



DATAPULSE TECHNOLOGY

Company Registration No. 198002677D

Datapulse Technology Limited

First Quarter Financial Statements and Dividend Announcement

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

GROUP	Three Months Ended 31.10.13 \$'000	Three Months Ended 31.10.12 \$'000	Change %
Revenue	10,636	21,376	(50.2)
Other income	195	132	47.7
	<u>10,831</u>	<u>21,508</u>	(49.6)
Changes in inventories and raw materials usage	(3,186)	(6,859)	(53.6)
Staff costs	(2,827)	(4,806)	(41.2)
Depreciation	(948)	(842)	12.6
Other operating expenses	(2,678)	(4,117)	(35.0)
Finance costs	(5)	(5)	-
Total operating expenses	<u>(9,644)</u>	<u>(16,629)</u>	(42.0)
Profit before income tax	1,187	4,879	(75.7)
Income tax expense	(202)	(829)	(75.6)
Profit for the period	985	4,050	(75.7)
Attributable to:			
Owners of the Company	985	4,050	(75.7)
Profit for the period	985	4,050	(75.7)
<u>Other comprehensive income</u>			
Items that are or may be reclassified subsequently to profit or loss:			
Net change in fair value of available-for-sale financial assets			
- attributable to owners of the Company	-	(58)	NM
Translation differences relating to financial statements of foreign subsidiaries			
- attributable to owners of the Company	(42)	29	NM
Other comprehensive income for the period	(42)	(29)	NM
Total comprehensive income for the period	943	4,021	(76.5)
Total comprehensive income attributable to:			
Owners of the Company	943	4,021	(76.5)
Total comprehensive income for the period	943	4,021	(76.5)

NM: Not meaningful.

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

Notes

Other income:

Dividend income from financial assets
 Gain on sale of property, plant and equipment
 Interest income
 Sundry income

	Three Months Ended 31.10.13 \$'000	Three Months Ended 31.10.12 \$'000	Change %
	-	27	NM
	104	-	NM
	84	100	(16.0)
	7	5	40.0
	<u>195</u>	<u>132</u>	<u>47.7</u>

Other operating expenses include the following items:

Exchange loss
 Net change in fair value of derivative financial assets recognised in profit or loss

	18	48	(62.5)
	(16)	8	NM
	<u>2</u>	<u>56</u>	<u>(96.4)</u>

NM: Not meaningful.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	GROUP			COMPANY		
	31.10.13	31.07.13	Change	31.10.13	31.07.13	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Non-current assets						
Property, plant and equipment	22,842	16,406	39.2	22,842	16,406	39.2
Investment property	6,468	6,530	(0.9)	-	-	-
Subsidiaries	-	-	-	-#	-#	0.0
Amounts due from subsidiaries	-	-	-	5,941	5,941	-
Non-financial assets	216	216	0.0	216	216	0.0
	29,526	23,152	27.5	28,999	22,563	28.5
Current assets						
Inventories	1,655	1,888	(12.3)	1,655	1,888	(12.3)
Trade and other receivables	6,593	11,601	(43.2)	6,595	11,604	(43.2)
Cash and bank balances	45,095	45,719	(1.4)	44,833	45,461	(1.4)
	53,343	59,208	(9.9)	53,083	58,953	(10.0)
Total assets	82,869	82,360	0.6	82,082	81,516	0.7
Equity attributable to owners of the Company						
Share capital	46,562	46,562	0.0	46,562	46,562	0.0
Reserves	26,606	25,663	3.7	26,557	25,574	3.8
Total equity	73,168	72,225	1.3	73,119	72,136	1.4
Non-current liabilities						
Bank loan	632	650	(2.8)	-	-	-
Deferred tax liabilities	1,801	1,801	0.0	1,800	1,800	0.0
	2,433	2,451	(0.7)	1,800	1,800	0.0
Current liabilities						
Trade and other payables	5,588	6,205	(9.9)	5,539	6,158	(10.1)
Bank loan	56	57	(1.8)	-	-	-
Current tax payable	1,624	1,422	14.2	1,624	1,422	14.2
	7,268	7,684	(5.4)	7,163	7,580	(5.5)
Total liabilities	9,701	10,135	(4.3)	8,963	9,380	(4.4)
Total equity and liabilities	82,869	82,360	0.6	82,082	81,516	0.7

#: Amount less than \$10.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31.10.13		As at 31.07.13	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
56	-	57	-

Amount repayable after one year

As at 31.07.13		As at 31.07.13	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
632	-	650	-

Details of any collateral

As at 31 October 2013, the bank loan of \$0.7 million (31 July 2013: \$0.7 million) was secured by way of a charge over a subsidiary's freehold property with net book value of \$6.5 million (31 July 2013: \$6.5 million).

(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

GROUP	Three Months Ended 31.10.13 \$'000	Three Months Ended 31.10.12 \$'000
<u>Operating activities</u>		
Profit for the period	985	4,050
Adjustments for:		
Depreciation	948	842
Dividend income from financial assets	-	(27)
Finance costs	5	5
Gain on sale of property, plant and equipment	(104)	-
Income tax expense	202	829
Interest income	(84)	(100)
Net change in fair value of derivative financial assets recognised in profit or loss	(16)	8
Operating profit before working capital changes	1,936	5,607
Changes in working capital:		
Inventories	233	991
Trade and other receivables	(1,152)	(3,878)
Trade and other payables	(611)	3,661
Cash generated from operations	406	6,381
Income tax paid	-	-
Net cash from operating activities	406	6,381
<u>Investing activities</u>		
Dividends received from financial assets	-	18
Fixed deposits with maturity of more than three months	10,653	(7,885)
Interest received	84	100
Proceeds from sale of property, plant and equipment	104	-
Purchase of property, plant and equipment	(1,181)	(9)
Net cash from/(used in) investing activities	9,660	(7,776)
<u>Financing activities</u>		
Interest paid	(5)	(5)
Repayment of bank loan	(14)	(14)
Return of unclaimed dividends	-	9
Net cash used in financing activities	(19)	(10)
Net increase/(decrease) in cash and cash equivalents	10,047	(1,405)
Cash and cash equivalents at beginning of period	30,982	37,557
Effect of exchange rate changes on balances held in foreign currency	(18)	(6)
Cash and cash equivalents at end of period	41,011	36,146
<u>Note</u>		
Cash and bank balances at end of period comprise the following:		
Fixed deposits with maturity of more than three months	4,084	23,699
Cash and cash equivalents	41,011	36,146
	45,095	59,845

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity

	Share capital \$'000	Currency translation reserve \$'000	Fair value reserve \$'000	Share option reserve \$'000	Accumulated profits \$'000	Total equity \$'000
GROUP						
At 1 August 2013	46,562	(223)	-	411	25,475	72,225
Total comprehensive income for the period						
Profit for the period	-	-	-	-	985	985
<u>Other comprehensive income</u>						
Translation differences relating to financial statements of a foreign subsidiary	-	(42)	-	-	-	(42)
<i>Total other comprehensive income</i>	-	(42)	-	-	-	(42)
Total comprehensive income for the period	-	(42)	-	-	985	943
At 31 October 2013	46,562	(265)	-	411	26,460	73,168

Consolidated Statement of Changes in Equity

	Share capital \$'000	Currency translation reserve \$'000	Fair value reserve \$'000	Share option reserve \$'000	Accumulated profits \$'000	Total equity \$'000
GROUP						
At 1 August 2012	46,562	(351)	404	413	27,136	74,164
Total comprehensive income for the period						
Profit for the period	-	-	-	-	4,050	4,050
<u>Other comprehensive income</u>						
Net change in fair value of available-for-sale financial assets	-	-	(58)	-	-	(58)
Translation differences relating to financial statements of a foreign subsidiary	-	29	-	-	-	29
<i>Total other comprehensive income</i>	-	29	(58)	-	-	(29)
Total comprehensive income for the period	-	29	(58)	-	4,050	4,021
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Return of unclaimed dividends	-	-	-	-	9	9
<i>Total contributions by and distributions to owners</i>	-	-	-	-	9	9
Total transactions with owners	-	-	-	-	9	9
At 31 October 2012	46,562	(322)	346	413	31,195	78,194

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

Statement of Changes in Equity

	Share capital \$'000	Fair value reserve \$'000	Share option reserve \$'000	Accumulated profits \$'000	Total equity \$'000
COMPANY					
At 1 August 2013	46,562	-	411	25,163	72,136
Total comprehensive income for the period					
Profit for the period	-	-	-	983	983
Total comprehensive income for the period	-	-	-	983	983
At 31 October 2013	46,562	-	411	26,146	73,119

Statement of Changes in Equity

	Share capital \$'000	Fair value reserve \$'000	Share option reserve \$'000	Accumulated profits \$'000	Total equity \$'000
COMPANY					
At 1 August 2012	46,562	404	413	26,832	74,211
Total comprehensive income for the period					
Profit for the period	-	-	-	4,048	4,048
<u>Other comprehensive income</u>					
Net change in fair value of available-for-sale financial assets	-	(58)	-	-	(58)
<i>Total other comprehensive income</i>	-	(58)	-	-	(58)
Total comprehensive income for the period	-	(58)	-	4,048	3,990
Transactions with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Return of unclaimed dividends	-	-	-	9	
<i>Total contributions by and distributions to owners</i>	-	-	-	9	-
Total transactions with owners	-	-	-	9	-
At 31 October 2012	46,562	346	413	30,889	78,201

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

For the quarter ended 31 October 2013, there was no change to the share capital of the Company.

As at 31 October 2013, there were 8.2 million (31 October 2012: 16.9 million) outstanding share options in respect of unissued ordinary shares under the DT Share Option Scheme 1999.

1(d)(iii) Total number of issued shares excluding treasury shares (a) as at the end of the current financial period and (b) as at the end of the immediately preceding year.

	COMPANY	
	As at 31.10.13	As at 31.07.13
Number of issued ordinary shares	594,724,000	594,724,000
Less: Number of treasury shares	(-)	(-)
Number of issued ordinary shares, excluding treasury shares, at the end of the period	594,724,000	594,724,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 July 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP	
	Three Months Ended 31.10.13	Three Months Ended 31.10.12
Earnings per ordinary share based on profit for the period		
(a) Based on the weighted average number of shares on issue	0.17 cent	0.68 cent
(b) On a fully diluted basis	0.17 cent	0.68 cent

Notes:

- (i) The calculation of basic earnings per share of the Group for the three months ended 31 October 2013 is based on profit attributable to owners of the Company of \$1.0 million (31 October 2012: \$4.1 million) and weighted average number of 594.7 million (31 October 2012: 594.7 million) ordinary shares.
- (ii) The calculation of diluted basic earnings per share of the Group for the three months ended 31 October 2013 is based on profit attributable to owners of the Company of \$1.0 million (31 October 2012: \$4.1 million) and weighted average number of 594.7 million (31 October 2012: 594.7 million) ordinary shares; there were no dilutive potential ordinary shares during these periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 31.10.13	As at 31.07.13	As at 31.10.13	As at 31.07.13
Net Asset Value per ordinary share based on issued share capital at the end of the period	12.30 cents	12.14 cents	12.29 cents	12.13 cents

Note: The Net Asset Value per ordinary share is calculated based on 594.7 million (31 July 2013: 594.7 million) ordinary shares in issue at the end of the financial period.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

For 1Q FY2014, the Group registered 50.2% drop in revenue from \$21.4 million to \$10.6 million as a result of weak demand for media storage products and services. Other income was higher by 47.7% from \$0.1 million to \$0.2 million due mainly to gain on sale of property, plant and equipment by the Company.

Total operating expenses decreased by 42.0% from \$16.6 million in 1Q FY2013 to \$9.6 million in 1Q FY2014. The decrease in cost of raw materials usage by 53.6% from \$6.9 million to \$3.2 million was attributed to lower sales. The reduction in staff costs by 41.2% from \$4.8 million to \$2.8 million and other operating expenses by 35.0% from \$4.1 million to \$2.7 million was attributed to lower level of business activities. Despite more assets becoming fully depreciated, depreciation was higher by 12.6% from \$0.8 million to \$0.9 million due to depreciation recorded for Blu-Ray related plant, property and equipment during 1Q FY2014.

In tandem with lower profitability, income tax expense decreased by 75.6% from \$0.8 million to \$0.2 million.

As a result of the above, the Group's profit decreased by 75.7% from \$4.1 million to \$1.0 million.

Financial Position and Cashflow

The Group's financial position remained strong with a net cash position of \$44.4 million as at 31 October 2013 and it continued to generate positive operating cashflows during 1Q FY2014.

Despite depreciation charge of \$0.9 million recorded for the period, property, plant and equipment rose by 39.2% from \$16.4 million to \$22.8 million due mainly to additions of Blu-Ray equipments during 1Q FY2014.

Trade and other receivables decreased by 43.2% from \$11.6 million to \$6.6 million due mainly to reclassification of advance payments made for the purchase of property, plant and equipment, which were mainly attributed to Blu-Ray equipments, amounting to \$6.2 million as at 31 July 2013 to property, plant and equipment as at 31 October 2013 upon receipts of the above equipments. If these advance payments of \$6.2 million were excluded, trade and other receivables would have increased by 21.8% from \$5.4 million to \$6.6 million due to higher revenue of \$10.6 million recorded during 1Q FY2014 compared to revenue of \$7.3 million registered during 4Q FY2013.

The increase in reserves of \$0.9 million was attributed to continued profitability through 1Q FY2014.

The bank loan taken was attributed to a Taiwan subsidiary, One Global Inc.

Trade and other payables were lower by 9.9% from \$6.2 million to \$5.6 million due to payments made during 1Q FY2014.

Current tax payable was higher due to provision made for 1Q FY2014's profit.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no variance.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Operating environment in the media storage industry remains challenging due to weak demand for media storage products and services and keen competition.

For FY2014, the Group's investment into Blu-Ray production is not expected to yield meaningful results until demand for Blu-Ray related products and services gain traction. At the same time, demand for existing CD/DVD media storage products and services is expected to fall. As a result, the Group's performance is expected to be adversely affected and may incur operating losses for the rest of FY2014.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared or recommended for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared or recommended for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the quarter ended 31 October 2013.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

The directors confirm that, to the best of their knowledge, nothing has come to their attention which may render these interim financial statements to be false or misleading in any material aspect.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

17. A breakdown of sales.

Not applicable.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend

	Latest Full Year	Previous Full Year
	\$'000	\$'000
Ordinary – Interim (Paid)	-	-
Ordinary – Final	-	-
Preference	-	-
Total	-	-

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year

BY ORDER OF THE BOARD

Djuniarti Intan Ng
Finance Director

27 November 2013