



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

	Three Months Ended 31.10.15 \$'000	Three Months Ended 31.10.14 \$'000	Change %
<b>GROUP</b>			
Revenue	12,558	9,539	31.6
Other income	113	63	79.4
	<u>12,671</u>	<u>9,602</u>	32.0
Changes in inventories and raw materials usage	(3,165)	(2,291)	38.1
Staff costs	(2,728)	(2,526)	8.0
Depreciation	(842)	(899)	(6.3)
Other operating expenses	(2,020)	(2,329)	(13.3)
Finance costs	(40)	(4)	900.0
Total operating expenses	<u>(8,795)</u>	<u>(8,049)</u>	9.3
<b>Profit before tax</b>	<b>3,876</b>	<b>1,553</b>	<b>149.6</b>
Income tax expense	(3)	(7)	(57.1)
<b>Profit for the year attributable to owners of the Company</b>	<b><u>3,873</u></b>	<b><u>1,546</u></b>	<b>150.5</b>
<b><u>Other comprehensive income</u></b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences relating to financial statements of a foreign subsidiary			
- attributable to owners of the Company	(2)	72	NM
<b>Other comprehensive income for the period</b>	<b><u>(2)</u></b>	<b><u>72</u></b>	<b>NM</b>
<b>Total comprehensive income for the year attributable to owners of the Company</b>	<b><u>3,871</u></b>	<b><u>1,618</u></b>	<b>139.2</b>

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:**

Interest income  
Sundry income

**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

	<b>Three Months Ended 31.10.15 \$'000</b>	<b>Three Months Ended 31.10.14 \$'000</b>	<b>Change %</b>
	108	43	151.2
	5	20	(75.0)
	<u>113</u>	<u>63</u>	<u>79.4</u>
	(55)	(107)	(48.6)
	-	142	(100.0)
	<u>(11)</u>	<u>7</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**

**Non-current assets**

Property, plant and equipment  
Investment property  
Subsidiaries  
Associate  
Amounts due from subsidiaries

**Current assets**

Inventories  
Trade and other receivables  
Cash and bank balances

**Total assets**

**Equity attributable to owners of the Company**

Share capital  
Reserves

**Total equity**

**Non-current liabilities**

Deferred tax liabilities

**Current liabilities**

Trade and other payables  
Bank loan  
Current tax payable

**Total liabilities**

**Total equity and liabilities**

	GROUP			COMPANY		
	31.10.15 \$'000	31.07.15 \$'000	Change %	31.10.15 \$'000	31.07.15 \$'000	Change %
Property, plant and equipment	16,262	17,078	(4.8)	16,262	17,078	(4.8)
Investment property	6,478	6,567	(1.4)	-	-	-
Subsidiaries	-	-	-	- #	- #	-
Associate	- #	-	-	-	-	-
Amounts due from subsidiaries	-	-	-	28	28	-
	<b>22,740</b>	<b>23,645</b>	<b>(3.8)</b>	<b>16,290</b>	<b>17,106</b>	<b>(4.8)</b>
Inventories	1,616	1,270	27.2	1,616	1,270	27.2
Trade and other receivables	5,641	1,978	185.2	5,641	1,977	185.3
Cash and bank balances	34,797	31,975	8.8	34,680	31,891	8.7
	<b>42,054</b>	<b>35,223</b>	<b>19.4</b>	<b>41,937</b>	<b>35,138</b>	<b>19.3</b>
<b>Total assets</b>	<b>64,794</b>	<b>58,868</b>	<b>10.1</b>	<b>58,227</b>	<b>52,244</b>	<b>11.5</b>
Share capital	32,992	32,992	-	32,992	32,992	-
Reserves	18,717	14,846	26.1	18,594	14,733	26.2
<b>Total equity</b>	<b>51,709</b>	<b>47,838</b>	<b>8.1</b>	<b>51,586</b>	<b>47,725</b>	<b>8.1</b>
Deferred tax liabilities	1,266	1,266	-	1,266	1,266	-
	<b>1,266</b>	<b>1,266</b>	<b>-</b>	<b>1,266</b>	<b>1,266</b>	<b>-</b>
Trade and other payables	5,191	3,064	69.4	5,087	2,965	71.6
Bank loan	6,337	6,409	(1.1)	-	-	-
Current tax payable	291	291	-	288	288	-
	<b>11,819</b>	<b>9,764</b>	<b>21.0</b>	<b>5,375</b>	<b>3,253</b>	<b>65.2</b>
<b>Total liabilities</b>	<b>13,085</b>	<b>11,030</b>	<b>18.6</b>	<b>6,641</b>	<b>4,519</b>	<b>47.0</b>
<b>Total equity and liabilities</b>	<b>64,794</b>	<b>58,868</b>	<b>10.1</b>	<b>58,227</b>	<b>52,244</b>	<b>11.5</b>

#: Amount less than \$50.

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

**Amount repayable in one year or less, or on demand**

As at 31.10.15		As at 31.07.15	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
6,337	-	6,409	-

**Amount repayable after one year**

As at 31.10.15		As at 31.07.15	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Details of any collateral**

As at 31 October 2015, the bank loan of \$6.3 million (31 July 2015: \$6.4 million) was secured by a charge over a freehold property with net book value of \$5.6 million (31 July 2015: \$5.7 million) held by the Group's Taiwan subsidiary, One Global Inc (OGI) and corporate guarantee provided by the Company.

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**

<b>GROUP</b>	<b>Three Months Ended 31.10.15 \$'000</b>	<b>Three Months Ended 31.10.14 \$'000</b>
<b><u>Operating activities</u></b>		
Profit for the year	3,873	1,546
Adjustments for:		
Bad debts recovered	(1)	-
Depreciation	842	899
Finance costs	40	4
Impairment losses made on non-financial assets	-	142
Income tax expense	3	7
Interest income	(108)	(43)
Net change in fair value of derivative financial assets recognised in profit or loss	(11)	7
Operating profit before working capital changes	<u>4,638</u>	<u>2,562</u>
Changes in working capital:		
Inventories	(346)	131
Trade and other receivables	(3,668)	(1,793)
Trade and other payables	2,120	1,845
Cash generated from operations	<u>2,744</u>	<u>2,745</u>
Income tax paid, net	(3)	(1)
<b>Net cash from operating activities</b>	<u>2,741</u>	<u>2,744</u>
<b><u>Investing activities</u></b>		
Fixed deposits with maturity of more than three months	-	2,103
Interest received	110	31
Purchase of plant and equipment	(10)	(55)
<b>Net cash from investing activities</b>	<u>100</u>	<u>2,079</u>
<b><u>Financing activities</u></b>		
Interest paid	(40)	(4)
Repayment of bank loan	-	(14)
<b>Net cash used in financing activities</b>	<u>(40)</u>	<u>(18)</u>
<b>Net increase in cash and cash equivalents</b>	2,801	4,805
Cash and cash equivalents at beginning of year	31,975	13,282
Effect of exchange rate changes on balances held in foreign currency	21	68
<b>Cash and cash equivalents at end of year</b>	<u><u>34,797</u></u>	<u><u>18,155</u></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	Retained earnings \$'000	Total equity \$'000
<b>GROUP</b>					
<b>At 1 August 2015</b>	<b>32,992</b>	<b>9</b>	<b>(295)</b>	<b>15,132</b>	<b>47,838</b>
<b>Total comprehensive income for the year</b>					
<i>Profit for the year</i>	-	-	-	3,873	3,873
<u>Other comprehensive income</u>					
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	(2)	-	(2)
<i>Total other comprehensive income</i>	-	-	(2)	-	(2)
<b>Total comprehensive income for the year</b>	-	-	<b>(2)</b>	<b>3,873</b>	<b>3,871</b>
<b>Transactions with owners, recorded directly in equity</b>					
<u>Contributions by and distributions to owners</u>					
<i>Total contributions by and distributions to owners</i>	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 31 October 2015</b>	<b>32,992</b>	<b>9</b>	<b>(297)</b>	<b>19,005</b>	<b>51,709</b>

	Share capital \$'000	Legal reserve \$'000	Foreign currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>GROUP</b>						
<b>At 1 August 2014</b>	<b>25,747</b>	<b>9</b>	<b>(337)</b>	<b>410</b>	<b>14,392</b>	<b>40,221</b>
<b>Total comprehensive income for the year</b>						
<i>Profit for the year</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
<b>Total comprehensive income for the year</b>	-	-	<b>72</b>	-	<b>1,546</b>	<b>1,618</b>
<b>Transactions with owners, recorded directly in equity</b>						
<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	-
<b>Total transactions with owners</b>	-	-	-	<b>(410)</b>	<b>410</b>	-
<b>At 31 October 2014</b>	<b>25,747</b>	<b>9</b>	<b>(265)</b>	-	<b>16,348</b>	<b>41,839</b>

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	Retained earnings \$'000	Total equity \$'000
<b>COMPANY</b>			
<b>At 1 August 2015</b>	<b>32,992</b>	<b>14,733</b>	<b>47,725</b>
<b>Total comprehensive income for the year</b>			
<i>Profit for the year</i>	-	3,861	3,861
<i>Total other comprehensive income</i>	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>3,861</b>	<b>3,861</b>
<b>Transactions with owners, recorded directly in equity</b>			
<u>Contributions by and distributions to owners</u>			
Final 1-tier tax-exempt dividends paid of 0.22 cents per share for FY2014	-	-	-
Issue of ordinary shares	-	-	-
Return of unclaimed dividends	-	-	-
<i>Total contributions by and distributions to owners</i>	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 October 2015</b>	<b>32,992</b>	<b>18,594</b>	<b>51,586</b>

	Share capital \$'000	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>COMPANY</b>				
<b>At 1 August 2014</b>	<b>25,747</b>	<b>410</b>	<b>14,060</b>	<b>40,217</b>
<b>Total comprehensive income for the period</b>				
<i>Profit for the period</i>	-	-	1,511	1,511
<i>Total other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,511</b>	<b>1,511</b>
<b>Transactions with owners, recorded directly in equity</b>				
<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	-
<b>Total transactions with owners</b>	<b>-</b>	<b>(410)</b>	<b>410</b>	<b>-</b>
<b>At 31 October 2014</b>	<b>25,747</b>	<b>-</b>	<b>15,981</b>	<b>41,728</b>

**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 2015, there was no change to the share capital of the Company.

The Company did not have any outstanding share options, convertibles and treasury shares 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.

**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 31.10.15	As at 31.07.15
Number of issued ordinary shares at beginning of the year	659,724,000	594,724,000
Add: Issue of shares	-	65,000,000
Less: Number of treasury shares	-	-
Number of issued ordinary shares, excluding treasury shares, at the end of the period	659,724,000	659,724,000

**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 2015.

**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 2015. The adoption of these new and revised FRS and INT FRS are assessed to have no significant 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 31.10.15	Three Months Ended 31.10.14
Earnings per ordinary share based on profit/(loss) for the period		
(a) Based on the weighted average number of shares on issue	0.59 cents	0.26 cents
(b) On a fully diluted basis	0.59 cents	0.26 cents

Notes:

(i) The calculation of basic and diluted basic earnings per share of the Group for the three months ended 31 October 2015 is based on profit attributable to owners of the Company of \$3.9 million (31 October 2014: \$1.5 million) and weighted average number of 659.7 million (31 October 2014: 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 31.10.15	As at 31.07.15	As at 31.10.15	As at 31.07.15
Net Asset Value per ordinary share based on issued share capital at the end of the period	7.84 cents	7.25 cents	7.82 cents	7.23 cents

Note: The Net Asset Value per ordinary share is calculated based on 659.7 million (31 July 2015: 659.7 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.**

**1Q FY2016**

For 1Q FY2016, the Group registered 31.6% increase in revenue from \$9.5 million to \$12.6 million. The increase in revenue was attributed mainly to higher level of business activities and new product launches by customers, leading to higher sales of Blu-Ray media storage products and services and Cards printing products and services, partially offsetted by weaker sales for DVD media storage products and services.

Other income was higher due to higher interest income.

Total operating expenses increased by 9.3% from \$8.0 million in 1Q FY2015 to \$8.8 million in 1Q FY2016 mainly due to higher cost of raw materials usage. The increase in cost of raw materials usage was in tandem with the higher revenue during 1Q FY2016. Depreciation was lower due to more assets becoming fully depreciated and there were minimal property, plant and equipment investments. The reduction in other operating expenses was attributed mainly to the absence of impairment losses made on club memberships and cost management measures undertaken by the Group.

Finance costs, which were related to the Taiwan operation, were higher due to higher gearing.

The income tax expense recorded by the Group relates to the Taiwan operation. The Company did not recognize any income tax expense despite registering pre-tax profit of \$3.9 million as it currently has sufficient tax allowances to offset its taxable income for 1Q FY2016.

As a result of the above, the Group's net profit increased by 150.5% from \$1.5 million in 1Q FY2015 to \$3.9 million in 1Q FY2016.

**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. (cont'd)**

#### **Financial Position and Cash flow**

The Group's financial position remained strong with a net cash position of \$28.5 million as at 31 October 2015 and it continued to generate positive operating cash flows of \$2.7 million during 1Q FY2016.

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

Inventories were higher in line with higher business activities.

Trade and other receivables increased by 185.2% from \$2.0 million to \$5.6 million due mainly to higher revenue of \$12.6 million recorded during 1Q FY2016 compared to revenue of \$4.6 million registered during 4Q FY2015. Accordingly, trade and other payables were higher by 69.4% from \$3.1 million to \$5.2 million at the back of higher level of business activities compared to 4Q FY2015.

The increase in reserves of \$3.9 million was attributed to continued profitability through 1Q FY2016.

#### **Use of proceeds raised from private placement**

In November 2015, a portion of the proceeds raised from the issuance of shares to Lian Beng Group Ltd in FY2015, amounting to approximately S\$2.82 million had been remitted to the Group's associate, Goldprime Realty Pte Ltd. The funds are intended to be used for a property development project in Australia.

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

Not applicable.

#### **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.**

Revenue for 1Q FY2016 is encouraging for sales of Blu-Ray media storage products and Cards printing products whilst DVD media products and services continue to face challenges.

The Group will continue to focus on increasing its revenue base through an expansion of its customer base and providing more value added services to its customers and controlling its operating costs by improving yield and production efficiencies. It will also be keeping a close tab on the technological and business developments within the media storage industry and explore other investment and business opportunities.

At the same time, the Group will actively re-define its strategies and operating processes, and deploy its resources to effectively keeping tab with the changes in its operating environment.

## 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 2015.

## 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).

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.

## 15. Confirmation pursuant to Rule 720(1).

We confirm that the Company has procured undertakings to comply with the Listing Manual of the Singapore Exchange Securities Trading Limited from all its Directors and executive officers.

## BY ORDER OF THE BOARD

Lim Jit Siew  
Chief Financial Officer  
23 November 2015