

**DATASONIC GROUP BERHAD**  
**(Company No. 809759-X)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2018**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>Current Quarter 31.03.2018 (RM'000)</b>	<b>Preceding Quarter 31.03.2017 (RM'000)</b>	<b>Current Year To Date 31.03.2018 (RM'000)</b>	<b>Preceding Year To Date 31.03.2017 (RM'000)</b>
<b>Continuing Operations</b>				
Revenue	64,641	92,616	258,601	318,353
Operating expenses	(45,793)	(72,176)	(185,660)	(240,713)
Other income	1,007	288	5,331	1,020
Profit from operations	19,855	20,728	78,272	78,660
Finance costs	(2,018)	(1,842)	(7,931)	(6,792)
<b>Profit before tax</b>	17,837	18,886	70,341	71,868
Income tax expense	(452)	(967)	(3,220)	(9,368)
<b>Profit after tax</b>	17,385	17,919	67,121	62,500
<b>Other comprehensive income, net of tax</b>				
- Foreign currency translation differences	(36)	(3)	(82)	9
<b>Total comprehensive income for the quarter</b>	17,349	17,916	67,039	62,509
<b>Profit after taxation attributable to:</b>				
Owners of the Company	17,410	17,950	67,244	62,656
Non-controlling interests	(25)	(31)	(123)	(156)
	17,385	17,919	67,121	62,500
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	17,374	17,947	67,162	62,665
Non-controlling interests	(25)	(31)	(123)	(156)
	17,349	17,916	67,039	62,509
Earnings per share (sen) attributable to owners of the Company :				
- Basic (Note B12)	1.29	1.33	4.98	4.64

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 2017 and the accompanying explanatory notes attached to these interim financial statements.

**DATASONIC GROUP BERHAD**  
**(Company No. 809759-X)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	<b>As at 31.03.2018 (RM'000)</b>	<b>As at 31.03.2017 (RM'000)</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	172,798	135,230
Other investment	110	110
Goodwill	4,153	4,153
Development expenditures	36,969	40,669
Trade receivables (2)	4,351	7,960
	<u>218,381</u>	<u>188,122</u>
<b>CURRENT ASSETS</b>		
Projects-in-progress	4,562	6,333
Inventories	34,213	49,570
Trade receivables	137,947	133,109
Other receivables, deposits and prepayments	12,397	37,936
Tax recoverable	5,193	5,539
Short-term investments	1,151	29,153
Deposits with licensed banks	7,651	7,913
Cash and bank balances	23,941	16,253
	<u>227,055</u>	<u>285,806</u>
<b>TOTAL ASSETS</b>	<u>445,436</u>	<u>473,928</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	135,000	135,000
Merger deficit	(11,072)	(11,072)
Foreign currency translation reserve	(72)	10
Retained profits	143,340	136,846
Equity attributable to owners of the Company	<u>267,196</u>	<u>260,784</u>
Non-controlling interests	(519)	(396)
<b>TOTAL EQUITY</b>	<u>266,677</u>	<u>260,388</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	90,402	80,532
Deferred taxation	506	558
	<u>90,908</u>	<u>81,090</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	6,935	29,353
Other payables and accruals	29,144	19,990
Short-term borrowings	51,772	76,357
Dividend payable	-	6,750
	<u>87,851</u>	<u>132,450</u>
<b>TOTAL LIABILITIES</b>	<u>178,759</u>	<u>213,540</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>445,436</u>	<u>473,928</u>
Net assets per share attributable to ordinary owners of the Company (RM)	0.1979	0.1932

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 2017 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.

**DATASONIC GROUP BERHAD**  
**(Company No. 809759-X)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2018**

	<----- Non distributable ----->			Distributable	Attributable	Non-	Total
	Share	Merger	Foreign	Retained	to Owners	controlling	Equity
	Capital	Deficit	Exchange	Profits	of the	Interest	
	RM'000	RM'000	Reserve	RM'000	Company	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2017	135,000	(11,072)	10	136,846	260,784	(396)	260,388
Profit after taxation for the financial year	-	-	-	67,244	67,244	(123)	67,121
Other comprehensive income for the financial year:							
- Foreign exchange translation differences	-	-	(82)	-	(82)	-	(82)
Total comprehensive income for the financial year	-	-	(82)	67,244	67,162	(123)	67,039
Distributions to owners of the Company:							
- dividends (Note B11)	-	-	-	(60,750)	(60,750)	-	(60,750)
At 31 March 2018	135,000	(11,072)	(72)	143,340	267,196	(519)	266,677

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 2017 and the accompanying explanatory notes attached to these interim financial statements.

**DATASONIC GROUP BERHAD**  
**(Company No. 809759-X)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2018**

	<b>CUMULATIVE QUARTERS</b>	
	<b>Current Year</b>	<b>Preceding Year</b>
	<b>To Date</b>	<b>To Date</b>
	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	70,341	71,868
Adjustments for :		
Allowance for impairment losses on:		
- inventories	104	242
- trade receivables	2,518	2,119
Depreciation of property, plant and equipment	11,444	27,822
Amortisation of development expenditure	4,499	6,810
Equipment written off	17	6
Interest expense	7,931	6,792
(Gain)/Loss on disposal of equipment	(#)	5
Trade and other receivables written off	-	8
Unrealised (gain)/loss on foreign exchange	(41)	587
Interest income	(967)	(734)
Writeback of impairment losses on:		
- inventories	(109)	(51)
- trade receivables	(2,094)	(3)
Operating profit before changes in working capital	93,643	115,471
Changes in projects-in-progress	1,771	(15,620)
Changes in inventories	15,362	690
Changes in trade and other receivables	23,869	(45,500)
Changes in trade and other payables	(13,187)	28,681
Cash generated from operations	121,458	83,722
Income tax paid	(2,926)	(2,990)
Interest paid	(7,931)	(6,792)
<b>Net cash generated from operating activities</b>	<b>110,601</b>	<b>73,940</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Investment in subsidiaries	-	(121)
Interest received	967	734
Development expenditures paid	(799)	(757)
Proceeds from disposal of/(additional) short-term investment	28,002	(8,326)
Purchase of property, plant and equipment	(49,029)	(41,467)
Withdraw/(placement) of deposits pledged to licensed banks	262	(870)
<b>Net cash used in investing activities</b>	<b>(20,597)</b>	<b>(50,807)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividends paid	(67,500)	(54,000)
Drawdown of hire purchase and finance lease	18,747	4,350
Repayment of hire purchase and finance lease	(4,907)	(317)
Drawdown of trade financing	85,876	84,788
Repayment of trade financing	(116,670)	(53,358)
Drawdown of term loans	8,536	44,620
Repayment of term loans	(4,535)	(40,379)
Repayment of term financing	(1,762)	(2,909)
<b>Net cash used in financing activities</b>	<b>(82,215)</b>	<b>(17,205)</b>
Net increase in Cash and Cash Equivalents	7,789	5,928
Effects of foreign exchange translation	(101)	25
Cash and Cash Equivalents at beginning of the financial year	17,553	11,600
Cash and Cash Equivalents at end of the financial year	25,241	17,553

**DATASONIC GROUP BERHAD**  
**(Company No. 809759-X)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2018 (CONT'D)**

	<b>CUMULATIVE QUARTERS</b>	
	<b>Current Year</b>	<b>Preceding Year</b>
	<b>To Date</b>	<b>To Date</b>
	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Cash and Cash equivalents at the end of the financial year comprise the following:		
Deposits with licensed banks	7,651	7,913
Cash and bank balances	23,941	16,253
	<hr/>	<hr/>
	31,592	24,166
Less: deposits pledged to licensed banks	(6,351)	(6,613)
	<hr/>	<hr/>
	25,241	17,553
	<hr/>	<hr/>

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 2017 and the accompanying explanatory notes attached to these interim financial statements.

Note:

# - Amount less than RM1,000.

**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 2017.

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 year ended 31 March 2017.

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 2017.

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

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014-2016 Cycles:

- Amendments to MFRS12: Clarification of the Scope of Standard

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:-

<b>Malaysian Financial Reporting Standards ("MFRS") and IC Interpretations (including the Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendment to MFRS 2 (Classification and Measurement of Share-Based Payment Transaction)	1 January 2018
Amendment to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 (Transfer of Investment Property)	1 January 2018
Annual Improvements to MFRS Standards 2014-2016 Cycles:	
- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	1 January 2018
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
Annual Improvements to MFRS Standards 2015-2017 Cycles	1 January 2019

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 year ended 31 March 2017 was not qualified.

**A3 Comments about Seasonality or Cyclical**

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**

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:-

<b>31 March 2018</b>	<b>Customised Solutions (RM'000)</b>	<b>Manufacturing (RM'000)</b>	<b>Investment Holding (RM'000)</b>	<b>Elimination (RM'000)</b>	<b>Consolidated (RM'000)</b>
<b>REVENUE</b>					
External	227,330	31,271	-	-	258,601
Inter-segment	4,464	20,353	70,520	(95,337)	-
<b>Total Revenue</b>	<b>231,794</b>	<b>51,624</b>	<b>70,520</b>	<b>(95,337)</b>	<b>258,601</b>
<b>RESULT</b>					
Profit from operations	87,928	7,584	56,034	(73,274)	78,272
Finance costs					(7,931)
Profit before tax					70,341

**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**

(a) On 2 April 2018, Datasonic Manufacturing Sdn Bhd ("DMSB"), a wholly-owned subsidiary of the Company, has entered into a Sale and Purchase Agreement with KlangGroup Holdings Sdn Bhd for the purchase of one (1) unit of the industrial building comprising of Detached Factory known as "Excellent Technology Park II Phase 2" bearing Unit No. 33 held under individual title HS (D) 158423, PT No. 76949, Mukim Klang, Daerah Klang, Negeri Selangor for a total purchase consideration (excluding 6% Goods and Services Tax) of RM18.88 million.

(b) On 11 April 2018, the Company proposed to undertake an issuance of 675,000,000 free warrants ("Warrants") in the Company on the basis of one (1) Warrant for every two (2) existing ordinary shares in the Company held on an entitlement date to be determined later ("Proposed Free Warrants Issue"). The Warrants will have a tenure of five (5) years commencing from and including the date of the issue of the Warrants.

On 2 May 2018, the Company submitted an application to Bursa Malaysia in respect of the admission of the Warrants to the official list and the listing of and quotation for the Warrants as well as the new shares to be issued arising from the exercise of the Warrants, on the Main Market of Bursa Malaysia.

On 17 May 2018, Bursa Malaysia had approved the following:-

- (i) Admission to the official list and listing of up to 675,000,000 Warrants to be issued pursuant to the Proposed Free Warrants Issue; and
- (ii) Listing up to 675,000,000 new shares to be issued arising from the exercise of the Warrants, on the Main Market of Bursa Malaysia.



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

**A9 Material Events Subsequent To The End of the Interim quarter (Cont'd)**

On 30 May 2018, the Company has issued the Circular to Shareholders in relation to the Proposed Free Warrants Issue together with the Notice of Extraordinary General Meeting. The Extraordinary General Meeting of the Company will be held at Cindai 1, Cyberview Resort & Spa, Persiaran Multimedia, 63000 Cyberjaya, Selangor Darul Ehsan on Thursday, 14 June 2018 at 10.00 a.m. for the purpose of considering and, if thought fit, to pass with or without any modification the following ordinary resolution:

**ORDINARY RESOLUTION**

**PROPOSED ISSUANCE OF 675,000,000 FREE WARRANTS ("WARRANTS") IN DATASONIC ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES IN DATASONIC ("DATASONIC SHARES" OR "SHARES") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("ENTITLEMENT DATE") ("PROPOSED FREE WARRANTS ISSUE")**

**"THAT**, subject to the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board of Directors of the Company ("Board") to issue up to 675,000,000 Warrants (with an exercise price to be determined) to the shareholders of the Company whose names appear on the Record of Depositors of the Company as at 5.00 p.m. on the Entitlement Date, on the basis of one (1) Warrant for every two (2) Shares held in accordance with the provisions in the deed poll to be executed by the Company constituting the Warrants ("Deed Poll");

**THAT** the Board be and is hereby authorised to enter into and execute the Deed Poll and with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and with full powers for the Board to implement, finalise and give effect to the aforesaid Deed Poll;

**THAT** the Board be and is hereby authorised to issue and allot such appropriate number of the Warrants in accordance with the provisions of the Deed Poll and where required, to adjust the exercise price and/or the number of the Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll;

**THAT** the Board be and is hereby authorised to issue and allot such appropriate number of new Shares arising from the exercise of the Warrants by the holders of the Warrants in accordance with the provisions of the Deed Poll;

**THAT** the Board be and is hereby authorised to deal with any fractional entitlements of the Warrants that may arise from the Proposed Free Warrants Issue, if any, in such a manner as the Board may deem fit and expedient at its absolute discretion and in the best interest of the Company;

**THAT** the new Shares to be issued pursuant to the exercise of the Warrants shall, upon issuance and allotment, rank pari passu in all respects with the existing Shares, save and except that such new Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the shareholders of the Company, for which the entitlement date is prior to the date of allotment of the new Shares to be issued pursuant to the exercise of the Warrants;

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitation, the affixing of the Company's common seal) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Free Warrants Issue and with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company."

- (c) On 13 April 2018, Datasonic Technologies Sdn Bhd ("DTSB"), a wholly-owned subsidiary of the Company, has received and accepted the letter of award dated 13 April 2018 from Kementerian Dalam Negeri Malaysia for the supply of 9.96 million polycarbonate biodata pages to Jabatan Imigresen Malaysia for a period of 46 months commencing from 1 February 2018 to 30 November 2021 for a contract sum of RM270.71 million.

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

Saved as disclosed in Note B7 on the incorporation of a company, no other changes in the composition of the Group in the current financial quarter under review.

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

**A11 Capital Commitments**

	As at 31.03.2018 RM'000	As at 31.03.2017 RM'000
<u>Approved and contracted for:</u>		
Renovation	-	58
Acquisition of machineries and equipment	220	4,634
Acquisitions of properties <sup>(b)</sup>	16,422	-

Note:

- (a) On 2 June 2017, DTSB, a wholly-owned subsidiary of the Company, accepted the offer to purchase four units of shop offices with a total built up area of 13,021 square feet located in the commercial development known as Radius Cyberjaya and thereafter on 1 August 2017, DTSB entered into four Agreements for the purchase of the said properties at a total net purchase price of RM8.64 million and the purchases were completed in February 2018. The Properties are intended to be used as Project Office.
- (b) On 21 February 2018, DMSB, a wholly-owned subsidiary of the Company, accepted the offer to purchase a factory with a total built up area of 46,610 square feet known as "Excellent Technology Park II Phase 2" located in Klang, Selangor and thereafter on 2 April 2018, DMSB entered into an Agreement for the purchase of the said factory at a total purchase price of RM18.88 million, of which an amount of RM0.38 million was paid as a deposit together with a further discount granted by the developer. The factory is intended to be used for production of smart card.

**A12 Changes in Contingent Liabilities**

	As at 31.03.2018 RM'000	As at 31.03.2017 RM'000
Performance guarantees (secured) extended to customers	17,737	21,205
Performance guarantees (secured) extended to suppliers	40	40
	17,777	21,245

During the financial year, there was a further contingent liability which arose from a disagreement between a subsidiary and a supplier over the price of certain goods delivered. Both parties are currently negotiating to resolve the matter. Management estimated that the potential financial impact, if any, could be approximately RM5 million.

**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**

	<b>Individual Quarter</b>				<b>Cumulative Quarters</b>			
	<b>Current</b>	<b>Preceding</b>			<b>Current</b>	<b>Preceding</b>		
	<b>Year</b>	<b>Year</b>			<b>Year</b>	<b>Year</b>		
	<b>Quarter</b>	<b>Quarter</b>	<b>Variance</b>		<b>To Date</b>	<b>To Date</b>	<b>Variance</b>	
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>(RM'000)</b>	<b>%</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>(RM'000)</b>	<b>%</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>			<b>(RM'000)</b>	<b>(RM'000)</b>		
Revenue	64,641	92,616	(27,975)	-30%	258,601	318,353	(59,752)	-19%
Profit from operations	19,855	20,728	(873)	-4%	78,272	78,660	(388)	0%
Profit before tax	17,837	18,886	(1,049)	-6%	70,341	71,868	(1,527)	-2%
Profit after tax	17,385	17,919	(534)	-3%	67,121	62,500	4,621	7%
Profit attributable to owners of the Company	17,410	17,950	(540)	-3%	67,244	62,656	4,588	7%

**Individual Quarter**

The Group achieved a revenue of RM64.64 million in the current financial quarter which was lower compared to RM92.62 million in the corresponding quarter of the preceding financial year.

RM56.03 million of the Group's revenue in the current financial quarter derived from the supply of consumables, passports and personalisation services, which was below that of RM85.31 million earned in the corresponding quarter of the preceding financial year mainly as a result of lesser supply of personalisation services and passports.

Consequently, the current financial quarter recorded a lower profit from operations when compare with that of the preceeding financial year.

**Cumulative Quarters**

The Group achieved a revenue of RM258.60 million in the current cumulative quarters which was lower compared to RM318.35 million in the corresponding cumulative quarters in the preceding financial year.

RM219.99 million of the Group's revenue in the current financial year generated from the supply of smart cards, consumables, passports and personalisation services, which was lower than RM274.62 million achieved in the preceding financial year owing to lesser supply of smart cards and personalisation services.

Consequently, the current financial year reported a lower profit from operations when compare with that of the preceeding financial year.

**Assets and liabilities**

The decrease in total assets and total liabilities as at 31 March 2018 against balances as at 31 March 2017 are as follows:

	<b>As at</b>	<b>As at</b>	<b>Variance</b>	
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>RM'000</b>	<b>%</b>
Total assets	445,436	473,928	(28,492)	-6%
Total liabilities	178,759	213,540	(34,781)	-16%

The decrease in total assets of net RM28.49 million was substantially due to utilisation of funds for working capital.

The reduction in total liabilities of RM34.78 million resulted from settlement of balances owing to suppliers and repayments of short term borrowings.

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

**Cash flow for the twelve months ended 31 March 2018**

The Group generated a net cash of RM110.60 million from operating activities in the financial period under review and an amount of RM49.03 million was expended for capital expenditure on assets related to new projects.

The outflow for financing activities was in relation to dividends paid to shareholders amounted to RM67.50 million (in the financial year from April 2017 to March 2018), and repayments of trade and other financing balances of approximately RM128 million.

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

	<b>Current Quarter 31.03.18 (RM'000)</b>	<b>Immediate Preceding Quarter 31.12.17 (RM'000)</b>	<b>Variance (RM'000)</b>	<b>%</b>
Revenue	64,641	60,294	4,347	7%
Profit from operations	19,855	17,540	2,315	13%
Profit before tax	17,837	15,469	2,368	15%
Profit after tax	17,385	14,618	2,767	19%
Profit attributable to owners of the Company	17,410	14,651	2,759	19%

The Group's revenue of RM64.64 million in the current financial quarter was higher than RM60.29 million reported in the immediate preceding quarter principally due to more deliveries of smart cards which led to increased profit before and after tax for the quarter under review.

**B3 Commentary on Prospects**

The management has continuously negotiated for better competitive pricing for purchases of the required materials and services from suppliers coupled with the recent implementation of cost control initiatives in the administration of the group's operations.

The order book as at 31 March 2018 was in the vicinity of RM958 million which would have a positive impact on revenue generation in future operations.

The prospects for growth are expected to be satisfactory in the financial year ending 31 March 2018, 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.

**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 derived after taking the following into consideration:-

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>Year To Date</b>	<b>Year To Date</b>
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Allowance for impairment losses on:				
- inventories	104	242	104	242
- trade receivables	2,518	2,119	2,518	2,119
Amortisation of development expenditure	1,115	52	4,499	6,810
Equipment written off	-	-	17	6
Interest income	(274)	(143)	(967)	(734)
Interest expense	2,018	1,842	7,931	6,792
Trade and other receivables written off	-	8	-	8
Depreciation of property, plant and equipment	3,614	5,399	11,444	27,822
Staff costs	10,253	7,938	40,591	28,045
Loss on disposal of equipment	-	5	-	5
(Gain)/loss on foreign exchange:				
- realised	(179)	(64)	(1,938)	920
- unrealised	35	(307)	(41)	587
Writeback of impairments losses on:				
- inventories	(109)	(51)	(109)	(51)
- trade receivables	(7)	(3)	(2,094)	(3)

**B6 Income Tax Expense**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>Year To Date</b>	<b>Year To Date</b>
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Current tax:				
- for the current financial quarter	677	1,224	3,181	9,350
- Underprovision in previous financial years	-	-	91	618
Deferred tax:				
- for the current financial quarter	(225)	(272)	2	120
- (Over)/underprovision in previous financial year	-	15	(54)	(720)
	<u>452</u>	<u>967</u>	<u>3,220</u>	<u>9,368</u>

On 6 November 2012, a wholly-owned subsidiary, Datasonic Smart Solutions Sdn Bhd was granted Multimedia Super Corridor ("MSC") status which qualifies 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. The application for an extension of another five years was approved on 4 April 2018 for the years from 18 May 2017 to 17 May 2022.

**B7 Incorporation and Acquisition of a Company**

On 20 September 2017, the Company has incorporated a new subsidiary, PT Datasonic Teknologi Indonesia ("PTD") by holding 99% equity interest and the remaining 1% was held by DTSB, a wholly-owned subsidiary of the Company.

The intended principal business of PTD is to engage in smart card activities.

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

**B8 Status of Corporate Proposals**

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

**B9 Group Borrowings**

<b>31.03.2018</b>	<b>Effective interest rates %</b>	<b>Short term RM'000</b>	<b>Long term RM'000</b>	<b>Total RM'000</b>
<u>Secured:</u>				
Hire purchase	4.53 - 4.75	129	227	356
Leasing	8.52 - 13.40	6,447	11,666	18,113
Contract Financing	5.67 - 5.70	-	50,315	50,315
Term Financing	4.60	1,176	7,214	8,390
Term Loans	4.55 - 5.80	2,665	20,980	23,645
Trade Financing	5.20 - 6.01	41,355	-	41,355
		<u>51,772</u>	<u>90,402</u>	<u>142,174</u>
<b>31.03.2017</b>				
<u>Secured:</u>				
Hire purchase	4.53 - 4.75	123	356	479
Leasing	10.72-13.40	883	3,267	4,150
Contract Financing	5.40- 5.42	-	53,152	53,152
Term Financing	4.35- 5.75	1,761	8,391	10,152
Term Loans	4.25 - 5.50	1,441	15,366	16,807
Trade Financing	3.55 - 5.62	72,149	-	72,149
		<u>76,357</u>	<u>80,532</u>	<u>156,889</u>

All borrowings are denominated in Ringgit Malaysia.

**B10 Material Litigation**

There were no material litigations for the current financial quarter under review.

**B11 Dividends**

	<b>RM'000</b>	<b>Date of Payment</b>
In respect of the financial year ended 31 March 2017:		
- A fourth interim single tier tax-exempt dividend of 1.5 sen per share declared on 25 May 2017	20,250	20.06.2017
In respect of the financial year ended 31 March 2018:		
- A first interim single tier tax-exempt dividend of 1.0 sen per share declared on 25 August 2017	13,500	13.10.2017
- A second interim single tier tax-exempt dividend of 1.0 sen per share declared on 24 November 2017	13,500	09.01.2018
- A third interim single tier tax-exempt dividend of 1.0 sen per share declared on 28 February 2018	13,500	28.03.2018
	<u>60,750</u>	

In respect of the financial year ended 31 March 2018, the directors had on 31 May 2018 declared a fourth interim single tier tax-exempt dividend of 1.0 sen per share, amounting to RM13.5 million based on the issued and paid-up share capital as at 31 March 2018 of 1,350,000,000 ordinary shares. 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 year ended 31 March 2018 but it will be accounted for in shareholders' equity as an appropriation of retained profits for the next quarter ending 30 June 2018.

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

**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.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>Year To Date</b>	<b>Year To Date</b>
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Profit attributable to owners of the Company (RM'000)	17,410	17,950	67,244	62,656
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)	<u>1.29</u>	<u>1.33</u>	<u>4.98</u>	<u>4.64</u>

(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.

**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 Comparatives**

The following comparatives have been reclassified to streamline the presentation of similar nature item in the quartely financial statements.

	<b>As previously reported</b>	<b>Reclassification</b>	<b>As restated</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Statement of financial position as at 31 March 2017</b>			
<b>Group</b>			
Project-in-progress	54,014	(47,681)	6,333
Inventories	3,196	46,374	49,570
Other receivables, deposits and prepayments	<u>36,629</u>	<u>1,307</u>	<u>37,936</u>

The above reclassifications do not result in any amount charged to income statement or any loss to the Group.

By order of the Board  
Kuala Lumpur  
31 May 2018