



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

	Three Months Ended 31.10.14	Three Months Ended 31.10.13	Change
	\$'000	\$'000	%
GROUP			
Revenue	9,539	10,636	(10.3)
Other income	63	195	(67.7)
	<u>9,602</u>	<u>10,831</u>	(11.3)
Changes in inventories and raw materials usage	(2,291)	(3,186)	(28.1)
Staff costs	(2,526)	(2,827)	(10.6)
Depreciation	(899)	(948)	(5.2)
Other operating expenses	(2,329)	(2,678)	(13.0)
Finance costs	(4)	(5)	(20.0)
Total operating expenses	<u>(8,049)</u>	<u>(9,644)</u>	(16.5)
Profit before tax	1,553	1,187	30.8
Income tax expense	(7)	(202)	(96.5)
Profit for the period	<u>1,546</u>	<u>985</u>	57.0
Attributable to:			
Owners of the Company	1,546	985	57.0
Profit for the period	<u>1,546</u>	<u>985</u>	57.0
<u>Other comprehensive income</u>			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences relating to financial statements of a foreign subsidiary			
- attributable to owners of the Company	72	(42)	NM
Other comprehensive income for the period	<u>72</u>	<u>(42)</u>	NM
Total comprehensive income for the period attributable to owners of the Company	<u>1,618</u>	<u>943</u>	71.6

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:

Gain on sale of property, plant and equipment
Interest income
Sundry income

	Three Months Ended 31.10.14 \$'000	Three Months Ended 31.10.13 \$'000	Change %
	-	104	NM
	43	84	(48.8)
	20	7	185.7
	<u>63</u>	<u>195</u>	<u>(67.7)</u>

Other operating expenses include the following items:

Exchange (gain)/loss
Impairment losses made on non-financial assets
Net change in fair value of derivative financial assets recognised in profit or loss

	(107)	18	NM
	142	-	NM
	7	(16)	NM
	<u>42</u>	<u>2</u>	<u>NM</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		
	31.10.14	31.07.14	Change	31.07.14	31.07.13	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Non-current assets						
Property, plant and equipment	19,556	20,384	(4.1)	19,556	20,384	(4.1)
Investment property	6,404	6,344	0.9	-	-	-
Subsidiaries	-	-	-	- #	- #	0.0
Amounts due from subsidiaries	-	-	-	5,941	5,941	0.0
Non-financial assets	74	216	(65.7)	74	216	(65.7)
	26,034	26,944	(3.4)	25,571	26,541	(3.7)
Current assets						
Inventories	1,448	1,579	(8.3)	1,448	1,579	(8.3)
Trade and other receivables	4,950	3,175	55.9	4,950	3,175	55.9
Cash and bank balances	18,155	15,385	18.0	17,767	15,049	18.1
	24,553	20,139	21.9	24,165	19,803	22.0
Total assets	50,587	47,083	7.4	49,736	46,344	7.3
Equity attributable to owners of the Company						
Share capital	25,747	25,747	0.0	25,747	25,747	0.0
Reserves	16,092	14,474	11.2	15,981	14,470	10.4
Total equity	41,839	40,221	4.0	41,728	40,217	3.8
Non-current liabilities						
Bank loan	575	583	(1.4)	-	-	-
Deferred tax liabilities	1,616	1,616	0.0	1,616	1,616	0.0
	2,191	2,199	(0.4)	1,616	1,616	0.0
Current liabilities						
Trade and other payables	5,676	3,790	49.8	5,574	3,693	50.9
Bank loan	56	55	1.8	-	-	-
Current tax payable	825	818	0.9	818	818	0.0
	6,557	4,663	40.6	6,392	4,511	41.7
Total liabilities	8,748	6,862	27.5	8,008	6,127	30.7
Total equity and liabilities	50,587	47,083	7.4	49,736	46,344	7.3

#: 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 31.10.14		As at 31.07.14	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
56	-	55	-

Amount repayable after one year

As at 31.10.14		As at 31.07.14	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
575	-	583	-

Details of any collateral

As at 31 October 2014, the bank loan of \$0.6 million (31 July 2014: \$0.6 million) was secured by way of a charge over a subsidiary's freehold property with net book value of \$6.4 million (31 July 2014: \$6.3 million).

1(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 31.10.14 \$'000	Three Months Ended 31.10.13 \$'000
<u>Operating activities</u>		
Profit for the period	1,546	985
Adjustments for:		
Depreciation	899	948
Finance costs	4	5
Gain on sale of property, plant and equipment	-	(104)
Impairment losses made on non-financial assets	142	-
Income tax expense	7	202
Interest income	(43)	(84)
Net change in fair value of derivative financial assets recognised in profit or loss	7	(16)
Operating profit before working capital changes	<u>2,562</u>	<u>1,936</u>
Changes in working capital:		
Inventories	131	233
Trade and other receivables	(1,793)	(1,152)
Trade and other payables	1,845	(611)
Cash generated from operations	<u>2,745</u>	<u>406</u>
Income tax paid	(1)	-
Net cash from operating activities	<u>2,744</u>	<u>406</u>
<u>Investing activities</u>		
Fixed deposits with maturity of more than three months	2,103	10,653
Interest received	31	84
Proceeds from sale of property, plant and equipment	-	104
Purchase of property, plant and equipment	(55)	(1,181)
Net cash from investing activities	<u>2,079</u>	<u>9,660</u>
<u>Financing activities</u>		
Interest paid	(4)	(5)
Repayment of bank loan	(14)	(14)
Net cash used in financing activities	<u>(18)</u>	<u>(19)</u>
Net increase in cash and cash equivalents	4,805	10,047
Cash and cash equivalents at beginning of period	13,282	30,982
Effect of exchange rate changes on balances held in foreign currency	68	(18)
Cash and cash equivalents at end of period	<u>18,155</u>	<u>41,011</u>
<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
Cash and cash equivalents	18,155	41,011
	<u>18,155</u>	<u>45,095</u>

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	Legal reserve \$'000	Foreign currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
GROUP						
At 1 August 2014	25,747	9	(337)	410	14,392	40,221
Total comprehensive income for the period						
<i>Profit for the period</i>	-	-	-	-	1,546	1,546
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	72	-	-	72
<i>Total other comprehensive income</i>	-	-	72	-	-	72
Total comprehensive income for the period	-	-	72	-	1,546	1,618
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Transfer to retained earnings for value of share options cancelled	-	-	-	(410)	410	-
<i>Total contributions by and distributions to owners</i>	-	-	-	(410)	410	-
Total transactions with owners	-	-	-	(410)	410	-
At 31 October 2014	25,747	9	(265)	-	16,348	41,839

Consolidated Statement of Changes in Equity

	Share capital \$'000	Legal reserve \$'000	Foreign currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
GROUP						
At 1 August 2013	46,562	-	(223)	411	25,475	72,225
Total comprehensive income for the period						
<i>Profit for the period</i>	-	-	-	-	985	985
<u>Other comprehensive income</u>						
Foreign currency 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

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	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
COMPANY				
At 1 August 2014	25,747	410	14,060	40,217
Total comprehensive income for the period				
<i>Profit for the period</i>	-	-	1,511	1,511
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the period	-	-	1,511	1,511
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Transfer to retained earnings for value of share options cancelled	-	(410)	410	-
<i>Total contributions by and distributions to owners</i>	-	(410)	410	-
Total transactions with owners	-	(410)	410	-
At 31 October 2014	25,747	-	15,981	41,728

Statement of Changes in Equity

	Share capital \$'000	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
COMPANY				
At 1 August 2013	46,562	411	25,163	72,136
Total comprehensive income for the period				
<i>Profit for the period</i>	-	-	983	983
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the period	-	-	983	983
At 31 October 2013	46,562	411	26,146	73,119

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 2014, there was no change to the share capital of the Company.

As at 31 October 2014, there were nil (31 October 2013: 8.2 million) outstanding share options in respect of unissued ordinary shares under the DT Share Option Scheme 1999. All outstanding share options had lapsed during the quarter ended 31 October 2014.

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 31.10.14	As at 31.07.14
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.

Except as disclosed in paragraph 5, the financial statements have been prepared using the same accounting policies and methods of computation as presented in the audited financial statements for the financial year ended 31 July 2014.

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.

The Group has adopted all applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") which became effective for accounting period beginning on or after 1 August 2014. The adoption of these new and revised FRS and INT FRS are currently assessed to have no material financial impact on the Group's financial statements for the current financial period reported on.

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 31.10.14	Three Months Ended 31.10.13
Earnings per ordinary share based on profit for the period	0.26 cent	0.17 cent
(a) Based on the weighted average number of shares on issue	0.26 cent	0.17 cent
(b) On a fully diluted basis	0.26 cent	0.17 cent

Notes:

- (i) The calculation of basic earnings per share of the Group for the three months ended 31 October 2014 is based on profit attributable to owners of the Company of \$1.5 million (31 October 2013: \$1.0 million) and weighted average number of 594.7 million (31 October 2013: 594.7 million) ordinary shares.
- (ii) The calculation of diluted basic earnings per share of the Group for the three months ended 31 October 2014 is based on profit attributable to owners of the Company of \$1.5 million (31 October 2013: \$1.0 million) and weighted average number of 594.7 million (31 July 2013: 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 31.10.14	As at 31.07.14	As at 31.10.14	As at 31.07.14
Net Asset Value per ordinary share based on issued share capital at the end of the period	7.03 cents	6.76 cents	7.02 cents	6.76 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 FY2015, the Group recorded 10.3% decline in revenue from \$10.6 million to \$9.5 million. The decrease in revenue was mainly attributed to a reduction in revenue recorded by the Company for its DVD media storage products and services but was partially offset by an increase in sale of Blu-Ray media storage products and services during 1Q FY2015.

Other income was lower by 67.7% from \$0.2 million to \$0.1 million due to the absence of gain on sale of property, plant and equipment by the Company and lower interest income as a result of lower bank balances after the payment of cash distribution of 3.5 cents per share in connection with the capital reduction exercise of \$20.8 million on 28 January 2014.

Total operating expenses decreased by 16.5% from \$9.6 million in 1Q FY2014 to \$8.0 million in 1Q FY2015. The decrease in cost of raw materials usage by 28.1% from \$3.2 million to \$2.3 million was attributed to lower sales and improved effectiveness and efficiency in operations. The reduction in staff costs by 10.6% from \$2.8 million to \$2.5 million and other operating expenses by 13.0% from \$2.7 million to \$2.3 million was attributed to lower level of business activities. Depreciation was lower due to more assets becoming fully depreciated.

The income tax expense recorded by the Group was related to the Taiwan operation. The Company did not recognize any income tax expense despite registering pre-tax profit of \$1.5 million as it currently has sufficient tax allowances to offset its taxable income for 1Q FY2015.

As a result of the above, the Group's profit increased by 57.0% from \$1.0 million to \$1.5 million.

Financial Position and Cashflow

The Group's financial position remained strong with a net cash position of \$17.5 million as at 31 October 2014 and it continued to generate positive operating cashflows of \$2.7 million during 1Q FY2015.

The decrease in property, plant and equipment was attributed mainly to depreciation charged for the period.

Non-financial assets, which were related to club memberships held by the Company, were lower due to impairment losses made during 1Q FY2015. All these club memberships were sold subsequent to 31 October 2014 at their carrying amounts.

Trade and other receivables increased by 55.9% from \$3.2 million to \$5.0 million due mainly to higher revenue of \$9.5 million recorded during 1Q FY2015 compared to revenue of \$5.6 million registered during 4Q FY2014. Accordingly, trade and other payables were higher by 49.8% from \$3.8 million to \$5.7 million at the back of higher level of business activities compared to 4Q FY2014.

The increase in reserves of \$1.6 million was attributed mainly to continued profitability through 1Q FY2015.

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

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 to the prospect statement that was previously disclosed to the shareholders on 15 September 2014.

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.

There are signs of increased activities for Blu-Ray media storage products and services but demand for other products and services, in particular, DVD media storage products and services continues to remain weak. The Group will continue to focus on providing more value added services to its customers and controlling its operating costs.

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 for the quarter ended 31 October 2014.

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	-	-
Ordinary – Final	-	-
Ordinary – Special	-	-
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
Not applicable.				

BY ORDER OF THE BOARD

Lim Jit Siew
Chief Financial Officer
11 December 2014