



DATAPULSE TECHNOLOGY

Company Registration No. 198002677D

## Datapulse Technology Limited

### Second 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	Three	Change
	Months	Months	
	Ended	Ended	%
	31.01.14	31.01.13	
	\$'000	\$'000	
<b>GROUP</b>			
Revenue	6,651	8,988	(26.0)
Other income	99	139	(28.8)
	<u>6,750</u>	<u>9,127</u>	(26.0)
Changes in inventories and raw materials usage	(1,868)	(1,997)	(6.5)
Staff costs	(2,494)	(2,339)	6.6
Depreciation	(1,265)	(799)	58.3
Other operating expenses	(1,480)	(2,016)	(26.6)
Finance costs	(4)	(4)	-
Total operating expenses	<u>(7,111)</u>	<u>(7,155)</u>	(0.6)
<b>(Loss)/profit before income tax</b>	<b>(361)</b>	<b>1,972</b>	<b>NM</b>
Income tax credit/(expense)	201	(85)	NM
<b>(Loss)/profit for the period</b>	<b>(160)</b>	<b>1,887</b>	<b>NM</b>
<b>Attributable to:</b>			
Owners of the Company	(160)	1,887	NM
<b>(Loss)/profit for the period</b>	<b>(160)</b>	<b>1,887</b>	<b>NM</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Net change in fair value of available-for-sale financial assets			
- attributable to owners of the Company	-	113	NM
Translation differences relating to financial statements of foreign subsidiaries			
- attributable to owners of the Company	(15)	28	NM
<b>Other comprehensive income for the period</b>	<b>(15)</b>	<b>141</b>	<b>NM</b>
<b>Total comprehensive income for the period</b>	<b>(175)</b>	<b>2,028</b>	<b>NM</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(175)	2,028	NM
<b>Total comprehensive income for the period</b>	<b>(175)</b>	<b>2,028</b>	<b>NM</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)**

**Consolidated Statement of Comprehensive Income**

	<b>Half Year Ended 31.01.14 \$'000</b>	<b>Half Year Ended 31.01.13 \$'000</b>	<b>Change %</b>
<b>GROUP</b>			
Revenue	17,287	30,364	(43.1)
Other income	294	271	8.5
	<hr/> 17,581	<hr/> 30,635	<hr/> (42.6)
Changes in inventories and raw materials usage	(5,054)	(8,856)	(42.9)
Staff costs	(5,321)	(7,145)	(25.5)
Depreciation	(2,213)	(1,641)	34.9
Other operating expenses	(4,158)	(6,133)	(32.2)
Finance costs	(9)	(9)	-
Total operating expenses	<hr/> (16,755)	<hr/> (23,784)	<hr/> (29.6)
<b>Profit before income tax</b>	<b>826</b>	<b>6,851</b>	<b>(87.9)</b>
Income tax expense	(1)	(914)	(99.9)
<b>Profit for the period</b>	<hr/> <b>825</b>	<hr/> <b>5,937</b>	<hr/> <b>(86.1)</b>
<b>Attributable to:</b>			
Owners of the Company	825	5,937	(86.1)
<b>Profit for the period</b>	<hr/> <b>825</b>	<hr/> <b>5,937</b>	<hr/> <b>(86.1)</b>
<b><u>Other comprehensive income</u></b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Net change in fair value of available-for-sale financial assets			
- attributable to owners of the Company	-	55	NM
Translation differences relating to financial statements of foreign subsidiaries			
- attributable to owners of the Company	(57)	57	NM
<b>Other comprehensive income for the period</b>	<hr/> (57)	<hr/> 112	<hr/> NM
<b>Total comprehensive income for the period</b>	<hr/> <b>768</b>	<hr/> <b>6,049</b>	<hr/> <b>(87.3)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	768	6,049	(87.3)
<b>Total comprehensive income for the period</b>	<hr/> <b>768</b>	<hr/> <b>6,049</b>	<hr/> <b>(87.3)</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)**

<b>Notes</b>	<b>Three Months Ended 31.01.14 \$'000</b>	<b>Three Months Ended 31.01.13 \$'000</b>	<b>Change %</b>
<b>Other income:</b>			
Dividend income from financial assets	-	34	NM
Loss on sale of property, plant and equipment	(1)	-	NM
Interest income	76	100	(24.0)
Sundry income	24	5	NM
	<b>99</b>	<b>139</b>	<b>(28.8)</b>
<b>Other operating expenses include the following items:</b>			
Exchange gain	(47)	(142)	(66.9)
Net change in fair value of derivative financial assets recognised in profit or loss	16	24	(33.3)
Property, plant and equipment written off	-	36	NM
	<b>(31)</b>	<b>(82)</b>	<b>(62.2)</b>
<b>Others:</b>			
Adjustment for overprovision of tax in respect of prior years (included as part of income tax expense)	-	211	NM
	-	<b>211</b>	<b>NM</b>

<b>Notes</b>	<b>Half Year Ended 31.01.14 \$'000</b>	<b>Half Year Ended 31.01.13 \$'000</b>	<b>Change %</b>
<b>Other income:</b>			
Dividend income from financial assets	-	61	NM
Gain on sale of property, plant and equipment	103	-	NM
Interest income	160	200	(20.0)
Sundry income	31	10	210.0
	<b>294</b>	<b>271</b>	<b>8.5</b>
<b>Other operating expenses include the following items:</b>			
Exchange gain	(29)	(94)	(69.1)
Net change in fair value of derivative financial assets recognised in profit or loss	-	32	NM
Property, plant and equipment written off	-	36	NM
	<b>(29)</b>	<b>(26)</b>	<b>11.5</b>
<b>Others:</b>			
Adjustment for overprovision of tax in respect of prior years (included as part of income tax expense)	-	211	NM
	-	<b>211</b>	<b>NM</b>

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		
	31.01.14	31.07.13	Change	31.01.14	31.07.13	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Non-current assets</b>						
Property, plant and equipment	21,989	16,406	34.0	21,989	16,406	34.0
Investment property	6,437	6,530	(1.4)	-	-	-
Subsidiaries	-	-	-	-#	-#	0.0
Amounts due from subsidiaries	-	-	-	5,941	5,941	0.0
Non-financial assets	216	216	0.0	216	216	0.0
	<b>28,642</b>	<b>23,152</b>	<b>23.7</b>	<b>28,146</b>	<b>22,563</b>	<b>24.7</b>
<b>Current assets</b>						
Inventories	1,455	1,888	(22.9)	1,455	1,888	(22.9)
Trade and other receivables	3,096	11,601	(73.3)	3,099	11,604	(73.3)
Cash and bank balances	14,521	45,719	(68.2)	14,258	45,461	(68.6)
	<b>19,072</b>	<b>59,208</b>	<b>(67.8)</b>	<b>18,812</b>	<b>58,953</b>	<b>(68.1)</b>
<b>Total assets</b>	<b>47,714</b>	<b>82,360</b>	<b>(42.1)</b>	<b>46,958</b>	<b>81,516</b>	<b>(42.4)</b>
<b>Equity attributable to owners of the Company</b>						
Share capital	25,747	46,562	(44.7)	25,747	46,562	(44.7)
Reserves	14,537	25,663	(43.4)	14,502	25,574	(43.3)
<b>Total equity</b>	<b>40,284</b>	<b>72,225</b>	<b>(44.2)</b>	<b>40,249</b>	<b>72,136</b>	<b>(44.2)</b>
<b>Non-current liabilities</b>						
Bank loan	616	650	(5.2)	-	-	-
Deferred tax liabilities	1,801	1,801	0.0	1,800	1,800	0.0
	<b>2,417</b>	<b>2,451</b>	<b>(1.4)</b>	<b>1,800</b>	<b>1,800</b>	<b>0.0</b>
<b>Current liabilities</b>						
Trade and other payables	3,637	6,205	(41.4)	3,589	6,158	(41.7)
Bank loan	56	57	(1.8)	-	-	-
Current tax payable	1,320	1,422	(7.2)	1,320	1,422	(7.2)
	<b>5,013</b>	<b>7,684</b>	<b>(34.8)</b>	<b>4,909</b>	<b>7,580</b>	<b>(35.2)</b>
<b>Total liabilities</b>	<b>7,430</b>	<b>10,135</b>	<b>(26.7)</b>	<b>6,709</b>	<b>9,380</b>	<b>(28.5)</b>
<b>Total equity and liabilities</b>	<b>47,714</b>	<b>82,360</b>	<b>(42.1)</b>	<b>46,958</b>	<b>81,516</b>	<b>(42.4)</b>

#: 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 31.01.14		As at 31.07.13	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
56	-	57	-

**Amount repayable after one year**

As at 31.01.14		As at 31.07.13	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
616	-	650	-

**Details of any collateral**

As at 31 January 2014, 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 \$6.4 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**

<b>GROUP</b>	<b>Three Months Ended 31.01.14 \$'000</b>	<b>Three Months Ended 31.01.13 \$'000</b>	<b>Half Year Ended 31.01.14 \$'000</b>	<b>Half Year Ended 31.01.13 \$'000</b>
<b><u>Operating activities</u></b>				
(Loss)/profit for the period	(160)	1,887	825	5,937
Adjustments for:				
Depreciation	1,265	799	2,213	1,641
Dividend income from financial assets	-	(34)	-	(61)
Finance costs	4	4	9	9
Loss/(gain) on sale of property, plant and equipment	1	-	(103)	-
Income tax (credit)/expense	(201)	85	1	914
Interest income	(76)	(100)	(160)	(200)
Net change in fair value of derivative financial assets recognised in profit or loss	16	24	-	32
Property, plant and equipment written off	-	36	-	36
Operating profit before working capital changes	849	2,701	2,785	8,308
Changes in working capital:				
Inventories	200	(233)	433	758
Trade and other receivables	3,493	5,182	2,341	1,304
Trade and other payables	(1,931)	(3,468)	(2,542)	193
Cash generated from operations	2,611	4,182	3,017	10,563
Income tax paid	(102)	(653)	(102)	(653)
<b>Net cash from operating activities</b>	<b>2,509</b>	<b>3,529</b>	<b>2,915</b>	<b>9,910</b>
<b><u>Investing activities</u></b>				
Dividends received from financial assets	-	28	-	46
Fixed deposits with maturity of more than three months	1,986	9,979	12,639	2,094
Interest received	76	100	160	200
Proceeds from sale of property, plant and equipment	1	-	105	-
Purchase of property, plant and equipment	(397)	(57)	(1,578)	(66)
<b>Net cash from investing activities</b>	<b>1,666</b>	<b>10,050</b>	<b>11,326</b>	<b>2,274</b>
<b><u>Financing activities</u></b>				
Cash distribution from capital reduction exercise paid	(20,815)	-	(20,815)	-
Dividends paid	(11,894)	(11,894)	(11,894)	(11,894)
Interest paid	(4)	(4)	(9)	(9)
Repayment of bank loan	(14)	(14)	(28)	(28)
Return of unclaimed dividends	-	-	-	9
<b>Net cash used in financing activities</b>	<b>(32,727)</b>	<b>(11,912)</b>	<b>(32,746)</b>	<b>(11,922)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(28,552)</b>	<b>1,667</b>	<b>(18,505)</b>	<b>262</b>
Cash and cash equivalents at beginning of period	41,011	36,146	30,982	37,557
Effect of exchange rate changes on balances held in foreign currency	(36)	(6)	(54)	(12)
<b>Cash and cash equivalents at end of period</b>	<b>12,423</b>	<b>37,807</b>	<b>12,423</b>	<b>37,807</b>

**Note**

**Cash and bank balances at end of period comprise the following:**

Fixed deposits with maturity of more than three months	2,098	13,720
Cash and cash equivalents	12,423	37,807
	<b>14,521</b>	<b>51,527</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.

**Consolidated Statement of Changes in Equity**

	Share capital \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Accumulated profits \$'000	Total equity \$'000
<b>GROUP</b>					
<b>At 1 August 2013</b>	<b>46,562</b>	<b>(223)</b>	<b>411</b>	<b>25,475</b>	<b>72,225</b>
<b>Total comprehensive income for the period</b>					
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)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(42)</b>	<b>-</b>	<b>985</b>	<b>943</b>
<b>At 31 October 2013</b>	<b>46,562</b>	<b>(265)</b>	<b>411</b>	<b>26,460</b>	<b>73,168</b>
<b>At 1 November 2013</b>	<b>46,562</b>	<b>(265)</b>	<b>411</b>	<b>26,460</b>	<b>73,168</b>
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	-	(160)	(160)
<u>Other comprehensive income</u>					
Translation differences relating to financial statements of a foreign subsidiary	-	(15)	-	-	(15)
<i>Total other comprehensive income</i>	-	(15)	-	-	(15)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(15)</b>	<b>-</b>	<b>(160)</b>	<b>(175)</b>
<b>Transactions with owners, recorded directly in equity</b>					
<u>Contributions by and distributions to owners</u>					
Cash distribution from capital reduction exercise paid of 3.5 cents per share	(20,815)	-	-	-	(20,815)
Final 1-tier tax-exempt dividend paid of 2.0 cents per share for FY2013	-	-	-	(11,894)	(11,894)
<i>Total contributions by and distributions to owners</i>	(20,815)	-	-	(11,894)	(32,709)
<b>Total transactions with owners</b>	<b>(20,815)</b>	<b>-</b>	<b>-</b>	<b>(11,894)</b>	<b>(32,709)</b>
<b>At 31 January 2014</b>	<b>25,747</b>	<b>(280)</b>	<b>411</b>	<b>14,406</b>	<b>40,284</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)

**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
<b>GROUP</b>						
<b>At 1 August 2012</b>	<b>46,562</b>	<b>(351)</b>	<b>404</b>	<b>413</b>	<b>27,136</b>	<b>74,164</b>
<b>Total comprehensive income for the period</b>						
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)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>29</b>	<b>(58)</b>	<b>-</b>	<b>4,050</b>	<b>4,021</b>
<b>Transactions with owners, recorded directly in equity</b>						
<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
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>9</b>
<b>At 31 October 2012</b>	<b>46,562</b>	<b>(322)</b>	<b>346</b>	<b>413</b>	<b>31,195</b>	<b>78,194</b>
<b>At 1 November 2012</b>	<b>46,562</b>	<b>(322)</b>	<b>346</b>	<b>413</b>	<b>31,195</b>	<b>78,194</b>
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	1,887	1,887
<u>Other comprehensive income</u>						
Net change in fair value of available-for-sale financial assets	-	-	113	-	-	113
Translation differences relating to financial statements of a foreign subsidiary	-	28	-	-	-	28
<i>Total other comprehensive income</i>	-	28	113	-	-	141
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>28</b>	<b>113</b>	<b>-</b>	<b>1,887</b>	<b>2,028</b>
<b>Transactions with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Final 1-tier tax-exempt dividend paid of 2.0 cents per share for FY2012	-	-	-	-	(11,894)	(11,894)
<i>Total contributions by and distributions to owners</i>	-	-	-	-	(11,894)	(11,894)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,894)</b>	<b>(11,894)</b>
<b>At 31 January 2013</b>	<b>46,562</b>	<b>(294)</b>	<b>459</b>	<b>413</b>	<b>21,188</b>	<b>68,328</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	Share option reserve \$'000	Accumulated profits \$'000	Total equity \$'000
<b>COMPANY</b>				
<b>At 1 August 2013</b>	<b>46,562</b>	<b>411</b>	<b>25,163</b>	<b>72,136</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	983	983
<i>Total other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>983</b>	<b>983</b>
<b>At 31 October 2013</b>	<b>46,562</b>	<b>411</b>	<b>26,146</b>	<b>73,119</b>
<b>At 1 November 2013</b>	<b>46,562</b>	<b>411</b>	<b>26,146</b>	<b>73,119</b>
<b>Total comprehensive income for the period</b>				
Loss for the period	-	-	(161)	(161)
<i>Total other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(161)</b>	<b>(161)</b>
<b>Transactions with owners, recorded directly in equity</b>				
<u>Contributions by and distributions to owners</u>				
Cash distribution from capital reduction exercise paid of 3.5 cents per share	(20,815)	-	-	(20,815)
Final 1-tier tax-exempt dividend paid of 2.0 cents per share for FY2013	-	-	(11,894)	(11,894)
<i>Total contributions by and distributions to owners</i>	(20,815)	-	(11,894)	(32,709)
<b>Total transactions with owners</b>	<b>(20,815)</b>	<b>-</b>	<b>(11,894)</b>	<b>(32,709)</b>
<b>At 31 January 2014</b>	<b>25,747</b>	<b>411</b>	<b>14,091</b>	<b>40,249</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**

COMPANY	Share capital \$'000	Fair value reserve \$'000	Share option reserve \$'000	Accumulated profits \$'000	Total equity \$'000
<b>At 1 August 2012</b>	<b>46,562</b>	<b>404</b>	<b>413</b>	<b>26,832</b>	<b>74,211</b>
<b>Total comprehensive income for the period</b>					
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)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(58)</b>	<b>-</b>	<b>4,048</b>	<b>3,990</b>
<b>Transactions with owners, recorded directly in equity</b>					
<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
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>9</b>
<b>At 31 October 2012</b>	<b>46,562</b>	<b>346</b>	<b>413</b>	<b>30,889</b>	<b>78,210</b>
<b>At 1 November 2012</b>	<b>46,562</b>	<b>346</b>	<b>413</b>	<b>30,889</b>	<b>78,210</b>
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	1,886	1,886
<u>Other comprehensive income</u>					
Net change in fair value of available-for-sale financial assets	-	113	-	-	113
<i>Total other comprehensive income</i>	-	113	-	-	113
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>113</b>	<b>-</b>	<b>1,886</b>	<b>1,999</b>
<b>Transactions with owners, recorded directly in equity</b>					
<u>Contributions by and distributions to owners</u>					
Final 1-tier tax-exempt dividend paid of 2.0 cents per share for FY2012	-	-	-	(11,894)	(11,894)
<i>Total contributions by and distributions to owners</i>	-	-	-	(11,894)	(11,894)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,894)</b>	<b>(11,894)</b>
<b>At 31 January 2013</b>	<b>46,562</b>	<b>459</b>	<b>413</b>	<b>20,881</b>	<b>68,315</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 January 2014, share capital of the Company decreased by \$20.8 million from \$46.5 million to \$25.7 million due to the payment of cash distribution of 3.5 cents per share from capital reduction exercise on 28 January 2014. There was no change in the number of shares held by shareholders following the capital reduction exercise. Except for the above, there was no other change to the share capital of the Company.

As at 31 January 2014, there were 8.2 million (31 January 2013: 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 31.01.14	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.**

Earnings per ordinary share based on (loss)/profit for the period	GROUP		GROUP	
	Three Months Ended 31.01.14	Three Months Ended 31.01.13	Half Year Ended 31.01.14	Half Year Ended 31.01.13
(a) Based on the weighted average number of shares on issue	(0.03) cent	0.32 cent	0.14 cent	1.00 cent
(b) On a fully diluted basis	(0.03) cent	0.32 cent	0.14 cent	1.00 cent

Notes:

- (i) The calculation of basic earnings per share of the Group for the three months ended 31 January 2014 is based on loss attributable to owners of the Company of \$0.2 million (31 January 2013: Profit of \$1.9 million) and weighted average number of 594.7 million (31 January 2013: 594.7 million) ordinary shares.
- (ii) The calculation of diluted basic earnings per share of the Group for the three months ended 31 January 2014 is based on loss attributable to owners of the Company of \$0.2 million (31 January 2013: Profit of \$1.9 million) and weighted average number of 594.7 million (31 January 2013: 594.7 million) ordinary shares; there were no dilutive potential ordinary shares during these periods.
- (iii) The calculation of basic earnings per share of the Group for the half year ended 31 January 2014 is based on profit attributable to owners of the Company of \$0.8 million (31 January 2013: Profit of \$5.9 million) and weighted average number of 594.7 million (31 January 2013: 594.7 million) ordinary shares.
- (iv) The calculation of diluted basic earnings per share of the Group for the half year ended 31 January 2014 is based on profit attributable to owners of the Company of \$0.8 million (31 January 2013: Profit of \$5.9 million) and weighted average number of 594.7 million (31 January 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 31.01.14	As at 31.07.13	As at 31.01.14	As at 31.07.13
Net Asset Value per ordinary share based on issued share capital at the end of the period	6.77 cents	12.14 cents	6.77 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.**

**2Q FY2014**

For 2Q FY2014, the Group recorded 26.0% drop in revenue from \$9.0 million to \$6.7 million. The decrease in revenue was a result of weak demand for media storage products and services.

Total operating expenses was stable year-on-year, declining marginally by 0.6% from \$7.2 million in 2Q FY2013 to \$7.1 million in 2Q FY2014. Although revenue decreased by 26.0%, cost of raw materials usage decreased by a lesser extent of 6.5% due to lower economy of scale in operations as well as slight increase in raw material prices. Staff costs were slightly higher by 6.6% from \$2.3 million to \$2.5 million mainly due to lower base in 2Q FY2013 as a result of reversal of prior year's bonus provision in 2Q FY2013. Depreciation was higher by 58.3% from \$0.8 million to \$1.3 million due to depreciation recorded for Blu-Ray related plant, property and equipment during 2Q FY2014. Other operating expenses were lower by 26.6% from \$2.0 million to \$1.5 million due to lower level of business activities.

An income tax credit of \$0.2 million was recorded in 2Q FY2014, which was a reversal of the amount provided in 1Q FY2014 by the Company, as the Company had assessed that it would have sufficient tax allowances to offset its taxable income for FY2014, taking into consideration that the Company was granted investment allowance by a government agency during 2Q FY2014 for its investment in Blu-Ray equipments. For 2Q FY2013, income tax expense included an adjustment of \$0.2 million for overprovision of tax in respect of prior years, which had resulted to a low effective tax rate of 4.3%.

As a result of the above, the Group incurred a loss of \$0.2 million for 2Q FY2014 compared to a profit of \$1.9 million recorded for 2Q FY2013.

**1H FY2014**

For 1H FY2014, the Group registered a decrease of 43.1% in revenue from \$30.4 million to \$17.3 million. The decrease in revenue was a result of weaker demand for media storage products and services.

Total operating expenses decreased by 29.6% from \$23.8 million in 1H FY2013 to \$16.8 million in 1H FY2014. The decrease in cost of raw materials usage by 42.9% from \$8.9 million to \$5.1 million was mainly attributed to lower sales. The reduction in staff costs by 25.5% from \$7.1 million to \$5.3 million and other operating expenses by 32.2% from \$6.1 million to \$4.2 million was attributed to lower level of business activities. Depreciation was higher by 34.9% from \$1.6 million to \$2.2 million due to depreciation recorded for Blu-Ray related plant, property and equipment during 1H FY2014.

No income tax expense was recorded for the Company in 1H FY2014 as the Company had assessed that it should have sufficient tax allowances to offset its taxable income for FY2014. For 1H FY2013, income tax expense was recorded for profits made during 1H FY2013 but was lowered by an adjustment of \$0.2 million for overprovision of tax in respect of prior years during 2Q FY2013.

As a result of the above, the Group's profit decreased by 86.1% from \$5.9 million to \$0.8 million.

**Financial Position and Cashflow**

The financial position of the Group remained healthy with a net cash position of \$13.8 million as at 31 January 2014. The Group continued to generate positive operating cashflows amounting to \$2.5 million and \$2.9 million during 2Q FY2014 and 1H FY2014, respectively. Net cash position of the Group decreased by \$31.2 million from \$45.0 million as at 31 July 2013 to \$13.8 million as at 31 January 2014 mainly due to the payments of the final one-tier tax exempt dividend of 1.0 cent per share and special one-tier tax exempt dividend of 1.0 cent per share for FY2013, in total amounting to \$11.9 million, on 12 December 2013, and cash distribution of 3.5 cents per share from capital reduction exercise on 28 January 2014 amounting to \$20.8 million.

Despite depreciation charge of \$2.2 million recorded for the period, property, plant and equipment rose by 34.0% from \$16.4 million to \$22.0 million due mainly to additions of Blu-Ray equipments during 1H FY2014.

**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 Cashflow (cont'd)**

The decrease in inventories was attributed to the consumption of inventories during 1H FY2014.

Trade and other receivables decreased by 73.3% from \$11.6 million to \$3.1 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 January 2014 upon receipts of the above equipments. If these advance payments of \$6.2 million were excluded, trade and other receivables would have decreased by a lesser extent of 42.8% from \$5.4 million to \$3.1 million due to lower revenue of \$6.7 million recorded during 2Q FY2014 compared to revenue of \$7.3 million registered during 4Q FY2013. Accordingly, trade and other payables decreased by 41.4% from \$6.2 million to \$3.6 million at the back of lower level of business activities compared to 4Q FY2013.

The decrease in share capital of \$20.8 million was attributed to the payment of cash distribution of 3.5 cents per share from capital reduction exercise on 28 January 2014. This capital reduction exercise had no impact on the number of shares held by shareholders.

The decrease in reserves of \$11.1 million despite continued profitability of \$0.8 million during 1H FY2014 was attributed to the payment of final one-tier tax exempt dividend of 1.0 cent per share and special one-tier tax exempt dividend of 1.0 cent per share for FY2013, in total amounting to \$11.9 million, on 12 December 2013.

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

Current tax payable was lower due to payments made during 1H FY2014.

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

In the First Quarter Financial Statements and Dividend Announcement released on 27 November 2013, it was stated in paragraph 10, "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."

On 11 February 2014, the Company announced a profit warning stating "Based on preliminary review of the unaudited financial results of the Group, the Group is expected to report losses at both operating and post tax levels for 2Q FY2014 as compared to profits recorded for the second quarter of financial year 2013 mainly due to lower revenue as a result of weaker demand for CD/DVD media storage products and services and slow take-up for Blu Ray media storage products and services."

There was no variance to the prospect statements that were previously disclosed to the shareholders as the Group reported operating loss and post tax loss of \$0.4 million and \$0.2 million, respectively, for 2Q FY2014.

**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 continues to be challenging due to weak demand for media storage products and services and keen competition.

The Group will focus on providing more value added services to its customers and controlling its operating costs.

As demand for existing CD/DVD media storage products and services is expected to fall while take-up for Blu Ray media storage products and services remains slow, barring unforeseen circumstances, the Group will 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 January 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 (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

5 March 2014