

## Notes to the Financial Statements

As at 31 March 2019

### 43. MATERIAL LITIGATION (CONT'D.)

#### (ii) Legal Action against Datasonic Technologies Sdn. Bhd.

On 30 July 2018, Percetakan Keselamatan Nasional Sdn. Bhd. ("PKN"), a wholly-owned subsidiary of the Company's subsidiary, Fima Corporation Berhad ("FimaCorp"), has on the same day, commenced a High Court action against Datasonic Technologies Sdn. Bhd. ("DTSB").

The claim is for a sum of RM24,975,000 (excluding interest and cost), being the amount due and owing by DTSB to PKN for 1.5 million Malaysian passport booklets which were supplied by PKN to DTSB.

At the request of DTSB during the case management on 3 October 2018, PKN agreed to attempt mediation with the aim of arriving at an amicable resolution. The mediation took place on 17 October 2018 and 19 October 2018. However, the parties could not reach a resolution.

On 19 April 2019, FimaCorp announced that the settlement negotiation between the parties have failed. Accordingly, the High Court Judge has fixed the matter for case management on 13 May 2019 (for compliance with pre-trial directions) and trial on 12 July 2019, 9 August 2019, 8 January 2020 and 9 January 2020.

During the case management on 31 May 2019, the High Court Judge has directed the parties to appear before her on 12 July 2019 as a final attempt to explore settlement as requested by DTSB.

This civil suit is not expected to have any material impact on the financial and operational position of the Company.

### 44. EXPLANATION OF TRANSITION OF MFRSS

As stated in Note 2.1, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2.3 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 March 2019, the comparative information presented in these financial statements for the financial year ended 31 March 2018 and in the preparation of the opening MFRSs statement of financial position at 1 April 2017 (the Group's and the Company's date of transition to MFRSs).

In preparing the opening statement of financial position at 1 April 2017, the Group and the Company have adjusted amounts reported previously in financial statements prepared in accordance with FRSSs.