



DATAPULSE
TECHNOLOGY

Company Registration No. 198002677D

Datapulse Technology Limited

Full Year 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 Profit or Loss

GROUP	Year Ended	Year Ended	Change
	31.07.18	31.07.17 (Restated)	
	\$'000	\$'000	%
<u>Continuing operations</u>			
Revenue	716	-	NM
Other income	791	448	76.6
	<u>1,507</u>	<u>448</u>	
Changes in inventories and raw materials usage	(431)	-	NM
Staff costs	(1,043)	(778)	34.1
Depreciation	(41)	-	NM
Impairment loss recognised on goodwill	(1,142)	-	NM
Other operating expenses	(1,706)	(273)	NM
Finance costs	(5)	-	NM
Total operating expenses	<u>(4,368)</u>	<u>(1,051)</u>	
Loss before tax and exceptional item	(2,861)	(603)	NM
Exceptional item - Gain on sale of leasehold property	44,554	-	NM
Profit/(Loss) before tax and after exceptional item	41,693	(603)	
Income tax (expense)/credit	(978)	127	NM
Profit/(Loss) from continuing operations	40,715	(476)	
<u>Discontinued Operations*</u>			
(Loss)/Profit from discontinued operations (net of tax)	(6,235)	3,505	NM
Profit for the year attributable to owners of the Company	34,480	3,029	

* During the financial year, the Company has ceased to be engaged in the Media Storage Business. Accordingly, the results from the Media Storage Business have been presented as discontinued operations, with comparatives re-presented as if the operation had been discontinued from the start of the comparative year. The comparative numbers also included the results of One Global Inc, a subsidiary which had been disposed of on 19 August 2016.

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

GROUP	Year Ended 31.07.18 \$'000	Year Ended 31.07.17 \$'000	Change %
Profit for the year attributable to owners of the Company	34,480	3,029	NM
<u>Other comprehensive income</u>			
Items that will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment	21	-	NM
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences relating to financial statements of a foreign subsidiary reclassified to profit or loss, upon disposal	-	299	NM
Foreign currency translation differences relating to financial statements of an associate reclassified to profit or loss, upon disposal	-	(20)	NM
Foreign currency translation differences relating to financial statements of a foreign subsidiary	30	-	NM
	<u>30</u>	<u>279</u>	NM
Other comprehensive income for the year	51	279	NM
Total comprehensive income for the year attributable to owners of the Company	<u>34,531</u>	<u>3,308</u>	NM

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>	Year Ended 31.07.18	Year Ended 31.07.17	%
	\$'000	\$'000	
<u>Continuing operations</u>			
Other income:			
Gain on disposal of associate	-	32	NM
Interest income	760	416	82.7
Sundry income	31	-	NM
	<u>791</u>	<u>448</u>	
Other operating expenses include the following items:			
Exchange loss/(gain)	<u>5</u>	<u>(192)</u>	NM

NM: Not meaningful.

Results of discontinued operations

	Year Ended 31.07.18	Year Ended 31.07.17	%
	\$'000	\$'000	
Revenue	8,204	12,678	(35.3)
Gain on disposal of a foreign subsidiary	-	5,634	NM
Other income	197	67	194.0
	<u>8,401</u>	<u>18,379</u>	
Depreciation	(753)	(2,766)	(72.8)
Impairment loss recognised on property, plant and equipment	(1,501)	(192)	NM
Other expenses	(12,165)	(12,498)	(2.7)
Total operating expenses	<u>(14,419)</u>	<u>(15,456)</u>	
(Loss)/Profit before tax	<u>(6,018)</u>	<u>2,923</u>	
Income tax (expense)/credit	(217)	582	NM
(Loss)/Profit from discontinued operations (net of tax)	<u>(6,235)</u>	<u>3,505</u>	

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		
	31.07.18 \$'000	31.07.17 \$'000	Change %	31.07.18 \$'000	31.07.17 \$'000	Change %
Non-current assets						
Property, plant and equipment	2,235	2,731	(18.2)	9	2,731	(99.7)
Investment property	335	-	NM	-	-	-
Subsidiaries	-	-	-	2,291	-#	NM
	2,570	2,731	(5.9)	2,300	2,731	(15.8)
Current assets						
Inventories	484	784	(38.3)	-	784	NM
Trade and other receivables	454	1,322	(65.7)	380	1,322	(71.3)
Cash and bank balances	81,184	39,522	105.4	81,162	39,510	105.4
Assets held for sale*	380	8,310	(95.4)	380	8,310	(95.4)
	82,502	49,938	65.2	81,922	49,926	64.1
Total assets	85,072	52,669	61.5	84,222	52,657	59.9
Equity attributable to owners of the Company						
Share capital	32,992	32,992	-	32,992	32,992	-
Reserves	48,173	16,927	NM	48,108	10,813	NM
Total equity	81,165	49,919	62.6	81,100	43,805	85.1
Non-current liabilities						
Deferred tax liabilities	239	370	(35.4)	44	370	(88.1)
	239	370	(35.4)	44	370	(88.1)
Current liabilities						
Bank overdraft	123	-	NM	-	-	NM
Trade and other payables	1,994	2,380	(16.2)	1,548	2,380	(35.0)
Amounts due to subsidiaries	-	-	-	-	6,102	NM
Current tax payable	1,551	-	NM	1,530	-	NM
	3,668	2,380	54.1	3,078	8,482	(63.7)
Total liabilities	3,907	2,750	42.1	3,122	8,852	(64.7)
Total equity and liabilities	85,072	52,669	61.5	84,222	52,657	59.9

Amount less than \$50.

* On 25 July 2018, the Company entered into a sale and purchase agreement to dispose all of its Blu-Ray replication lines equipment, which were previously used for the manufacture and sale of media storage products. The sale was completed on 6 August 2018. Accordingly, the Blu-Ray replication lines equipment had been reclassified to Assets held for sale as at 31 July 2018.

Assets held for sale as at 31 July 2017 pertained to the Company's leasehold property and the renovations located at Tai Seng (the "Tai Seng Property"). The sale of the Tai Seng Property was completed on 31 January 2018.

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

Amount repayable in one year or less, or on demand

As at 31.07.18		As at 31.07.17	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
123	-	-	-

Amount repayable after one year

As at 31.07.18		As at 31.07.17	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The secured borrowings as at 31 July 2018 relates to bank overdraft of the Group's subsidiary, which is secured by a fixed charge over certain freehold land and building of the subsidiary and a personal guarantee from a director of the subsidiary.

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	Year Ended 31.07.18 \$'000	Year Ended 31.07.17 \$'000
<u>Operating activities</u>		
Profit for the year attributable to owners of the Company	34,480	3,029
Adjustments for:		
Allowance for inventory obsolescence	66	-
Bad debt recovered	-	(1)
Depreciation	794	2,766
Finance costs	5	-
Gain on sale of leasehold property	(44,554)	-
Gain on sale of plant and equipment	(144)	(13)
Gain on disposal of associate	-	(32)
Gain on disposal of a foreign subsidiary	-	(5,634)
Impairment loss recognised on goodwill	1,142	-
Impairment loss recognised on property, plant and equipment	1,501	192
Income tax expense/(credit)	1,195	(709)
Interest income	(760)	(416)
Plant and equipment written off	39	-
	<hr/>	<hr/>
	(6,236)	(818)
Changes in working capital:		
Inventories	735	266
Trade and other receivables	1,009	39
Trade and other payables	(684)	(222)
	<hr/>	<hr/>
Cash used in operations	(5,176)	(735)
Income tax paid, net	(17)	(2)
Net cash used in operating activities	<hr/>	<hr/>
	(5,193)	(737)
<u>Investing activities</u>		
Acquisition of subsidiary, net of cash acquired	(3,530)	-
Deposit received for disposal of leasehold property	5,152	-
Deposit and stamp duty paid for purchase of leasehold property	(1,360)	-
Deposit and stamp duty refunded for purchase of property	1,360	-
Interest received	632	368
Proceeds from disposal of discontinued operations, net of cash disposed of	-	5,508
Net proceeds from disposal of associate	-	26
Receipt of balance proceeds from sale of leasehold property, net of expenses	47,513	-
Repayment of shareholders' loan by associate	-	2,875
Proceeds from disposal of plant and equipment	201	64
Purchase of plant and equipment	(23)	(16)
	<hr/>	<hr/>
Net cash generated from investing activities	49,945	8,825

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. (cont'd)

Consolidated Statement of Cash Flows (cont'd)

GROUP	Year Ended 31.07.18 \$'000	Year Ended 31.07.17 \$'000
<u>Financing activities</u>		
Dividends paid	(3,286)	(657)
Interest paid	(5)	-
Amounts owing to related parties (non-trade)	15	-
Repurchase of own shares	(15)	-
Proceeds from sale of own shares	16	-
Return of unclaimed dividends	-	7
Net cash used in financing activities	(3,275)	(650)
Net increase in cash and cash equivalents	41,477	7,438
Cash and cash equivalents at 1 August	39,522	32,080
Effect of exchange rate changes on balances held in foreign currency	62	4
Cash and cash equivalents at 31 July	81,061	39,522
<u>Note</u>		
Cash and cash equivalents as at 31 July 2018 comprised the following:		
Cash and bank balances (excluding fixed deposits with maturity of more than three months)	81,184	39,522
Bank overdraft	(123)	-
Cash and cash equivalents at end of period in the statement of financial position	81,061	39,522

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	Reserve for own shares \$'000	Legal reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
GROUP						
At 1 August 2016	32,992	(183)	17	(279)	14,714	47,261
Total comprehensive income for the year						
<i>Profit for the year attributable to owners of the Company</i>	-	-	-	-	3,029	3,029
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary reclassified to profit or loss, upon disposal	-	-	-	299	-	299
Foreign currency translation differences relating to financial statements of an associate reclassified to profit or loss, upon disposal	-	-	-	(20)	-	(20)
<i>Total other comprehensive income</i>	-	-	-	279	-	279
Total comprehensive income for the year	-	-	-	279	3,029	3,308
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Final 1-tier tax-exempt dividend paid of 0.30 cents per share for FY2016	-	-	-	-	(657)	(657)
Reserves relating to discontinued operation of a foreign subsidiary transferred to retained earnings, upon disposal	-	-	(17)	-	17	-
Return of unclaimed dividends	-	-	-	-	7	7
<i>Total contributions by and distributions to owners</i>	-	-	(17)	-	(633)	(650)
Total transactions with owners	-	-	(17)	-	(633)	(650)
At 31 July 2017	32,992	(183)	-	-	17,110	49,919

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	Reserve for own shares \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
GROUP						
At 1 August 2017	32,992	(183)	-	-	17,110	49,919
Total comprehensive income for the year						
<i>Profit for the year attributable to owners of the Company</i>	-	-	-	-	34,480	34,480
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	-	30	-	30
Revaluation of property, plant and equipment	-	-	21	-	-	21
<i>Total other comprehensive income</i>	-	-	21	30	-	51
Total comprehensive income for the year	-	-	21	30	34,480	34,531
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Final 1-tier tax-exempt dividend paid of 0.50 cents per share for FY2017	-	-	-	-	(1,095)	(1,095)
Special 1-tier tax-exempt dividend paid of 1.0 cent per share	-	-	-	-	(2,191)	(2,191)
Own shares acquired	-	(15)	-	-	-	(15)
Own shares sold	-	11	-	-	5	16
<i>Total contributions by and distributions to owners</i>	-	(4)	-	-	(3,281)	(3,285)
Total transactions with owners	-	(4)	-	-	(3,281)	(3,285)
At 31 July 2018	32,992	(187)	21	30	48,309	81,165

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	Reserve for own shares \$'000	Retained earnings \$'000	Total equity \$'000
At 1 August 2016	32,992	(183)	14,279	47,088
Total comprehensive income for the year				
<i>Loss for the year attributable to owners of the Company</i>	-	-	(2,633)	(2,633)
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the year	-	-	(2,633)	(2,633)
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Final 1-tier tax-exempt dividend paid of 0.30 cents per share for FY2016	-	-	(657)	(657)
Return of unclaimed dividends	-	-	7	7
<i>Total contributions by and distributions to owners</i>	-	-	(650)	(650)
Total transactions with owners	-	-	(650)	(650)
At 31 July 2017	32,992	(183)	10,996	43,805
At 1 August 2017	32,992	(183)	10,996	43,805
Total comprehensive income for the year				
<i>Profit for the year attributable to owners of the Company</i>	-	-	40,580	40,580
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the year	-	-	40,580	40,580
Total transactions with owners				
<u>Contributions by and distributions to owners</u>				
Final 1-tier tax-exempt dividend paid of 0.50 cents per share for FY2017	-	-	(1,095)	(1,095)
Special 1-tier tax-exempt dividend paid of 1.0 cent per share	-	-	(2,191)	(2,191)
Own shares acquired	-	(15)	-	(15)
Own shares sold	-	11	5	16
<i>Total contributions by and distributions to owners</i>	-	(4)	(3,281)	(3,285)
Transactions with owners, recorded directly in equity	-	(4)	(3,281)	(3,285)
At 31 July 2018	32,992	(187)	48,295	81,100

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 year ended 31 July 2018, a total of 50,000 ordinary shares were bought back by way of market acquisitions and held as treasury shares. During the financial year, the Company sold 50,000 of its treasury shares held. Except for the above, there was no change to the share capital of the Company.

As at 31 July 2018, the Company held 829,600 treasury shares (31 July 2017: 829,600).

The Company did not have any outstanding share options and convertibles at the end of the current financial year reported on and as at the end of the corresponding 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 31.07.18	As at 31.07.17
Number of issued ordinary shares, excluding treasury shares, at the end of the year	219,074,844	219,074,844

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.

The Company held 829,600 treasury shares as at 31 July 2018. During the financial year, the Company sold 50,000 of its treasury shares held. Except as disclosed above, there were no sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of the current financial year reported on.

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

The figures have not been audited nor reviewed by the Company's auditors.

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 below, 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 2017.

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 acquired certain freehold properties through the acquisition of a subsidiary during the year. Subsequent to that, the freehold properties were carried at valuation, and any revaluation increase arising from the revaluation of the freehold properties is recognised in other comprehensive income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising on the revaluation of the freehold properties is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

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. (cont'd)

During the year, the Group has changed its policy on subsequent measurement of its investment property from measurement at cost less accumulated depreciation and accumulated impairment losses to measurement at fair value, with changes in fair value recognized in profit and loss.

Except for the above, there are no changes in the accounting policies and methods of computation.

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					
	Year Ended 31.07.2018			Year Ended 31.07.2017		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit/(Loss) attributable to owners of the Company (\$'000)	40,715	(6,235)	34,480	(476)	3,505	3,029
Weighted average no. of shares used in computation of basic earning per shares (in million)	219.07	219.07	219.07	219.07	219.07	219.07
Earnings per share						
(a) Based on the weighted average number of shares in issue	18.59 cents	(2.85) cents	15.74 cents	(0.22) cents	1.60 cents	1.38 cents
(b) On a fully diluted basis	18.59 cents	(2.85) cents	15.74 cents	(0.22) cents	1.60 cents	1.38 cents

** The weighted average number of shares takes into account the weighted average effect of treasury shares transactions.

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 31.07.18	As at 31.07.17	As at 31.07.18	As at 31.07.17
Net Asset Value per ordinary share based on issued share capital at the end of the year	37.05 cents	22.79 cents	37.02 cents	20.00 cents

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.

Financial performance for financial year ended 31 July 2018 ("FY2018")

The Group's revenue for FY2018 relate to the revenue generated by the Group's subsidiary, Wayco Manufacturing (M) Sdn Bhd ("Wayco") of \$0.7 million.

After the Group's sale of its Tai Seng leasehold property in Q2 all operations staff were retrenched. Subsequently the Group entered into a sale and purchase agreement to dispose all of its remaining Blu-Ray replication lines equipment used in the Media Storage Business on 25 July 2018. This transaction was completed on 6 August 2018. The results from the Media Storage Business have been presented as discontinued operations, with comparatives re-presented as if the operation had been discontinued from the start of the immediately preceding year.

The increase in other income during FY2018 was mainly due to higher interest income recorded for the year.

The increase in staff costs \$0.3 million was due mainly to staff costs attributed to Wayco's operations in Malaysia of \$0.2 million, while depreciation and finance costs for FY2018 were solely related to Wayco's business. The Group recorded an impairment loss recognised on goodwill of \$1.1 million relating to its investment in Wayco. Other operating expenses increased by \$1.4 million due mainly to higher legal and professional costs incurred during FY2018 and lower exchange gains recognised in FY2018.

The Group recorded a gain on sale of leasehold property amounting to \$44.6 million, following the completion of the sale of the leasehold property located in Tai Seng on 31 January 2018.

Loss from discontinued operations for FY2018 were attributed to the Media Storage Business, while the profit from discontinued operations for financial year ended 31 July 2017 ("FY2017") were mainly relating to the gain on disposal of subsidiary of \$5.6 million recognised in FY2017 in relation to the disposal of One Global Inc, partially offset by loss arising from the Media Storage Business of \$2.1 million.

As a result of the above, the Group's profit for the year attributable to the owners of the Company increased from \$3.0 million in FY2017 to \$34.5 million in FY2018.

Financial Position and Cash flow

The Group's financial position remained strong with net cash balances of \$81.1 million as at 31 July 2018. This is equivalent to 37.0 cents of net cash per share.

Property, plant and equipment decreased from \$2.7 million as at 31 July 2017 to \$2.2 million as at 31 July 2018 due mainly to impairment loss recognised on property, plant and equipment of \$1.5 million, depreciation on property, plant and equipment of \$0.8 million and assets reclassified to assets held for sale of \$0.4 million, partially offset by property, plant and equipment of Wayco acquired of \$2.2 million. On 25 July 2018, the Company entered into a sale and purchase agreement to dispose all of its Blu-Ray replication lines equipment, which were previously used for the Media Storage Business. The sale was completed on 6 August 2018. Accordingly, the Blu-Ray replication lines equipment had been reclassified to assets held for sale as at 31 July 2018.

The investment property balance as at 31 July 2018 relates to Wayco, which was acquired by the Group on 15 December 2017.

Inventories decreased from \$0.8 million as at 31 July 2017 to \$0.5 million as at 31 July 2018, due mainly to sales during FY2018, partially offset by increase in Wayco's inventories.

Trade and other receivables decreased by 65.7% from \$1.3 million as at 31 July 2017 to \$0.5 million as at 31 July 2018 due mainly to collections received during FY2018.

The decrease in deferred tax liabilities was due mainly to movements in temporary differences of the Company during FY 2018 of \$0.3 million, partially offset by deferred tax liabilities attributable to Wayco of \$0.2 million.

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)

Trade and other payables decreased from \$2.4 million as at 31 July 2017 to \$2.0 million as at 31 July 2018 due mainly to payments made during FY2018.

Current tax payable of \$1.5 million was estimated as at 31 July 2018, taking into consideration the chargeable income arising from the sale of the Tai Seng Property.

The bank overdraft as at 31 July 2018 relates to Wayco's bank overdraft drawn down from the bank for working capital purposes.

On 12 December 2017, the Group entered into a share purchase agreement ("SPA") to acquire a 100% interest in Wayco. The acquisition of Wayco was completed on 15 December 2017, and the consideration paid for the acquisition of Wayco, net of cash acquired, is \$3.5 million.

Pursuant to a supplemental agreement dated 15 December 2017 and entered into between the Company and the vendor of Wayco ("Vendor"), the Vendor gave an undertaking to the Company ("Buyback Undertaking") whereby the Company shall have the right to require the Vendor to buy back 100% of Wayco at the same effective purchase consideration paid by the Company, within one year from the date of completion of the acquisition of Wayco, if the Company reasonably ascertains that there are any material adverse events or matters affecting or relating to the assets, liabilities and/or business of Wayco to such a material extent which, if it had been known to the Company as at the date of the SPA, would have reasonably affected the Company's decision to enter into the SPA and to complete the acquisition of Wayco and/or the terms upon which it agrees to do so.

The Group paid a final one-tier tax-exempt dividend of 0.50 cents per share for FY2017 and a special one-tier tax-exempt dividend of 1.0 cent per share, totaling \$3.3 million during FY2018.

For FY2018, there was a deficit of \$5.2 million in cash from operating activities due mainly to redundancy payments made as a result of the scaling down of the Company's operations. There was an increase in cash and cash equivalents of \$41.5 million in FY2018, largely due to receipt of proceeds from the disposal of the leasehold property in Tai Seng.

Use of proceeds raised from private placement

The Company will continue to make periodic announcements on the utilisation of the net placement proceeds from the issuance of shares to Lian Beng Group Ltd in FY2015 of \$7.2 million as and when such proceeds are materially disbursed.

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.

During the current financial year, the Company ceased its operations in the Media Storage Business. On 25 July 2018, the Company entered into an agreement to dispose all of its Blu-Ray replication lines equipment. The Group is currently engaged in the haircare business, through Wayco Manufacturing (M) Sdn Bhd ("Wayco") which it acquired on 15 December 2017 ("Wayco Acquisition"), although it is also taking steps to pursue other core businesses, including the property business approved by shareholders of the Company on 8 March 2013 and the investment business approved by shareholders of the Company on 20 April 2018.

The Board is currently studying the Ernst and Young's financial and tax due diligence report on Wayco together with the results of the statutory audit of Wayco for the financial year ended 31 July 2018 and the internal report completed by management. The Board is reviewing its option in relation to the acquisition. The Company has up to 14 December 2018 to decide whether to exercise the Buyback Undertaking to require the vendor of Wayco to buy back Wayco from the Company. The Company is already in consultation with its advisers to engage the vendor of Wayco and an update will be provided to shareholders shortly.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared or recommended for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	1.0 cent per share
Tax Rate	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared or recommended for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	0.50 cents per share
Tax Rate	One-tier tax exempt

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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

Not applicable.

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. There were no IPTs more than \$100,000 for the year under review.

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

Not applicable.

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.

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

16. 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.

Information regarding the Group's reportable segments are presented in the tables below.

Information about reportable segments

	Singapore		Malaysia		Total	
	(Continuing operations)		(Continuing operations)		(Continuing operations)	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
External revenue	–	–	716	–	716	–
Inter segment revenue	–	–	–	–	–	–
Total revenue for reporting segments	–	–	716	–	716	–
Interest income	760	416	–	–	760	416
Finance costs	–	–	(5)	–	(5)	–
Depreciation	–	–	(41)	–	(41)	–
Reportable segment (loss)/ profit before tax and after exceptional item	41,723	(603)	(30)	–	41,693	(603)
Tax (expense)/credit	(987)	127	9	–	(978)	127
<i>Other material non-cash items:</i>						
Segment assets	81,559	47,831	3,133	–	84,692	47,831
Capital expenditure	–	–	16	–	16	–
Segment liabilities	2,179	–	810	–	2,989	–

16. 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.

Information regarding the Group's reportable segments are presented in the tables below.

	Singapore (Discontinued operations)		Taiwan (Discontinued operations)		Total (Discontinued operations)		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
External revenue	8,204	12,678	–	–	8,204	12,678	8,920	12,678
Inter segment revenue	–	–	–	–	–	–	–	–
Total revenue for reporting segments	8,204	12,678	–	–	8,204	12,678	8,920	12,678
Interest income	–	–	–	–	–	–	760	416
Finance costs	–	–	–	–	–	–	(5)	–
Depreciation	(753)	(2,766)	–	–	(753)	(2,766)	(794)	(2,766)
Reportable segment (loss)/ profit before tax and after exceptional item	(6,018)	(2,711)	–	5,634	(6,018)	2,923	35,675	2,320
Tax (expense)/credit	(217)	582	–	–	(217)	582	(1,195)	709
<i>Other material non-cash items:</i>								
Segment assets	380	4,838	–	–	380	4,838	85,072	52,669
Capital expenditure	7	16	–	–	7	16	23	16
Segment liabilities	918	2,750	–	–	918	2,750	3,907	2,750

16. 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. (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2018	2017
	\$'000	\$'000
Revenue		
Total revenue for reporting segments	8,920	12,678
Elimination of discontinued operations	<u>(8,204)</u>	<u>(12,678)</u>
Consolidated revenue	<u>716</u>	<u>-</u>
Profit/(Loss) before tax and after exceptional item		
Total profit for reportable segments before tax	35,675	2,320
Elimination of discontinued operations	<u>6,018</u>	<u>(2,923)</u>
Consolidated profit/(loss) before tax and after exceptional item	<u>41,693</u>	<u>(603)</u>
Assets		
Total assets for reportable segments	<u>85,072</u>	<u>52,669</u>
Consolidated total assets	<u>85,072</u>	<u>52,669</u>
Liabilities		
Total liabilities for reportable segments	<u>3,907</u>	<u>2,750</u>
Consolidated total liabilities	<u>3,907</u>	<u>2,750</u>

There are no reconciling items in relation to other material items.

Products and services

The Singapore segment was in the business of media storage products and services, which had ceased its operations during the financial year. With the discontinuation of the media storage products and services business, the Singapore segment is currently involved in investment holding. The Malaysia segment is involved in the business of manufacturing and distribution of hair care, cosmetics and other household chemical products. The Taiwan segment was disposed of in the previous financial year.

16. 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. (cont'd)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers while segment assets are based on the geographical location of assets.

Revenue	2018	2017
	\$'000	\$'000
Singapore	5,033	7,573
Other Asia Pacific	3,029	4,029
Others	858	1,076
Less: Discontinued operations	(8,204)	(12,678)
	<u>716</u>	<u>-</u>

Non-current assets	2018	2017
	\$'000	\$'000
Singapore	9	2,731
Malaysia	2,561	-
	<u>2,570</u>	<u>2,731</u>

Major Customers

The Group has three (2017: three) major customers which in aggregate contributed to a total of approximately 52% (2017: 58%) of the Group's revenue.

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

The Group's revenue for FY2018 relate to the revenue generated by the Group's subsidiary, Wayco of \$0.7 million. The Group ceased to be engaged in the Media Storage Business during the financial year ended 31 July 2018. Accordingly, the revenue/results from the Media Storage Business have been presented as part of the discontinued operations, with comparatives re-presented as if the operation had been discontinued from the start of the immediately preceding year.

18. A breakdown of sales.

	Latest Financial Year	Previous Financial Year	% Increase / (Decrease)
Continuing operations	\$'000	\$'000	%
	Group	Group	Group
(a) Sales reported for the first half year	187	–	NM
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for the first half year	43,641	(62)	NM
(c) Sales reported for the second half year	529	–	NM
(d) Operating (loss) after tax before deducting non-controlling interests reported for the second half year	(2,926)	(414)	NM

	Latest Financial Year	Previous Financial Year	% Increase / (Decrease)
Discontinued operations	\$'000	\$'000	%
	Group	Group	Group
(a) Sales reported for the first half year	8,200	8,500	(3.5)
(b) Operating (loss)/profit after tax before deducting non-controlling interests reported for the first half year	(6,854)	5,550	NM
(c) Sales reported for the second half year	4	4,178	NM
(d) Operating profit/(loss) after tax before deducting non-controlling interests reported for the second half year	619	(2,045)	NM

NM: Not meaningful

19. 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	2,191	1,095
Ordinary – Special	2,191	-
Preference	-	-
Total	4,382	1,095

* The final dividend is estimated based on 219.1 million (31 July 2017: 219.1 million) ordinary shares in issue at the end of the financial year.

20. 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.

None

BY ORDER OF THE BOARD

Lee Kam Seng
Interim Chief Executive Officer
29 September 2018