



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

GROUP	Three Months Ended	Three Months Ended	Change %	Nine Months Ended	Nine Months Ended	Change %
	30.04.15	30.04.14		30.04.15	30.04.14	
	\$'000	\$'000		\$'000	\$'000	
Revenue	5,471	6,643	(17.6)	21,093	23,930	(11.9)
Other income	133	68	95.6	222	362	(38.7)
	5,604	6,711	(16.5)	21,315	24,292	(12.3)
Changes in inventories and raw materials usage	(1,379)	(1,781)	(22.6)	(5,051)	(6,835)	(26.1)
Staff costs	(2,082)	(2,319)	(10.2)	(6,985)	(7,640)	(8.6)
Depreciation	(843)	(1,062)	(20.6)	(2,614)	(3,275)	(20.2)
Other operating expenses	(1,433)	(1,660)	(13.7)	(5,154)	(5,818)	(11.4)
Finance costs	(39)	(4)	875.0	(52)	(13)	300.0
Total operating expenses	(5,776)	(6,826)	(15.4)	(19,856)	(23,581)	(15.8)
Profit/(loss) before tax	(172)	(115)	49.6	1,459	711	105.2
Income tax (expense)/credit	414	-	NM	400	(1)	NM
Profit/(loss) for the period attributable to owners of the Company	242	(115)	NM	1,859	710	161.8
<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	10	(71)	NM	41	(128)	NM
Other comprehensive income for the period	10	(71)	NM	41	(128)	NM
Total comprehensive income for the period attributable to owners of the Company	252	(186)	NM	1,900	582	226.5

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)

<u>Notes</u>	Three Months Ended 30.04.15 \$'000	Three Months Ended 30.04.14 \$'000	Change %	Nine Months Ended 30.04.15 \$'000	Nine Months Ended 30.04.14 \$'000	Change %
Other income:						
Gain on sale of plant and equipment	53	37	43.2	22	140	(84.3)
Interest income	74	25	196.0	169	185	(8.6)
Sundry income	6	6	-	31	37	(16.2)
	133	68	95.6	222	362	(38.7)
Other operating expenses include the following items:						
Exchange loss / (gain)	158	(28)	NM	(136)	(57)	138.6
Impairment losses made on non-financial assets	-	-	-	142	-	100.0
Impairment losses made on trade receivables	-	3	(100.0)	-	3	(100.0)
Net change in fair value of derivative financial assets recognised in profit or loss	(31)	-	NM	-	-	-
Plant and equipment written off	-	1	(100.0)	4	1	300.0
	414	-	100.0	414	-	100.0
Others:						
Adjustment for overprovision of tax in respect of prior years (included as part of income tax expense)	414	-	100.0	414	-	100.0

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		
	30.04.15 \$'000	31.07.14 \$'000	Change %	30.04.15 \$'000	31.07.14 \$'000	Change %
Non-current assets						
Property, plant and equipment	17,894	20,384	(12.2)	17,894	20,384	(12.2)
Investment property	6,541	6,344	3.1	-	-	-
Subsidiaries	-	-	-	- #	- #	0.0
Amounts due from subsidiaries	-	-	-	28	5,941	(99.5)
Non-financial assets	-	216	NM	-	216	NM
	24,435	26,944	(9.3)	17,922	26,541	(32.5)
Current assets						
Inventories	1,000	1,579	(36.7)	1,000	1,579	(36.7)
Trade and other receivables	2,598	3,175	(18.2)	2,595	3,175	(18.3)
Cash and bank balances	23,991	15,385	55.9	23,920	15,049	58.9
	27,589	20,139	37.0	27,515	19,803	38.9
Total assets	52,024	47,083	10.5	45,437	46,344	(2.0)
Equity attributable to owners of the Company						
Share capital	25,747	25,747	0.0	25,747	25,747	0.0
Reserves	15,070	14,474	4.1	14,973	14,470	3.5
Total equity	40,817	40,221	1.5	40,720	40,217	1.3
Non-current liabilities						
Bank loan	-	583	NM	-	-	-
Deferred tax liabilities	1,616	1,616	0.0	1,616	1,616	0.0
	1,616	2,199	(26.5)	1,616	1,616	0.0
Current liabilities						
Trade and other payables	2,921	3,790	(22.9)	2,813	3,693	(23.8)
Bank loan	6,367	55	NM	-	-	-
Current tax payable	303	818	(63.0)	288	818	(64.8)
	9,591	4,663	105.7	3,101	4,511	(31.3)
Total liabilities	11,207	6,862	63.3	4,717	6,127	(23.0)
Total equity and liabilities	52,024	47,083	10.5	45,437	46,344	(2.0)

#: 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 30.04.15		As at 31.07.14	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
6,367	-	55	-

Amount repayable after one year

As at 30.04.15		As at 31.07.14	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
-	-	583	-

Details of any collateral

As at 30 April 2015, the bank loan of \$6.4 million was secured by way of a charge over a freehold property with net book value of \$6.5 million held by the Group's Taiwan subsidiary, One Global Inc (OGI) and corporate guarantee provided by the Company.

As at 31 July 2014, the bank loan of \$0.6 million was secured by way of a charge over a freehold property with net book value of \$6.3 million held by OGI.

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 30.04.15 \$'000	Three Months Ended 30.04.14 \$'000	Nine Months Ended 30.04.15 \$'000	Nine Months Ended 30.04.14 \$'000
<u>Operating activities</u>				
Profit/(loss) for the period	242	(115)	1,859	710
Adjustments for:				
Depreciation	843	1,062	2,614	3,275
Finance costs	39	4	52	13
Gain on sale of plant and equipment	(53)	(37)	(22)	(140)
Impairment losses made on non-financial assets	-	-	142	-
Impairment losses made on trade receivables	-	3	-	3
Income tax expense/(credit)	(414)	-	(400)	1
Interest income	(74)	(25)	(169)	(185)
Net change in fair value of derivative financial assets recognised in profit or loss	(31)	-	-	-
Plant and equipment written off	-	1	4	1
Operating profit before working capital changes	552	893	4,080	3,678
Changes in working capital:				
Inventories	152	149	580	582
Trade and other receivables	(30)	(529)	547	1,812
Trade and other payables	180	30	(941)	(2,512)
Cash generated from operations	854	543	4,266	3,560
Income tax paid, net	(115)	(44)	(116)	(146)
Net cash from operating activities	739	499	4,150	3,414
<u>Investing activities</u>				
Fixed deposits with maturity of more than three months	-	2,098	2,103	14,737
Interest received	73	25	155	185
Proceeds from sale of non-financial assets	-	-	74	-
Proceeds from sale of plant and equipment	70	46	101	151
Purchase of plant and equipment	(46)	(16)	(159)	(1,594)
Net cash from investing activities	97	2,153	2,274	13,479
<u>Financing activities</u>				
Cash distribution from capital reduction exercise paid	-	-	-	(20,815)
Dividends paid	-	-	(1,308)	(11,894)
Interest paid	(39)	(4)	(52)	(13)
Proceeds from bank loan	-	-	6,156	-
Repayment of bank loan	-	(14)	(646)	(42)
Return of unclaimed dividends	-	8	4	8
Net cash from/(used) in financing activities	(39)	(10)	4,154	(32,756)
Net increase/(decrease) in cash and cash equivalents	797	2,642	10,578	(15,863)
Cash and cash equivalents at beginning of period	23,285	12,423	13,282	30,982
Effect of exchange rate changes on balances held in foreign currency	(91)	40	131	(14)
Cash and cash equivalents at end of the period	23,991	15,105	23,991	15,105

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>	-	-	-	-	1,617	1,617
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	31	-	-	31
<i>Total other comprehensive income</i>	-	-	31	-	-	31
Total comprehensive income for the period	-	-	31	-	1,617	1,648
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Final 1-tier tax-exempt dividends paid of 0.22 cents per share for FY2014	-	-	-	-	(1,308)	(1,308)
Return of unclaimed dividends	-	-	-	-	4	4
Transfer to retained earnings for value of share options cancelled	-	-	-	(410)	410	-
<i>Total contributions by and distributions to owners</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(410)</i>	<i>(894)</i>	<i>(1,304)</i>
Total transactions with owners	-	-	-	(410)	(894)	(1,304)
At 31 January 2015	25,747	9	(306)	-	15,115	40,565
At 1 February 2015	25,747	9	(306)	-	15,115	40,565
Total comprehensive income for the period						
<i>Profit for the period</i>	-	-	-	-	242	242
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	10	-	-	10
<i>Total other comprehensive income</i>	<i>-</i>	<i>-</i>	<i>10</i>	<i>-</i>	<i>-</i>	<i>10</i>
Total comprehensive income for the period	-	-	10	-	242	252
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
<i>Total contributions by and distributions to owners</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total transactions with owners	-	-	-	-	-	-
At 30 April 2015	25,747	9	(296)	-	15,357	40,817

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	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>	-	-	-	825	825
<u>Other comprehensive income</u>					
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	(57)	-	-	(57)
<i>Total other comprehensive income</i>	-	(57)	-	-	(57)
Total comprehensive income for the period	-	(57)	-	825	768
Transactions with owners, recorded directly in equity					
<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 and special 1-tier tax-exempt dividends paid of 2.0 cents per share for FY2013	-	-	-	(11,894)	(11,894)
Total contributions by and distributions to owners	(20,815)	-	-	(11,894)	(32,709)
Total transactions with owners	(20,815)	-	-	(11,894)	(32,709)
At 31 January 2014	25,747	(280)	411	14,406	40,284
At 1 February 2014	25,747	(280)	411	14,406	40,284
Total comprehensive income for the period					
<i>Loss for the period</i>	-	-	-	(115)	(115)
<u>Other comprehensive income</u>					
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	(71)	-	-	(71)
<i>Total other comprehensive income</i>	-	(71)	-	-	(71)
Total comprehensive income for the period	-	(71)	-	(115)	(186)
Transactions with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Return of unclaimed dividends	-	-	-	8	8
Total contributions by and distributions to owners	-	-	-	8	8
Total transactions with owners	-	-	-	8	8
At 30 April 2014	25,747	(351)	411	14,299	40,106

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	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 August 2014	25,747	410	14,060	40,217
Total comprehensive income for the period				
<i>Profit for the period</i>	-	-	1,564	1,564
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the period	-	-	1,564	1,564
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Final 1-tier tax-exempt dividends paid of 0.22 cents per share for FY2014	-	-	(1,308)	(1,308)
Return of unclaimed dividends	-	-	4	4
Transfer to retained earnings for value of share options cancelled	-	(410)	410	-
<i>Total contributions by and distributions to owners</i>	<i>-</i>	<i>(410)</i>	<i>(894)</i>	<i>(1,304)</i>
Total transactions with owners	-	(410)	(894)	(1,304)
At 31 January 2015	25,747	-	14,730	40,477
At 1 February 2015	25,747	-	14,730	40,477
Total comprehensive income for the period				
<i>Profit for the period</i>	-	-	243	243
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the period	-	-	243	243
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
<i>Total contributions by and distributions to owners</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total transactions with owners	-	-	-	-
At 30 April 2015	25,747	-	14,973	40,720

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 2013	46,562	411	25,163	72,136
Total comprehensive income for the period				
Profit for the period	-	-	822	822
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the period	-	-	822	822
Transactions with owners, recorded directly in equity				
<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)
Total transactions with owners	(20,815)	-	(11,894)	(32,709)
At 31 January 2014	25,747	411	14,091	40,249
At 1 February 2014	25,747	411	14,091	40,249
Total comprehensive income for the period				
Loss for the period	-	-	(119)	(119)
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the period	-	-	(119)	(119)
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Return of unclaimed dividends	-	-	8	8
Total transactions with owners	-	-	8	8
At 30 April 2014	25,747	411	13,980	40,138

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

As at 30 April 2015, there were nil (30 April 2014: 8.2 million) outstanding share options in respect of unissued ordinary shares under the DT Share Option Scheme 1999 as all outstanding share options had lapsed in October 2014. Except for the above, the Company did not have any outstanding 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 30.04.15	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 30.04.15	Three Months Ended 30.04.14	Nine Months Ended 30.04.15	Nine Months Ended 30.04.14
Earnings per ordinary share based on profit/(loss) for the period				
(a) Based on the weighted average number of shares on issue	0.04 cent	(0.02) cent	0.31 cent	0.12 cent
(b) On a fully diluted basis	0.04 cent	(0.02) cent	0.31 cent	0.12 cent

Notes:

- (i) The calculation of basic and diluted earnings per share of the Group for the three months ended 30 April 2015 is based on profit attributable to owners of the Company of \$0.2 million (30 April 2014: Loss of \$0.1 million) and weighted average number of 594.7 million (30 April 2014: 594.7 million) ordinary shares; there were no dilutive potential ordinary shares during these periods.
- (ii) The calculation of basic and diluted earnings per share of the Group for the nine months ended 30 April 2015 is based on profit attributable to owners of the Company of \$1.9 million (30 April 2014: \$0.7 million) and weighted average number of 594.7 million (30 April 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 30.04.15	As at 31.07.14	As at 30.04.15	As at 31.07.14
Net Asset Value per ordinary share based on issued share capital at the end of the period	6.86 cents	6.76 cents	6.85 cents	6.76 cents

Note: The Net Asset Value per ordinary share is calculated based on 594.7 million (31 July 2014: 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.

3Q FY2015

For 3Q FY2015, the Group registered 17.6% decline in revenue from \$6.6 million to \$5.5 million. The decrease in revenue was attributed mainly to weaker sales for DVD media storage products and services but was partially offset by higher sales of Blu-Ray media storage products and services.

Other income was higher due to higher interest income and higher gain recorded on sale of plant and equipment.

Total operating expenses decreased by 15.4% from \$6.8 million in 3Q FY2014 to \$5.8 million in 3Q FY2015. The decrease in cost of raw materials usage by 22.6% from \$1.8 million to \$1.4 million was attributed to lower revenue and improved effectiveness and efficiency in operations. The reduction in staff costs by 10.2% from \$2.3 million to \$2.1 million and other operating expenses by 13.7% from \$1.7 million to \$1.4 million was attributed to lower level of business activities. Depreciation was lower due to more assets becoming fully depreciated and there were minimal property, plant and equipment investments.

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

With the current period income tax credit of \$0.4 million from the reversal of over provision in respect of prior years' income taxes, the Group registered a net profit of \$0.2 million for 3Q FY2015 as compared to a loss of \$0.1 million recorded in 3Q FY2014. The Group did not recognize any current income tax expense for 3Q FY2015 as it currently has sufficient tax allowances to offset its taxable income for 3Q FY2015.

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)

9M FY2015

For 9M FY2015, the Group recorded a 11.9% drop in revenue from \$23.9 million to \$21.1 million. The decrease in revenue was attributed mainly to weaker demand for DVD media storage products and services but was partially offset by higher sales of Blu-Ray media storage products and services.

Other income was lower due to lower interest income and lower gain recorded on sale of plant and equipment.

Total operating expenses decreased by 15.8% from \$23.6 million in 9M FY2014 to \$19.9 million in 9M FY2015. The decrease in cost of raw materials usage by 26.1% from \$6.8 million to \$5.1 million was attributed to lower revenue and improved effectiveness and efficiency in operations. The reduction in staff costs by 8.6% from \$7.6 million to \$7 million and other operating expenses by 11.4% from \$5.8 million to \$5.2 million was attributed to lower level of business activities. Depreciation was lower due to more assets becoming fully depreciated and there were minimal property, plant and equipment investments.

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

The Company recorded an income tax credit of \$0.4 million in 9M FY2015 for the reversal of over provision in respect of prior years' income taxes. The Company did not recognize any current income tax expense for both periods as it had sufficient tax allowances to offset its taxable income for 9M FY2015 and 9M FY2014 at the end of the respective reporting periods.

As a result of the above, the Group's profit increased by 161.8% from \$0.7 million in 9M FY2014 to \$1.9 million in 9M FY2015.

Financial Position and Cashflow

The Group's financial position remained strong with a net cash position of \$17.6 million as at 30 April 2015, after the payment of final one-tier tax exempt dividend of 0.22 cents per share for FY2014 amounting to \$1.3 million on 2 December 2014. The Group continued to generate positive operating cashflows of \$0.7 million and \$4.2 million during 3Q FY2015 and 9M FY2015, respectively.

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

The amounts due from subsidiaries at the Company level decreased by \$5.9 million due to full repayment of the \$5.5 million inter-company loan by OGI and repayment of the \$0.4 million inter-company loan by Alchymie Investment Pte Ltd from the proceeds of OGI's capital reduction exercise.

Non-financial assets, which were related to club memberships held by the Company, were nil as all these club memberships were sold during 2Q FY2015.

Inventories were lower in line with lower business activities.

Trade and other receivables decreased by 18.2% from \$3.2 million to \$2.6 million due to better collections.

The increase in cash and bank balances was attributed mainly to the drawdown of bank loan by OGI to make full repayment of the \$5.5 million inter-company loan due to the Company and positive operating cashflows generated during 9M FY2015.

Trade and other payables were lower by 22.9% from \$3.8 million to \$2.9 million due to lower purchases made in 3Q FY2015 compared to 4Q FY2014 and payments of accrued operating expenses during 9M 2015.

The bank loan taken was attributed to OGI. During 2Q FY2015, OGI repaid its building loan in full and concurrently took up a term loan facility, which is subject to annual renewal, to fund the repayments of the building loan of \$0.6 million and inter-company loan of \$5.5 million due to the Company with a view of managing the Group's foreign exchange risk by funding the investment property held in Taiwan via a local currency bank loan.

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.

In April/May 2015, we signed a Subscription Agreement and Supplemental Letter to issue 65 million new ordinary shares in the Company to Lian Beng Group Ltd (“LB”) which is subject to the approval of the relevant authority. LB is in the property development and construction business and this private placement is in line with the Group’s plans to pursue suitable new opportunities in the property development business. LB will be a strategic investor of the Company as they will provide the necessary expertise and knowledge in property development and they can be a strategic partner (including participating in joint ventures) in the Group’s future property development opportunities.

While sales of Blu-Ray and CD media storage products and services have improved in the last nine months, sales of other products and services, in particular, DVD media storage products and services continues to weaken and affect the overall performance of the Group.

Outlook for the next three to twelve months is expected to be challenging as the demand for our products and services remains uncertain.

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 30 April 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.

BY ORDER OF THE BOARD

Lim Jit Siew
Chief Financial Officer
4 June 2015