 June 2015 to depositors whose names appeared in the Record of Depositors on 16 June 2015.

In respect of the financial year ending 31 March 2016, the directors had on 27 November 2015 declared the first interim single tier tax-exempt dividend of 1 sen per share, amounting to RM13.50 million based on the issued and paid-up share capital as at 30 September 2015 of 1,350,000,000 ordinary shares of RM0.10 each. The Entitlement Date will be determined and announced in due course. This dividend has not been reflected in the financial statements for the current financial period ended 30 September 2015 but it will be accounted for in shareholders' equity as an appropriation of retained profits for the next quarter ending 31 December 2015.

#### **B12** Earnings per Share

### (a) Basic Earnings Per Share

Basic earnings per share is calculated based on the profit after tax attributable to the equity holders of the Company divided by the share capital of 1.35 billion ordinary shares.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To Date	To Date
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Total comprehensive income attributable to owners of the parent (RM'000)	12,353	9,404	24,712	37,108
Weighted average number of ordinary shares in issue ('000)	1,350,000	1,350,000	1,350,000	1,350,000
Basic earnings per share (sen)	0.92	0.70	1.83	2.75

<sup>(</sup>b) Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current financial quarter.

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

## B13 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.

#### B14 Disclosure on realised and unrealised profits

The breakdown of the retained profits of the Group into their realised and unrealised elements as at 30 September 2015 and 31 March 2015 is as follows:

	30.09.2015	31.03.2015
	(RM'000)	(RM'000)
Total retained profits of the Group:		
- realised	110,790	91,541
- unrealised	(736)	144
	110,054	91,685
Total share of accumulated loss of an associate:		
- realised	-	(90)
	110,054	91,595
Add: Consolidation adjustments	77	7,324
	110,131	98,919

The determination of realised and unrealised profits is made based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysia Institute of Accountants on 20 December 2010.

By order of the Board Kuala Lumpur 27 November 2015