DATAPULSE TECHNOLOGY LIMITED

ANNUAL REPORT 2016

STRENGTH DRIVEN BY RESPONSIBILITY

MISSION

To stay as a leading total solutions provider of digital storage media by adding value to our customers using the latest technology with the highest level of reliability and quality at the most competitive prices.

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CORPORATE PROFILE

From a modest start as a manufacturer of cassette-related products, Datapulse has grown to become a leading total solutions provider of digital storage products and services in the Asia Pacific region today.

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST), Datapulse is a one-stop centre delivering high quality, reliable and competitive solutions for digital storage products and services such as CDs, DVDs and Blu-Ray Discs. Providing a full spectrum of complementary services from pre-mastering to mastering, replication, printing, customised packaging and distribution, we pride ourselves on our state-of-the-art manufacturing equipment and rigorous production processes that ensure our deliverables meet and even surpass the most exacting standards and are manufactured with high level of security and accountability.

Besides providing digital storage solutions, we also offer cards products and services in a variety of sizes and data formats, personalisation, kitting and customised packaging for the end products.

Our corporate strategy remains focused on innovation and constant reinvention to stay ahead as leader of the industry. To strengthen our position as a leading total solutions provider of digital storage products and services, we will continue to invest in new technology and human capital as well as expand our suites of solutions to keep pace with the demands of the evolving market place.

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

On behalf of the board of directors (the Board), I have the pleasure to present to you the annual report of Datapulse Technology Limited (the Company) and its subsidiaries (the Group) for the financial year ended 31 July 2016 (FY2016).

The Group's digital storage products and services business continued to face a challenging operating environment in FY2016. The increased use of other substitute modes of content distribution, intense competition from global players over shrinking customer base and increased volatility in demand present multi-faceted challenges for the Group while our investments in Blu-Ray technology has yet to gain meaningful traction in cushioning the decline in sales of our CD and DVD products and services. In addition, the weak global economy had adversely affected the ability and willingness of corporations and consumers to spend on products and services such as software and games.

"The proposed dividend of 0.30 cents per share for FY2016 represents a dividend payout of nearly 72.6% and provides a dividend yield of 1.3%, calculated based on the closing share price on 15 September 2016, the date of announcement of the FY2016 results."

PERFORMANCE REVIEW

For FY2016, the Group recorded an 8.4% drop in revenue from $25.4 million in the financial year ended 31 July 2015 (FY2015) to $23.3 million. The decrease in revenue was attributed mainly to weaker demand for DVD media products and services but was partially offset by higher sales of Blu-Ray media products and services.

Other income was higher due to increased interest income.

Total operating expenses decreased by 6.3% from $25.0 million in FY2015 to $23.4 million in FY2016. Cost of raw materials usage increased by 2.7% from $6.1 million to $6.3 million due to variation in the mix of products and services sold to customers. The reduction in staff costs by 2.6% from $9.1 million to $8.9 million and other operating expenses by 19.8% from $6.3 million to $5.1 million was attributed to lower level of business activities and cost management measures undertaken by the Group. Depreciation was lower due to more assets becoming fully depreciated and there were minimal property, plant and equipment investments.

Income tax credit of $0.5 million was recorded by the Group for FY2016, which was related to the Company for the reversal of overprovision of $0.3 million in respect of prior years' income taxes and reversal for deferred tax liabilities of $0.2 million. For FY2015, income tax credit of $0.8 million was recorded by the Group, which was related to the Company for the reversal for overprovision of tax in respect of prior years of $0.4 million and reversal of deferred tax liabilities of $0.4 million for temporary timing differences.

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 FY2016 and FY2015 at the end of the respective reporting periods.

The profit from discontinued operations in FY2016 of $49,831 (compared to $66,419 in FY2015) was from the Group's subsidiary in Taiwan, One Global Inc (OGI). In July 2016, the Group announced that it has entered into a share sale and purchase agreement for the disposal of its entire shareholding in OGI. The lower profit for FY2016 was attributed to the higher finance costs incurred by OGI in the year.

As a result of the above, the Group's profit decreased by 44.6% from $1.6 million in FY2015 to $0.9 million in FY2016.

The Group's financial position as at 31 July 2016 remained strong with a net cash position of $25.9 million, taking into consideration cash and cash equivalents included in assets classified as held for sale of $0.2 million and bank loan included in liabilities classified as held for sale of $6.2 million. This was an increase of $0.3 million from the net cash position of $25.6 million as at 31 July 2015.

Earnings per share were 0.41 cents for FY2016 and 0.81 cents for FY2015. The Group's net asset value per share stood at 21.57 cents as at 31 July 2016 compared to 21.75 cents as at 31 July 2015.

PROPOSED DIVIDEND

Having reviewed the Group's cash position and its capital and business requirements, the Board is pleased to recommend a final one-tier tax exempt dividend of 0.30 cents per share for FY2016. This proposed dividend continues the Group's uninterrupted record of paying annual dividend since its listing in 1994.

The Group's dividend policy is to set aside at least 50% of the Group's profit for the payment of annual dividend, subject to capital and business requirements of the Group.

The proposed dividend of 0.30 cents per share for FY2016 represents a dividend payout of nearly 72.6% and provides a dividend yield of 1.3%, calculated based on the closing share price on 15 September 2016, the date of announcement of the FY2016 results.

The proposed dividend is subject to the approval of the members at the Annual General Meeting to be held on 23 November 2016. If approved, the dividend will be paid on 9 December 2016.

LETTER TO SHAREHOLDERS
continued

SHARE CONSOLIDATION

During the financial year, the Company carried out a share consolidation exercise (Share Consolidation) for the consolidation of every three (3) ordinary shares into one (1) ordinary share in the capital of the Company, fractional entitlements to be disregarded. The Share Consolidation was to comply with the requirement introduced by the SGX-ST and Monetary Authority of Singapore of a minimum trading price of $0.20 for Mainboard-listed stock as a continuing listing condition.

The Share Consolidation was completed on 1 December 2015 and did not have any impact on the issued and paid-up capital of the Company.

OUTLOOK

The outlook for the Singapore manufacturing sector remains weak on the back of global economic uncertainties. Operating environment remains challenging due to weak demand, pricing pressure and keen competition. The economic uncertainties around the world are dampening corporate and consumer spending, thus affecting demand for the Group's digital storage products and services. Any adverse changes in the macroeconomic environment might further impact the demand for the Group's digital storage products and services.

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

The Group has completed the divestment of its entire shareholding in OGI in August 2016 and will realize a gain on disposal of subsidiary of approximately $5.6 million.

We will continue to re-define our strategies and operating processes, and explore measures to optimize utilization of our resources efficiently.

A WORD OF THANKS

On behalf of the Board, I would like to take this opportunity to thank our management and staff for their hard work, contributions and loyalty over these years. I would also like to express our sincere appreciation to our customers, vendors, as well as government agencies for their valued support. To the shareholders, I thank them for the confidence they have in us. I would also like to thank my fellow directors for their guidance and contributions through the years.

For all of us at Datapulse, we look forward to having all stakeholders continue the journey with us to contribute to the performance of the Group going forward.

NG CHEOW CHYE
DEPUTY CHAIRMAN/CHIEF EXECUTIVE OFFICER

INTELLECTUAL PROPERTY

Respect for Intellectual Property (IP) is the bedrock of innovation and enterprise. The protection of the IP of our portfolio of world-class customers is of paramount importance and we are fully committed to ensure that the trust and confidence placed upon us will not be compromised.

At Datapulse, our approach to IP protection is total, sophisticated and rigorous. From top management to ground staff, we actively promote a culture of respect for IP. We recognise that our customers have entrusted us with their most valuable assets and we honour this trust by firmly committing to active protection of their IP.

We exercise uncompromising security controls throughout the plant with 24 hours surveillance and monitoring.

Stringent procedures and documentation ensure total accountability and traceability in our business processes.

Regular internal audits ensure that our total IP management systems are in place and in top form round the clock. Through these conscientious efforts, Datapulse steadily maintains a sterling track record and has established ourself as a reputable business partner.

FINANCIAL HIGHLIGHTS

	2012	2013	2014	2015	2016
FINANCIAL PERFORMANCE	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue ***(note 1)***	55,919	45,074	29,481	25,798	23,309
Profit for the year	7,029	10,217	811	1,634	905
Profit attributable to owners of the Company	7,029	10,217	811	1,634	905
Earnings per share (cents) ***(note 2)***	3.55	5.15	0.41	0.81	0.41
Return on assets (%) ***(note 3)***	7.80	12.10	1.30	3.10	1.60
Return on equity (%) ***(note 3)***	9.40	14.00	1.40	3.70	1.90
FINANCIAL POSITION	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Total assets	86,955	82,360	47,083	58,867	57,688
Total liabilities	12,791	10,135	6,863	11,030	10,427
Total equity/shareholders' funds	74,164	72,225	40,220	47,837	47,261
Net current assets	54,266	51,525	15,475	25,458	31,417
Net asset value per share (cents) ***(note 2)***	37.41	36.43	20.29	21.75	21.57
Net tangible asset per share (cents) ***(note 2)***	38.61	37.34	21.10	22.33	22.07
CASH FLOW	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Net cash from operating activities	11,714	11,194	4,042	4,742	3,891
Net cash and bank balances ***(note 4)***	52,624	45,012	14,747	25,566	25,854
Net cash per share (cents) ***(note 2)***	26.55	22.71	7.44	11.63	11.80
DIVIDENDS					
Total dividend per share (cents) ***(note 2)***	6.00	6.00	0.66	0.60	0.30
Total dividend declared ($'000) ***(note 5)***	11,894	11,894	1,308	1,319	657
Dividend payout (%)	169.20	116.40	161.40	80.70	72.60
Dividend yield (%) ***(note 6)***	9.80	8.50	1.50	2.30	1.30
SHARE PRICE	**Cents**	**Cents**	**Cents**	**Cents**	**Cents**
Highest ***(note 2)***	67.50	70.50	58.92	47.70	30.60
Lowest ***(note 2)***	54.60	53.94	42.90	26.40	19.90
Average ***(note 2)***	59.49	60.33	50.91	37.08	24.69
Weighted average number of shares (million) ***(note 2)***	198	198	198	201	220
Average market capitalisation ($'million) ***(note 7)***	118	120	101	75	54
Average shareholders' funds ($'million)	75	73	56	44	48
Market value added ($'million) ***(note 8)***	43	47	45	31	6

NOTE 1:
Figures comprised of revenue from continuing and discontinued operations for FY2012 and FY2016.

NOTE 2:
For comparison purposes, prior year figures were adjusted due to the share consolidation of every three (3) ordinary shares into one (1) ordinary share in the capital of the Company, fractional entitlements to be disregarded. Treasury shares are excluded.

NOTE 3:
Calculations of return on assets and return on equity are based on profit for the year divided by the average total assets and average total equity, respectively.

NOTE 4:
Calculation of net cash and bank balances is based on cash and bank balances less interest bearing borrowings.

NOTE 5:
Calculation of total dividend declared is based on the sum of interim, final and special dividends declared, multiply by the number of shares (excluding treasury shares) on the date of announcement of the respective full year results.

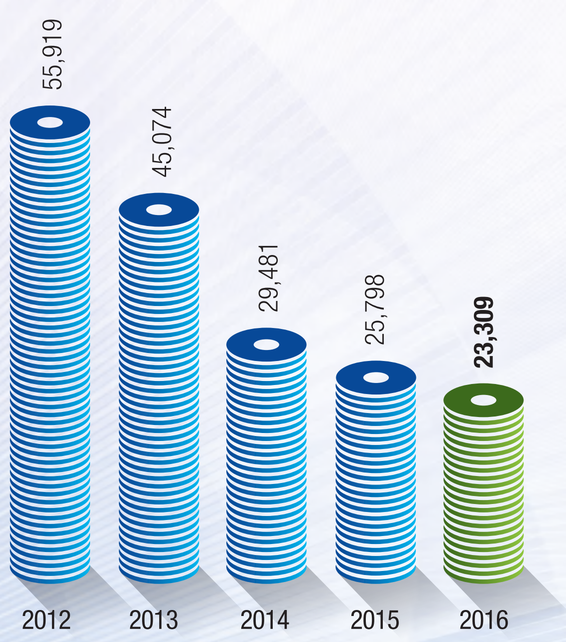
NOTE 6:
Calculation of dividend yield is based on total dividend per share divided by the closing share price on the date of announcement of the respective full year results.

NOTE 7:
Calculation of average market capitalisation is based on weighted average number of shares multiplied by the average share price for the year.

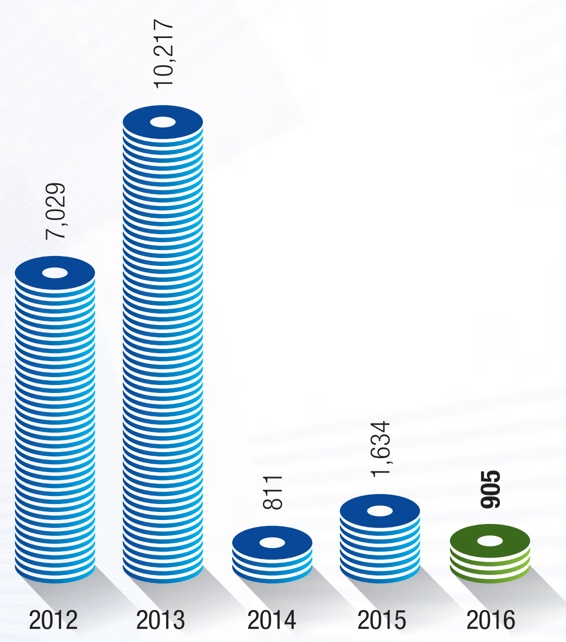
NOTE 8:
Calculation of market value added is based on the excess of the average market capitalisation over average shareholders' funds for the year.

FINANCIAL HIGHLIGHTS
continued

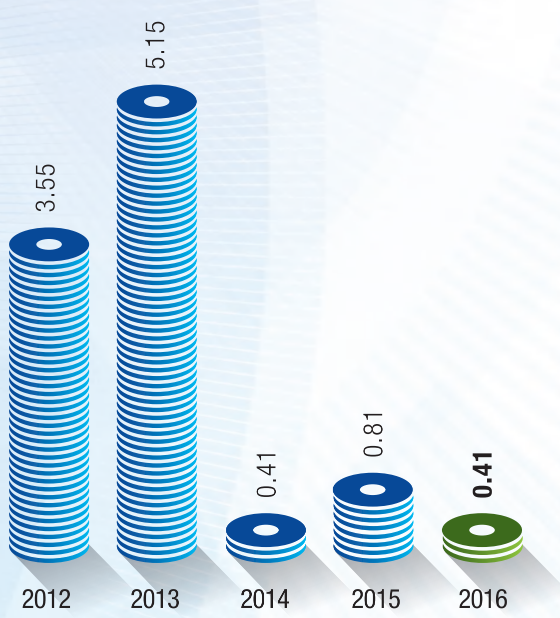
REVENUE ($'000)



PROFIT FOR THE YEAR ($'000)

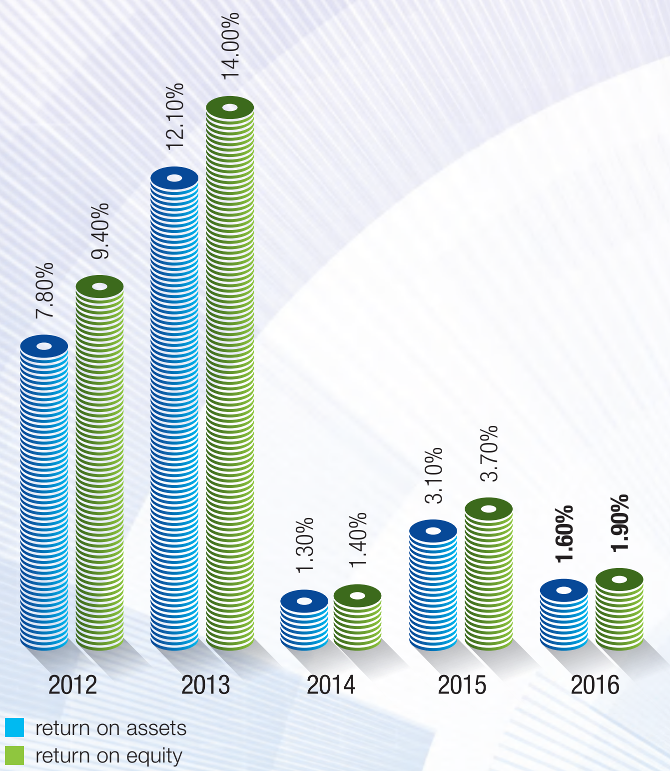


EARNINGS PER SHARE (CENTS)

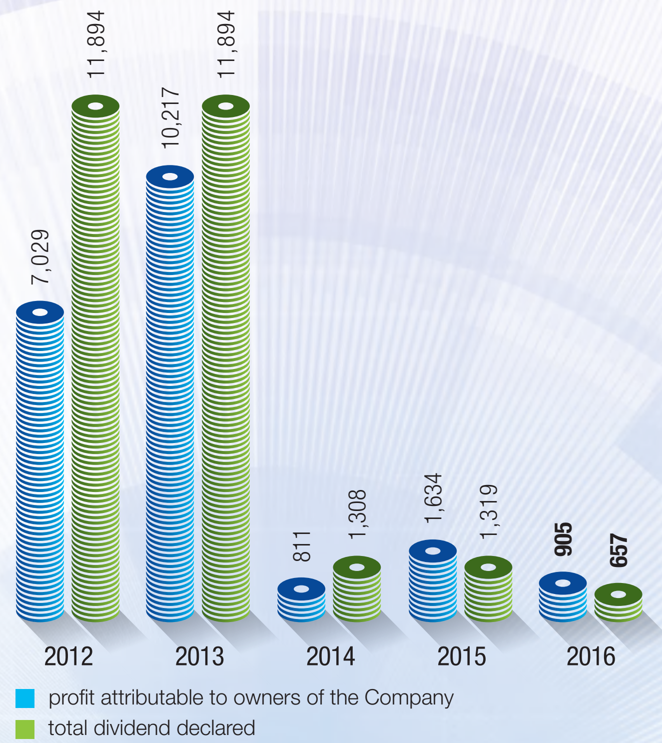


FINANCIAL HIGHLIGHTS
continued

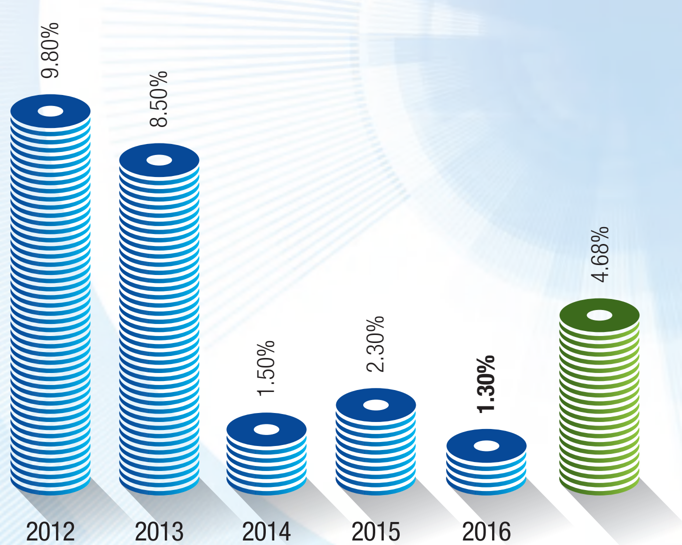
RETURNS RATIOS (PERCENT)



PROFIT AND DIVIDEND DECLARED ($'000)



DIVIDEND YIELD (PERCENT)



5 YEAR AVERAGE*

* calculation of 5-year average is based on the simple average of dividend yield from 2012-2016

BOARD OF DIRECTORS

HEE THENG FONG
Non-Executive Chairman and Independent Director

Mr Hee Theng Fong was appointed as Chairman of the Board of Directors on 4 June 2015. He was appointed as a Director in January 1994 and was last re-elected in November 2013. He is due for re-election as director of the Company at the forthcoming AGM of the Company and has offered himself for re-election.

He is the Chairman of the board of directors and the Nominating Committee and a member of the Audit and Remuneration Committees.

Mr Hee is also a director of several companies, including Delong Holdings Ltd, Straco Corporation Limited, First Resources Limited and China Jinjiang Environment Holding Company Limited.

He is a senior lawyer with more than 30 years of experience in litigation practice and arbitration practice.

NG CHEOW CHYE
Executive Deputy Chairman/CEO

Mr Ng Cheow Chye is the founder of the Company and has been with the Group for thirty six years. He has extensive trading and manufacturing experience in the media storage industry since the early 1970s.

As the Executive Deputy Chairman/Chief Executive Officer (CEO), he is responsible for the overall management of the Group and is instrumental in the setting and implementation of the Group's strategic plans and key operational initiatives as well as explores other investment and business opportunities. In striving to be a leading company in the media storage industry, he continues to ensure the Group employs the latest manufacturing technology to meet and exceed customers' expectations.

Mr Ng was appointed as a Director in January 1981 and was last re-elected in November 2014. He is a member of the Nominating and Remuneration Committees of the Company.

Apart from the present directorship of the Company, Mr Ng does not hold directorship in any other listed companies.

BOARD OF DIRECTORS
continued

SI YOK FONG @ CHIN YOK FONG
Executive Director, Technical

Mr Si Yok Fong joined the Group in 1981. He is responsible for the procurement, production, quality assurance and engineering functions of the Company. He also works closely with the Executive Deputy Chairman/CEO to continuously streamline the Company's production processes in order to maximise the efficiency and usage of the Company's assets.

Mr Si was appointed as a Director in January 1994 and was last re-elected in November 2015.

Apart from the present directorship of the Company, Mr Si does not hold directorship in any other listed companies.

Mr Si holds a Masters in Engineering Business Management.

NG CHEOW LENG
Executive Director,
Human Resource and Administration

Mr Ng Cheow Leng, the younger brother of the Executive Deputy Chairman/CEO, is the Human Resource and Administration Director of the Company. He has been with the Group for twenty eight years and is responsible for the formulation and implementation of the Company's human resource, administration and information technology policies.

Mr Ng was appointed as a Director in January 1994 and was last re-elected in November 2013. He is due for re-election as director of the Company at the forthcoming AGM of the Company and has offered himself for re-election.

Apart from the present directorship of the Company, Mr Ng does not hold directorship in any other listed companies.

Mr Ng holds a Bachelor of Arts from the Michigan State University.

HILARY QUAH LAM SENG
Independent Non-Executive Director

Mr Hilary Quah Lam Seng was appointed as a Director in October 1999 and was last re-elected in November 2014. He is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees.

Mr Quah comes with multiple industries experience; from high technologies to economic planning and development, from retail sales in transportation to retail banking services, operations and technologies, and banking services start-up to strategic consulting start-up.

Mr Quah holds a Bachelor of Science, Electrical and Electronics from the University of Wisconsin-Madison and practiced semiconductor and circuit design in Japan and in the Silicon Valley for about five years. He left the high technology business to spend about five years at the Singapore Economic Development Board (EDB) where he held various investment and development positions in Singapore and the United States.

GUOK CHIN HUAT SAMUEL
Independent Non-Executive Director

Mr Guok Chin Huat Samuel was appointed as a Director in August 2012 and was last re-elected in November 2015. He is the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

Mr Guok is currently the independent non-executive director of Bukit Sembawang Estates Limited, Global Palm Resources Holdings Limited and Redwood Group Limited. He is also an executive director of several private limited companies and has over thirty years of experience in investment banking, venture capital and private equity businesses.

Mr Guok holds a Bachelor of Science degree in Business Administration from Boston University with Majors in Finance and International Economics, Minor in Chemistry.

KEY MANAGEMENT

LEE KAM SENG
Chief Financial Officer

Mr Lee Kam Seng was appointed Chief Financial Officer of the Company on 1 December 2015 and Company Secretary on 3 December 2015. He is responsible for the administration and implementation of the Group's financial management, corporate secretarial, corporate governance and internal control policies and procedures.

Mr Lee has more than 35 years of experience in the construction, real estate and trading industries, both in private and public listed companies.

Mr Lee is a fellow member of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants (U.K.).

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the Board) of Datapulse Technology Limited (the Company) is committed to maintaining a high standard of corporate governance throughout the Company and its subsidiaries (the Group).

Under the Singapore Exchange Securities Trading Limited listing manual (SGX Listing Manual), the Company is required to describe its corporate governance practices with specific reference to the principles of the Code of Corporate Governance 2012 (the Code). This report describes the Company's corporate governance policies and practices, including explanations for deviations from the Code.

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: Effective Board to lead and control the Company

The Board's primary role is to protect and enhance long-term shareholders' value. The directors will objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Group by providing entrepreneurial leadership, setting the overall corporate strategy and directions of the Group and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives. The Board also establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets, reviews management's performance, identifies the key stakeholder groups and recognises that their perceptions affect the Group's reputation, sets the Group's values and standards, ensures that obligations to shareholders and other stakeholders are understood and met, and considers sustainability issues as part of its strategic formulation.

The Board has established a number of Committees to assist in the execution of the Board's responsibilities. These Committees include the Nominating Committee (NC), Remuneration Committee (RC) and Audit Committee (AC), which function within clearly defined terms of reference.

The Board has adopted internal guidelines governing matters that require approval by the Board, which includes material investment and divestment proposals, major corporate or financial restructuring, key operational initiatives, major fund raising exercises, announcements of periodic results, audited financial statements, proposals of dividends and authorisation of material interested person transactions. Other matters are delegated to the Board Committees and the management.

The Board holds scheduled meetings at least four times a year. When circumstances require, ad-hoc meetings are arranged or exchanges of views are held outside the formal environment of Board meetings. Board meetings are conducted in Singapore. Teleconferencing and/or videoconferencing may be used when necessary.

The attendance of the directors at meetings of the Board and Board Committees during the financial year is presented below:

	Board meetings		AC meetings		NC meetings		RC meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Hee Theng Fong	4	3	4	3	1	–	1	–
Ng Cheow Chye	4	4	–	–	1	1	1	1
Si Yok Fong @ Chin Yok Fong	4	4	–	–	–	–	–	–
Ng Cheow Leng	4	4	–	–	–	–	–	–
Hilary Quah Lam Seng	4	3	4	3	1	1	1	1
Guok Chin Huat Samuel	4	4	4	4	1	1	1	1

CORPORATE GOVERNANCE REPORT
continued

BOARD'S CONDUCT OF ITS AFFAIRS (Continued)

To facilitate an effective and efficient discharge of duties and responsibilities, the directors are provided with extensive information on the Group's business activities, strategic directions and policies with regular and timely updates whenever there are any new developments. The non-executive directors are also welcomed to request for further explanations, briefings or informal discussions on any aspects of the Group's operations or business issues from the management. The executive directors will make the necessary arrangements for the explanations, briefings or informal discussions. In addition, the non-executive directors are invited from time to time to visit the Group's manufacturing facility to gain a better understanding of its businesses and operations.

To ensure that the directors keep pace with regulatory changes that will have an important bearing on the Company's or directors' obligations, the directors are updated on such changes in between or during Board meetings and/or on specially convened sessions by professionals. The company secretary informs the directors of upcoming conferences and seminars relevant to their roles as directors of the Company. The Company has established a budget for all directors to attend appropriate courses, conferences and seminars.

All newly appointed directors will be issued with formal letters of appointment setting out their duties and obligations.

Newly appointed directors are briefed by the management on the Group's business activities, strategic directions, business and governance practices and policies, and the regulatory environment in which it operates, as well as their statutory and other duties and responsibilities as directors. They will also be invited to visit the Group's manufacturing facility to gain a better understanding of its businesses and operations. When required, the Group will arrange for new directors to attend appropriate training and education programmes conducted by professionals.

BOARD COMPOSITION AND GUIDANCE

Principle 2: Strong and independent element on the Board

The Board, comprising six members, consists of a non-executive Chairman, who is an independent director, an Executive Deputy Chairman/Chief Executive Officer (CEO), two executive directors and two independent non-executive directors.

The independence of the independent non-executive directors is subject to the NC's review annually, based on the guidelines on criteria of independence stated in the Code. The Board is of the view that there exists a strong and independent element in the Board to enable an objective judgement on the corporate affairs of the Group by Board members taking into account the number of independent non-executive directors. The Board, through the NC, examines on an annual basis the level of independent element within the Board.

Mr Hee Theng Fong and Mr Hilary Quah Lam Seng have served on the Board for more than nine years from the date of their first appointment. The Board has subjected their independence to a particularly rigorous review. The Board is of the view that the independence of the independent directors must be based on the substance of their integrity and objectivity and not merely based on form, such as the number of years which they have served on the Board.

The Board, having considered the assessment made by the NC, determined that Mr Hee Theng Fong and Mr Hilary Quah Lam Seng have no relationship with the Company, its related corporations, substantial shareholders or its officers and are also independent of executive functions in the Company. In the discharge of their duties, they have exercised their independent business judgement in the best interest of the Company. Accordingly, the Board considers Mr Hee Theng Fong and Mr Hilary Quah Lam Seng to be independent despite having served on the Board for more than nine years.

BOARD COMPOSITION AND GUIDANCE (Continued)

The Board is of the opinion that its current size and mix is appropriate to facilitate effective decision making after considering the scope and nature of the operations of the Group, the requirement of the business, the need to avoid undue disruptions from changes to the composition of the Board and Board Committees and the current mix of expertise and experience of its members, which as a group provides an appropriate balance and diversity of skills, experience, gender, knowledge and core competencies in areas such as accounting and finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge. The Board, through the NC, examines on an annual basis the size and the composition of the Board to evaluate whether the Board is effective in carrying out its duties.

The independent non-executive directors exercise no management functions in the Company or in any of its subsidiaries. Although all directors have equal responsibilities to the Group for its performance, the role of the independent non-executive directors are particularly important in ensuring that the strategies proposed or implemented by the executive directors, who are also the key management personnel, are fully discussed and rigorously examined or reviewed post implementation, and take into account the long term interests, not only of the shareholders of the Company, but also of the employees, customers and suppliers. When required, the independent non-executive directors will meet without the presence of the management to review any matters that may be raised privately.

Key information regarding the directors of the Company is set out in the section profile of directors on pages 9 to 11.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Clear division of responsibilities between the leadership of the Board and the executives

There is a clear division of responsibilities between the Chairman and the Executive Deputy Chairman/CEO. The responsibilities of the Chairman, who is assisted by the executive directors and the company secretary, amongst others, include:

- leading the Board to ensure its effectiveness on all aspects of its role;
- guiding the Board in the setting of the Group's strategic business direction;
- guiding the Board in the evaluation of other investment and business opportunities;
- scheduling meetings of the Board to enable it to perform its duties responsibly;
- setting meeting agenda in consultation with the CEO and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board;
- exercising control over completeness, quality and timeliness of the flow of information amongst the Board members and between the Board and the management;
- ensuring effective communication with shareholders;
- encouraging constructive relations within the Board and between the Board and the management;
- facilitating the effective contribution of non-executive directors in particular; and
- promoting high standards of corporate governance.

The Executive Deputy Chairman/CEO is responsible for the overall management of the Group and is instrumental in the setting and implementation of the Group's strategic plans and key operational initiatives.

CORPORATE GOVERNANCE REPORT
continued

ACCESS TO INFORMATION AND ACCOUNTABILITY

Principle 6: Board members to have complete, adequate and timely information

Principle 10: Accountability of the Board and management

To assist the Board in making informed decisions in its discharge of duties and responsibilities, all directors are provided with complete, adequate and timely information prior to Board meetings and have separate and independent access to the Group's senior executives. The CEO and executive directors also keep the non-executive directors informed, in between Board meetings, on the status of ongoing initiatives by the Group. Information on major developments and material transactions are also circulated to directors as and when they arise.

Where a decision has to be made before a Board meeting is convened, a directors' resolution is circulated in accordance with the Constitution of the Company and the directors are provided with all the necessary information that will allow them to make informed decisions. The executive directors will also ensure that the senior executives promptly answer any queries raised by the directors. Where the directors, either individually or as a group, require professional advice to discharge their duties, the fee relating to the independent professional advice is paid for by the Group.

All non-executive directors have access to all levels of senior executives in the Group and are encouraged to communicate with other employees to seek additional information if they so require. Whenever necessary, senior executives will be invited to attend Board meetings to answer queries and provide detailed insights into their areas of operations. The directors have been provided with the phone numbers and e-mail addresses of the Group's senior executives and company secretary to facilitate access.

The directors have separate and independent access to the company secretary. The company secretary attends all Board and Board Committee meetings and is responsible for ensuring that Board procedures are followed. Together with the directors, they are responsible to ensure that the Company complies with all applicable rules and regulations. The appointment and removal of the company secretary will be a matter for the Board as a whole.

In the dissemination of any information such as the Group's performance, position and prospects, including interim and other price sensitive public reports, and reports to regulators (if required), the Board aims to provide such information in a balanced and understandable manner, including ensuring compliance with relevant legislative and regulatory requirements. The management currently provides annual budget to the Board with quarterly updates and all directors are provided with management accounts on a quarterly basis.

BOARD MEMBERSHIP AND PERFORMANCE

Principle 4: Formal and transparent process for appointment and re-appointment of directors

Principle 5: Formal annual assessment of the effectiveness of the Board and its Board Committees and contributions of each director

The NC, which meets at least once every financial year, comprises four members, three of whom including the chairman are independent non-executive members.

BOARD MEMBERSHIP AND PERFORMANCE (Continued)

The composition of the NC is as follows:

Hee Theng Fong (Chairman), Non-Executive Chairman and Independent Director
Hilary Quah Lam Seng, Independent Non-Executive Director
Guok Chin Huat Samuel, Independent Non-Executive Director
Ng Cheow Chye, Executive Deputy Chairman/CEO

The primary objectives of the NC are to make recommendations to the Board on all Board appointments and re-appointments as well as succession plans for the Board (in particular, for the Chairman and CEO), to review multiple board representations of directors, to formally assess the effectiveness of the Board, to review the size and mix of expertise and experience of the Board, to review the training and professional development programmes for the Board, and to determine the independence of directors and level of independent element within the Board.

For the appointment of any new director to the Board, the NC's search, selection and nomination process for the right candidate will include, amongst others, the use of search companies, personal contacts and recommendations, reviewing the range of expertise, skills and attributes of the existing Board members, the need for progressive renewal of the Board including the Chairman and CEO as well as the needs of the Board, taking into consideration the Group's future business directions and strategies, before any nomination is put forward to the Board for consideration. The NC will also ensure that the new director possesses the necessary skills, knowledge and experience that could facilitate the Board in the making of sound and well-considered decisions. For re-appointments, the NC takes into account the composition and progressive renewal of the Board and each director's competencies, commitment, contributions and performance (e.g. attendance, preparedness, participation and candour).

The Board has an established process to assess the effectiveness of the Board as a whole and its Board Committees. In assessing the Board's effectiveness, the NC considers a number of factors, including the performance of the Board, overall attendance of Board members and contributions of Board members during meetings.

Once a year, the NC will perform a formal assessment on the effectiveness of the Board and Board Committees as a whole in the form of a questionnaire with inputs from each Board member. The assessment criteria includes whether the Board is of the right size and mix, has adequate degree of independence, has the right mix of expertise, experience and skills, and has proper Board process and accountability.

The NC is of the view that assessment on the effectiveness of the Board and Board Committees as a whole is adequate and assessing the contributions of individual directors to the effectiveness of the Board would not be meaningful given that the Board and its committees' functioning and performance are dependent on the combined efforts, expertise and experience of all directors and could not be attributed to any single director.

The Company's Constitution require that at each Annual General Meeting (AGM) at least one-third of the directors for the time being, or if their number is not a multiple of three, the number nearest to but not greater than one-third shall retire from office, provided all directors retire at least once every three years. There are two directors retiring at the forthcoming AGM, namely Mr Ng Cheow Leng and Mr Hee Theng Fong. The NC has recommended the re-elections of Mr Ng Cheow Leng and Mr Hee Theng Fong at the forthcoming AGM. The Board has accepted the NC's recommendations and the two retiring directors have offered themselves for re-election. Mr Hee Theng Fong, who is the chairman of the NC, has abstained from deliberation in respect of his own re-election.

CORPORATE GOVERNANCE REPORT
continued

BOARD MEMBERSHIP AND PERFORMANCE (Continued)

In the opinion of the NC, Mr Hee Theng Fong, Mr Hilary Quah Lam Seng and Mr Guok Chin Huat Samuel are considered independent. For those directors who hold multiple board representations in public listed companies, the NC has reviewed and the Board is of the opinion that such multiple board representations will not affect their ability to carry out their respective duties as directors of the Company. The Group's current policy stipulates that a director should not hold more than six board representations in public listed companies.

REMUNERATION MATTERS

Principle 7: Formal and transparent procedure for fixing remuneration packages of directors

Principle 8: Remuneration of directors should be adequate but not excessive

Principle 9: Remuneration policy, level and mix of remuneration and procedure for setting remuneration

The RC, which meets at least once every financial year, comprises four members, of which one member is an executive director. The RC does not comprise entirely of non-executive directors as the participation of the executive director helps provide meaningful feedback in the setting of the Group's overall compensation packages due to his in-depth understanding of the Group's human resource capital. The independence of the RC will not be compromised with the involvement of the executive director as the majority of the RC members, including the chairman of the RC, are independent non-executive directors.

The composition of the RC is as follows:

Hilary Quah Lam Seng (Chairman), Independent Non-Executive Director
Hee Theng Fong, Non-Executive Chairman and Independent Director
Guok Chin Huat Samuel, Independent Non-Executive Director
Ng Cheow Chye, Executive Deputy Chairman/CEO

The primary objectives of the RC are to make recommendations to the Board on the Group's general framework of executive remuneration for the Board and key management personnel, to review and recommend to the Board on the adequacy and form of compensation of the directors and key management personnel of the Group to ensure that the compensation realistically commensurate with their responsibilities and performance of the individuals and the Group, and to review the fees for non-executive directors before submitting to the Board for approval.

The RC is of the opinion that the directors of the Company are not excessively compensated, taking into consideration their responsibilities, skills, expertise and contributions to the Group's performance. The service agreements of the executive directors do not contain any onerous compensation commitments on the part of the Company in the event of termination.

The Board has accepted the recommendation of the RC on a fixed fee for non-executive directors after taking into account the effort, time spent and responsibilities of each non-executive director. The fees for non-executive directors shall be subject to shareholders' approval at the forthcoming AGM.

While none of the members of the RC specialises in the area of executive compensation, all members of the RC are knowledgeable in the field of executive compensation through their industry experience. If any of the directors requires independent professional advice, such professionals would be hired at the Group's expense.

CORPORATE GOVERNANCE REPORT
continued

REMUNERATION MATTERS (Continued)

The Group adopts a remuneration policy comprising a fixed component and a variable component to align employees' interests with that of the shareholders. The fixed component is in the form of basic salary and the variable component is in the form of performance bonus that is linked to the performance of the Group and the individual.

The Company has three executive directors, who together with the Group's Chief Financial Officer comprise the key management personnel of the Group.

A breakdown showing the percentage mix of remuneration for each of the directors and key management personnel of the Group for the financial year 2016 is set out below:

Financial Year 2016

Name	Fixed component %	Variable component %	Contributions to Central Provident Fund %	Benefits in kind %	Fees %	Total %
Executive Directors						
$250,000 to below $500,000						
Ng Cheow Chye	70	19	1	10	–	100
Si Yok Fong @ Chin Yok Fong	67	18	2	13	–	100
Below $250,000						
Ng Cheow Leng	66	17	7	10	–	100
Non-Executive Directors						
$100,000 and below						
Hee Theng Fong	–	–	–	–	100	100
Hilary Quah Lam Seng	–	–	–	–	100	100
Guok Chin Huat Samuel	–	–	–	–	100	100
Key Executive Officer						
Below $250,000						
Lee Kam Seng	95	1	4	–	–	100

The remuneration of the directors and key executive officer includes a fixed component, a variable component, contributions to Central Provident Fund, benefits in kind and directors' fees. The aggregate remuneration paid to directors and the key executive officer is disclosed as key management personnel compensation in note 26 of the financial statements on page 77.

CORPORATE GOVERNANCE REPORT
continued

REMUNERATION MATTERS (Continued)

The Company had not disclosed the exact remuneration paid to each individual director and the CEO due to the sensitive and confidential nature of such remuneration matters and to ensure the Company's competitive advantage in the retention of such personnel.

Except as disclosed below and Mr Ng Cheow Chye and Mr Ng Cheow Leng who are brothers, the Group does not have any other employees who are immediate family members (as defined in the SGX Listing Manual) of a director or CEO and whose remuneration exceeded $50,000 for the financial year ended 31 July 2016.

Name	Relationship	Total Remuneration
Huang Jin Rui, Clement	Son of Mr Ng Cheow Chye	$50,001 to below $100,000

AUDIT COMMITTEE

Principle 12: Establishment of AC with written terms of reference

All members of the AC are independent non-executive directors and two of them including the chairman have recent and relevant accounting and/or related financial management expertise or experience. The members are as follows:

Guok Chin Huat Samuel (Chairman), Independent Non-Executive Director
Hee Theng Fong, Non-Executive Chairman and Independent Director
Hilary Quah Lam Seng, Independent Non-Executive Director

The AC performs the functions specified by Section 201B of the Singapore Companies Act, Chapter 50, the SGX Listing Manual and the Code, and assists the Board in the execution of its corporate governance responsibilities within its established terms of reference.

The AC also oversees the overall policy setting and administration of the Company's whistle blowing policy and procedures, which serves to provide the employees of the Company a formal channel to raise concerns in confidence about possible improprieties in matters of financial reporting and other matters directly to the AC.

In performing its functions, the AC meets periodically with the Company's external and internal auditors with the management to review accounting, auditing and financial reporting matters, as well as the Group's risk management and internal control systems covering financial, operational, compliance and information technology controls. In addition, the AC will meet with the Company's external and internal auditors without the presence of management at least once a year to discuss matters concerning the Group.

The duties of the AC, amongst others, include reviewing the following:

- internal and external auditors' audit plans and the scopes of examination;
- results of the audits and their effectiveness;
- independence and objectivity of the external auditors, taking into account the nature and extent of non-audit services performed by the external auditors;
- adequacy and effectiveness of the Group's risk management and internal control systems, including reporting to the Board at least annually the results of its review;

AUDIT COMMITTEE (Continued)

- making recommendation to the Board on proposals to shareholders on the appointment, re-appointment and removal of external auditors;
- hiring, re-hiring, removal, evaluation and compensation of out-sourced internal auditors;
- periodic results announcements prior to their submission to the Board for approval;
- audited financial statements of the Group and the Company prior to their submission to the Board for approval;
- significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group;
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual); and
- all cases of whistle blowing, in particular, the adequacy and independence of investigation and resolution for those significant cases.

The AC has full access to management and senior executives, and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or senior executive to attend its meetings.

The AC may also examine, within its terms of reference, any matters pertaining to the Group's affairs and monitor the Group's compliance with legal, regulatory and contractual obligations.

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements. The Company also has established a budget for all directors to attend appropriate courses, conferences and seminars.

For the financial year under review, the AC has conducted a review of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC has also met with the external and internal auditors without the presence of management. The aggregate amount of fees paid and payable by the Group to the external auditors for financial year ended 31 July 2016 was $96,575, of which audit and non-audit fees amounted to $78,700 and $17,875, respectively. In appointing the audit firm, KPMG LLP, for the audit of financial year ended 31 July 2016, the AC is satisfied that the Company has complied with the requirements of Rules 712 and 715 of the SGX Listing Manual. AC meetings are held after the end of every financial quarter before the official announcement of results.

Having reviewed KPMG LLP's performance, the AC has recommended to the Board that KPMG LLP be nominated for re-appointment as auditors for the financial year 2017 at the forthcoming AGM of the Company.

RISK MANAGEMENT, INTERNAL CONTROLS AND INTERNAL AUDIT

Principle 11: Sound system of risk management and internal controls

Principle 13: Setting up independent effective internal audit function

The Board is responsible for ensuring that the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determining the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

CORPORATE GOVERNANCE REPORT
continued

RISK MANAGEMENT, INTERNAL CONTROLS AND INTERNAL AUDIT (Continued)

The Group has established an Enterprise Risk Management (ERM) framework, which governs the risk management process within the Group. This ERM framework enables the identification, assessment, management and monitoring of key risks to the Group's businesses. The risk management process in place covers, inter alia, financial, operational, compliance and information technology risks faced by the Group. The key risks faced by the Group will be reviewed by the management and reported to the AC and the Board at least once a year.

The ERM framework is supported by a system of internal controls and these key internal controls, covering financial, operational, compliance and information technology, are subject to independent review by the internal and external auditors annually to assess its effectiveness, as well as its adequacy due to changes in processes and operating environment. Any control weakness identified, together with improvement recommendations, will be reported to the AC and be followed up by the management accordingly.

Based on the internal and external auditors' reports and management reviews, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management systems and internal controls are adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group as at 31 July 2016.

The Board acknowledges that while it is responsible for the overall internal control framework, it also recognises that the system of internal controls established by the Group is designed to manage rather than eliminate the risks of failure as it strives to achieve its business objectives, and that any system of internal controls provides reasonable and not absolute assurance against poor judgement, human errors, material misstatement, losses, fraud or other irregularities.

In addition, the Board has received assurance from the Executive Deputy Chairman/CEO and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and the Group's risk management and internal control systems are adequate and effective in addressing material risks, which cover financial, operational, compliance and information technology risks of the Group as at 31 July 2016.

The internal audit function is outsourced to external audit professionals from an international accounting firm and their hiring, rehiring, removal, evaluation and compensation are approved by the AC. These audit professionals report directly to the AC and provide a comprehensive analysis of the business processes and the risks related to each process. The audit professionals perform internal audit reviews and examinations in each financial year covering different business processes based on audit plans approved by the AC.

The AC is satisfied that the outsourced internal audit firm has adequate resources, has appropriate standing within the Group and is staffed with audit professionals with the relevant qualifications and experience.

The AC reviews the adequacy and effectiveness of the internal audit function annually. Having reviewed the outsourced internal audit firm's performance, its audit plans, scope of examination and results of audits, the AC is satisfied with the adequacy and effectiveness of the internal audit function.

CORPORATE GOVERNANCE REPORT
continued

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholders' right

Principle 15: Fair communication with shareholders

Principle 16: Shareholder participation at general meetings

The Company treats all shareholders fairly and equitably by recognising, protecting and facilitating the exercise of shareholders' rights and continually review and update such governance arrangements. In addition, it is committed to regular, effective and fair communications with shareholders.

The Company strives to ensure that clear, useful and timely communication is made to the shareholders with regard to all material business matters affecting the Group so as to maintain a high level of transparency and does not practise selective disclosure. Where there are any investors' or analysts' briefings or meetings, material information will be excluded from such briefings or meetings, unless it has been publicly released either before or concurrently with such briefings or meetings. Communication is generally achieved through annual reports, press releases, SGXNET announcements, the Company's website: www.datapulse.com.sg and general meetings.

Voting in absentia by mail, facsimile or email is currently not allowed as such voting methods would need to be cautiously evaluated for feasibility to ensure that there is no compromise to the integrity of the information and the authentication of the shareholders' identity.

During general meetings, separate resolutions for each distinct issue are tabled for shareholders' approval and detailed results showing the number of votes cast for and against each resolution, and the respective percentages, will be released via the SGXNET and the Company's website. The shareholders are also given ample time and opportunities to express their views and seek clarifications on the Group's affairs and a majority of the directors, including the Chairmen of the Board and the respective Board Committees, together with the external auditors and relevant professionals, will be present to answer shareholders' questions. Outside general meetings, shareholders are also able to contact the Company officials through telephone and emails. Such contact details are provided in the Company's website.

The Company conducts poll voting for all resolutions tabled during general meetings. All shareholders are entitled to vote in accordance with established voting rules and procedures, which will be explained prior to the commencement of any voting.

Shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Under the multiple proxies regime introduced pursuant to the Companies (Amendment) Act 2014, "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund (CPF) Board, are allowed to appoint more than two proxies to attend, speak and vote at general meetings. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate at shareholders' meetings.

CORPORATE GOVERNANCE REPORT
continued

SECURITIES TRANSACTIONS

The Company observes the best practices on dealings in securities recommended in the SGX Listing Manual. It has issued a policy to its directors, senior executives and certain employees who are involved in the preparation of the financial statements (collectively, the Covered Persons), setting out the implications of insider trading and guidance on dealings in the securities of the Company. The policy emphasises that the law on insider trading is applicable at all times. The Covered Persons are prohibited to deal in the securities of the Company during the period commencing two weeks before the announcement of the Group's financial results for each of the first three quarters of its financial year and one month before the announcement of the Group's full year financial results, and ending on the date of announcement of the relevant results. They are also discouraged from dealing in the Company's shares on short-term considerations.

The Company will continue to keep itself updated with any changes to the SGX Listing Manual and may amend its policy from time to time to fit the latest best practices.

INTERESTED PERSON TRANSACTIONS

During the financial year, there were no interested person transactions of more than $100,000 (as defined under the SGX Listing Manual) entered into by the Group.

MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company or any of its subsidiaries involving the interests of the CEO, any director or controlling shareholder.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 July 2016.

In our opinion:

(a) the financial statements set out on pages 30 to 78 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Hee Theng Fong
Ng Cheow Chye
Si Yok Fong @ Chin Yok Fong
Ng Cheow Leng
Hilary Quah Lam Seng
Guok Chin Huat Samuel

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children less than 18 years of age) in shares or share options in the Company are as follows:

	Holdings in the name of the director			
Name of director and corporation in which interests are held	**At beginning of the year**	**At end of the year**[1]	**At 21/8/2016**[1]	**At 21/8/2015**
Ng Cheow Chye				
Datapulse Technology Limited – ordinary shares each fully paid	78,285,000	26,095,000	48,947,366	78,285,000
Si Yok Fong @ Chin Yok Fong				
Datapulse Technology Limited – ordinary shares each fully paid	850,000	283,333	283,333	850,000
Hee Theng Fong				
Datapulse Technology Limited – ordinary shares each fully paid	200,000	66,666	66,666	200,000
Hilary Quah Lam Seng				
Datapulse Technology Limited – ordinary shares each fully paid	200,000	66,666	66,666	200,000

(1) On 1 December 2015, the Company completed the share consolidation of every three ordinary shares into one ordinary share in the capital of the Company (fractional entitlements disregarded).

DIRECTORS' STATEMENT
continued

DIRECTORS' INTERESTS (Continued)

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Except as disclosed in this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

SHARE OPTIONS

There were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

AUDIT COMMITTEE

The members of the Audit Committee (AC) during the year and at the date of this report are:

Guok Chin Huat Samuel
Hee Theng Fong
Hilary Quah Lam Seng

The AC performs the functions specified by Section 201B of the Act, the SGX Listing Manual and the Code, and assists the Board in the execution of its corporate governance responsibilities within its established terms of reference.

The AC also oversees the overall policy setting and administration of the Company's whistle blowing policy and procedures, which serves to provide the employees of the Company a formal channel to raise concerns in confidence about possible improprieties in matters of financial reporting and other matters directly to the AC.

In performing its functions, the AC meets periodically with the Company's external and internal auditors with the management to review accounting, auditing and financial reporting matters, as well as the Group's risk management and internal control systems covering financial, operational, compliance and information technology controls. In addition, the AC will meet with the Company's external and internal auditors without the presence of management at least once a year to discuss matters concerning the Group.

The duties of the AC, amongst others, include reviewing the following:

- internal and external auditors' audit plans and the scopes of examination;
- results of the audits and their effectiveness;
- independence and objectivity of the external auditors, taking into account the nature and extent of non-audit services performed by the external auditors;
- adequacy and effectiveness of the Group's risk management and internal control systems, including reporting to the Board at least annually the results of its review;
- making recommendation to the Board on proposals to shareholders on the appointment, re-appointment and removal of external auditors;
- hiring, re-hiring, removal, evaluation and compensation of out-sourced internal auditors;

DIRECTORS' STATEMENT
continued

AUDIT COMMITTEE (Continued)

- periodic results announcements prior to their submission to the Board for approval;
- audited financial statements of the Group and the Company prior to their submission to the Board for approval;
- significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group;
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual); and
- all cases of whistle blowing, in particular, the adequacy and independence of investigation and resolution for those significant cases.

The AC has full access to management and senior executives, and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or senior executive to attend its meetings.

The AC may also examine, within its terms of reference, any matters pertaining to the Group's affairs and monitor the Group's compliance with legal, regulatory and contractual obligations.

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements. The Company also has established a budget for all directors to attend appropriate courses, conferences and seminars.

For the financial year under review, the AC has conducted a review of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC has also met with the external and internal auditors without the presence of management. The aggregate amount of fees paid and payable by the Group to the external auditors for financial year ended 31 July 2016 was $96,575, of which audit and non-audit fees amounted to $78,700 and $17,875, respectively. In appointing the audit firm, KPMG LLP, for the audit of financial year ended 31 July 2016, the AC is satisfied that the Company has complied with the requirements of Rules 712 and 715 of the SGX Listing Manual. AC meetings are held after the end of every financial quarter before the official announcement of results.

Having reviewed KPMG LLP's performance, the AC has recommended to the Board that KPMG LLP be nominated for re-appointment as auditors for the financial year 2017 at the forthcoming AGM of the Company.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Ng Cheow Chye
Director

Si Yok Fong @ Chin Yok Fong
Director

15 September 2016

INDEPENDENT AUDITORS' REPORT

Members of the Company
Datapulse Technology Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Datapulse Technology Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 July 2016, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 78.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

INDEPENDENT AUDITORS' REPORT
continued

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

15 September 2016

STATEMENTS OF FINANCIAL POSITION

As at 31 July 2016

	Note	Group 2016 $	Group 2015 $	Company 2016 $	Company 2015 $
Non-current assets					
Property, plant and equipment	4	14,033,693	17,077,644	14,033,693	17,077,644
Investment property	5	–	6,567,250	–	–
Subsidiaries	6	–	–	2,903,145	27,877
Associate	7	2,889,347	–	–	–
Total non-current assets		16,923,040	23,644,894	16,936,838	17,105,521
Current assets					
Inventories	8	1,050,325	1,269,468	1,050,325	1,269,468
Trade and other receivables	9	1,313,265	1,977,905	1,298,041	1,976,762
Cash and bank balances	10	31,874,197	31,974,718	31,468,087	31,891,314
Assets held for sale	11	6,527,121	–	–	–
Total current assets		40,764,908	35,222,091	33,816,453	35,137,544
Total assets		57,687,948	58,866,985	50,753,291	52,243,065
Equity attributable to owners of the Company					
Share capital	12	32,991,936	32,991,936	32,991,936	32,991,936
Reserves	12	14,268,813	14,845,239	14,096,394	14,732,460
Total equity		47,260,749	47,837,175	47,088,330	47,724,396
Non-current liabilities					
Deferred tax liabilities	13	1,078,800	1,266,000	1,078,800	1,266,000
Total non-current liabilities		1,078,800	1,266,000	1,078,800	1,266,000
Current liabilities					
Loans and borrowings	14	–	6,408,994	–	–
Trade and other payables	15	3,005,107	3,064,305	2,583,778	2,964,405
Current tax payable		2,383	290,511	2,383	288,264
Liabilities held for sale	11	6,340,909	–	–	–
Total current liabilities		9,348,399	9,763,810	2,586,161	3,252,669
Total liabilities		10,427,199	11,029,810	3,664,961	4,518,669
Total equity and liabilities		57,687,948	58,866,985	50,753,291	52,243,065

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 July 2016

	Note	Group 2016 $	Group 2015 $ Restated*
Continuing operations			
Revenue	17	23,308,972	25,444,107
Other income		478,983	335,371
		23,787,955	25,779,478
Changes in inventories and raw materials usage		(6,288,744)	(6,122,338)
Staff costs		(8,901,283)	(9,141,610)
Depreciation of property, plant and equipment	4	(3,145,170)	(3,395,855)
Other operating expenses		(5,064,434)	(6,316,055)
Results from operating activities		388,324	803,620
Share of loss of associate		(6,238)	–
Profit before tax	18	382,086	803,620
Tax credit	19	473,080	764,228
Profit from continuing operations		855,166	1,567,848
Discontinued operations			
Profit from discontinued operations (net of tax)	20	49,831	66,419
Profit for the year		904,997	1,634,267
Profit attributable to:			
Owners of the Company		904,997	1,634,267
Profit for the year		904,997	1,634,267
Earnings per share			
Basic and diluted earnings per share (cents)	21	0.41	0.81
Earnings per share – continuing operations			
Basic and diluted earnings per share (cents)	21	0.39	0.78

* See note 3.16 and 20.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 July 2016

	Note	Group 2016 $	Group 2015 $
Profit for the year		904,997	1,634,267
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences relating to financial statements of a foreign subsidiary		(4,272)	41,815
Share of foreign currency translation differences of an associate		20,317	–
Other comprehensive income for the year		16,045	41,815
Total comprehensive income for the year		921,042	1,676,082
Total comprehensive income attributable to:			
Owners of the Company		921,042	1,676,082
Total comprehensive income for the year		921,042	1,676,082

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 July 2016

Group	Note	Share capital $	Reserve for own shares $	Legal reserve $	Foreign currency translation reserve $	Share option reserve $	Retained earnings $	Total equity $
At 1 August 2014		25,746,782	–	8,599	(336,899)	410,902	14,390,889	40,220,273
Total comprehensive income for the year								
Profit for the year		–	–	–	–	–	1,634,267	1,634,267
Other comprehensive income								
Foreign currency translation differences relating to financial statements of a foreign subsidiary		–	–	–	41,815	–	–	41,815
Total other comprehensive income		–	–	–	41,815	–	–	41,815
Total comprehensive income for the year		–	–	–	41,815	–	1,634,267	1,676,082
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares (net of issuance expenses)	12	7,245,154	–	–	–	–	–	7,245,154
Final one-tier tax exempt dividends paid of 0.22 cents per share for FY2014	12	–	–	–	–	–	(1,308,393)	(1,308,393)
Return of unclaimed dividends		–	–	–	–	–	4,059	4,059
Transfer to retained earnings for value of share options cancelled		–	–	–	–	(410,902)	410,902	–
Total contributions by and distributions to owners		7,245,154	–	–	–	(410,902)	(893,432)	5,940,820
Total transactions with owners		7,245,154	–	–	–	(410,902)	(893,432)	5,940,820
At 31 July 2015		32,991,936	–	8,599	(295,084)	–	15,131,724	47,837,175

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 July 2016
continued

Group	Note	Share capital $	Reserve for own shares $	Legal reserve $	Foreign currency translation reserve $	Share option reserve $	Retained earnings $	Total equity $
At 1 August 2015		32,991,936	–	8,599	(295,084)	–	15,131,724	47,837,175
Total comprehensive income for the year								
Profit for the year		–	–	–	–	–	904,997	904,997
Other comprehensive income								
Foreign currency translation differences relating to financial statements of a foreign subsidiary		–	–	–	(4,272)	–	–	(4,272)
Share of foreign currency translation differences of an associate		–	–	–	20,317	–	–	20,317
Total other comprehensive income		–	–	–	16,045	–	–	16,045
Total comprehensive income for the year		–	–	–	16,045	–	904,997	921,042
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Own shares acquired	12	–	(183,371)	–	–	–	–	(183,371)
Final one-tier tax exempt dividends paid of 0.20 cents per share for FY2015	12	–	–	–	–	–	(1,319,448)	(1,319,448)
Transfer to legal reserve		–	–	8,549	–	–	(8,549)	–
Return of unclaimed dividends		–	–	–	–	–	5,351	5,351
Total contributions by and distributions to owners		–	(183,371)	8,549	–	–	(1,322,646)	(1,497,468)
Total transactions with owners		–	(183,371)	8,549	–	–	(1,322,646)	(1,497,468)
At 31 July 2016		32,991,936	(183,371)	17,148	(279,039)	–	14,714,075	47,260,749

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 July 2016

	Note	Group 2016 $	Group 2015 $
Cash flows from operating activities			
Profit for the year		904,997	1,634,267
Adjustments for:			
Depreciation		3,204,450	3,460,996
Finance costs		149,596	92,716
Bad debt recovered		(1,754)	(608)
Gain on sale of property, plant and equipment		–	(33,829)
Impairment losses recognised on non-financial assets		–	142,150
Tax credit		(454,651)	(761,373)
Interest income		(441,889)	(268,780)
Property, plant and equipment written off		–	4,137
Share of loss of associate		6,238	–
		3,366,987	4,269,676
Changes in working capital:			
Inventories		219,143	309,730
Trade and other receivables		670,340	1,088,219
Trade and other payables		(362,066)	(809,962)
Cash generated from operations		3,894,404	4,857,663
Tax paid, net		(3,562)	(116,062)
Net cash from operating activities		3,890,842	4,741,601
Cash flows from investing activities			
Deposit received for sale of disposal group		406,106	–
Investment in associate		(20)	–
Shareholders' loan to associate		(2,875,248)	–
Fixed deposits with maturity of more than three months		–	2,103,789
Interest received		442,366	246,784
Proceeds from sale of non-financial assets		–	73,550
Proceeds from sale of property, plant and equipment		–	112,638
Purchase of property, plant and equipment		(101,219)	(172,636)
Net Cash (used in)/from investing activities		(2,128,015)	2,364,125
Cash flows from financing activities			
Dividends paid		(1,319,448)	(1,308,393)
Interest paid		(149,596)	(92,716)
Proceeds from issuance of shares		–	7,302,750
Payment of expenses incurred on issuance of shares		–	(57,596)
Proceeds from bank loan		–	6,155,363
Repayment of bank loan		–	(645,467)
Repurchase of own shares		(183,371)	–
Return of unclaimed dividends		5,351	4,059
Net cash (used in)/from financing activities		(1,647,064)	11,358,000
Net increase in cash and cash equivalents		115,763	18,463,726
Cash and cash equivalents at 1 August		31,974,718	13,281,544
Effect of exchange rate changes on balances held in foreign currency		(10,600)	229,448
Cash and cash equivalents at 31 July		32,079,881	31,974,718
Cash and cash equivalents of a subsidiary reclassified as assets held-for-sale	11	(205,684)	–
Cash and cash equivalents at 31 July in the statement of financial position	10	31,874,197	31,974,718

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 September 2016.

1. DOMICILE AND ACTIVITIES

Datapulse Technology Limited (the Company) is a company incorporated in Singapore. The address of the Company's registered office is 15A Tai Seng Drive, Datapulse Industrial Building, Singapore 535225.

The financial statements of the Company as at and for the year ended 31 July 2016 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities).

The principal activities of the Company are those relating to the manufacture and sale of media storage products used in content distribution including compact discs, digital versatile discs and blu-ray discs. The principal activities of its subsidiaries are relating to investment holding.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 27 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of consolidation (Continued)

(iv) Investment in associate

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investment in associate is accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Accounting for subsidiaries and associate

Investments in subsidiaries and associate are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2016
continued

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets as loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables (excluding prepayments) and cash and bank balances.

Cash and bank balances

Cash and bank balances comprise cash balances and bank deposits. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash balances and fixed deposits with maturity of up to three months, that are subject to insignificant risks of changes in their fair value, and are used by the Group in the management of its short term commitments.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Financial instruments (Continued)

(ii) Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or have expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables and loans and borrowings.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased and cancelled immediately, the amount of consideration paid, including directly attributable costs, is presented as a deduction from the retained earnings or capital at the option of the Company.

When share capital recognised as equity is repurchased and held as treasury shares, the amount of the consideration paid, including directly attributable costs, is presented as a deduction from equity. Where such shares are subsequently reissued or sold, the consideration received is recognised as a change in equity. No gain or loss is recognised in profit or loss.

(iv) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

Derivative financial instruments which are not held for trading and not designated in a qualifying hedge relationship are recognised initially at fair value, and directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value and changes therein are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2016
continued

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Property, plant and equipment (Continued)

(iii) Depreciation (Continued)

The estimated useful lives for the current and comparative years are as follows:

Leasehold property	50 years
Plant and equipment	3 to 10 years
Office equipment	3 to 10 years
Furniture and fittings	5 to 10 years
Motor vehicles	5 years
Renovation	5 to 6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of 50 years.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

Investment properties are subject to renovation or improvements at regular intervals. The costs of major renovation and improvements are capitalised as addition and carrying amounts of the replaced components are derecognised in the profit or loss. The costs of maintenance, repairs and minor improvement are recognised in the profit or loss as incurred.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes materials, direct labour and an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that may have been incurred. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Impairment (Continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.8 Non-current assets held for sale or distribution

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Investment property once classified as held for sale or distribution are not amortised or depreciated.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees, and the obligation can be estimated reliably.

3.10 Revenue

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, excluding goods and services taxes and other taxes, and net of returns and trade discounts. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the contract of sale.

(ii) Rental income

Rental income from investment property is recognised in profit or loss as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iii) Interest income

Interest income is recognised in profit or loss as other income as it accrues on a time-apportioned basis.

3.11 Government grants

Cash grants received from the government that compensate the Group for expenses incurred are recognised in profit or loss when the grants are received or become receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Lease payments

Payments made under operating leases are recognised on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Leased assets under operating leases are not recognised in the Group's statements of financial position.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.13 Finance costs

Finance costs comprise interest expense on financial liabilities. Finance costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.14 Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and an executive officer of the Company and its subsidiaries are considered as key management personnel of the Group.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Tax (Continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

3.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

3.19 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 August 2015 and have not been applied in preparing these financial statements.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers*, FRS 109 *Financial Instruments*, which are mandatory for the adoption by the Group on 1 August 2018 and FRS 116 *Leases* which is effective on 1 August 2019.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces a new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

- FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

As FRS 115, FRS 109 and FRS 116, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue, financial instruments and leases, these standards are expected to be relevant to the Group and the Company. The Group is presently assessing the potential impact of adopting these new standards and interpretations on its financial statements and does not plan to adopt these standards early.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2016
continued

4. PROPERTY, PLANT AND EQUIPMENT

Group and Company	Leasehold property $	Plant and equipment $	Office equipment $	Furniture and fittings $	Motor vehicles $	Renovation $	Total $
Cost							
At 1 August 2014	14,744,225	58,079,434	1,262,199	2,667,898	1,689,418	1,138,595	79,581,769
Additions	–	20,611	29,882	–	–	122,143	172,636
Disposals/write-offs	–	(10,508,468)	(134,431)	–	(646,200)	–	(11,289,099)
At 31 July 2015	14,744,225	47,591,577	1,157,650	2,667,898	1,043,218	1,260,738	68,465,306
Additions	–	65,545	22,841	1,180	–	11,653	101,219
Disposals/write-offs	–	(10,960,957)	–	–	–	–	(10,960,957)
At 31 July 2016	14,744,225	36,696,165	1,180,491	2,669,078	1,043,218	1,272,391	57,605,568
Accumulated depreciation							
At 1 August 2014	5,628,029	47,395,478	1,091,300	2,633,688	1,390,170	1,059,295	59,197,960
Depreciation charge for the year	294,885	2,869,345	74,937	14,681	99,918	42,089	3,395,855
Disposals/write-offs	–	(10,508,468)	(130,294)	–	(567,391)	–	(11,206,153)
At 31 July 2015	5,922,914	39,756,355	1,035,943	2,648,369	922,697	1,101,384	51,387,662
Depreciation charge for the year	294,885	2,696,672	65,245	11,303	18,030	59,035	3,145,170
Disposals/write-offs	–	(10,960,957)	–	–	–	–	(10,960,957)
At 31 July 2016	6,217,799	31,492,070	1,101,188	2,659,672	940,727	1,160,419	43,571,875
Carrying amounts							
At 1 August 2014	9,116,196	10,683,956	170,899	34,210	299,248	79,300	20,383,809
At 31 July 2015	8,821,311	7,835,222	121,707	19,529	120,521	159,354	17,077,644
At 31 July 2016	8,526,426	5,204,095	79,303	9,406	102,491	111,972	14,033,693

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2016
continued

5. INVESTMENT PROPERTY

	Group $
Cost	
At 1 August 2014	7,231,467
Translation differences on consolidation	330,110
At 31 July 2015	7,561,577
Translation differences on consolidation	(215,727)
Reclassification to assets held for sale	(7,345,850)
At 31 July 2016	–
Accumulated depreciation	
At 1 August 2014	887,626
Depreciation for the year	65,141
Translation differences on consolidation	41,560
At 31 July 2015	994,327
Depreciation for the year	59,280
Translation differences on consolidation	(28,743)
Reclassification to assets held for sale	(1,024,864)
At 31 July 2016	–
Carrying amounts	
At 1 August 2014	6,343,841
At 31 July 2015	6,567,250
At 31 July 2016	–

Investment property pertained to a freehold property in Taiwan which comprises several commercial units that were leased to third parties for a period of 2 to 3 years.

During the year, the investment property was reclassified to assets held for sale (see note 11 for details).

As at 31 July 2015, the investment property had an estimated valuation of $16,531,403 based on fair value determined by China Real Estate Appraiser Firm, refer to note 23 for further information on determination of fair value.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2016
continued

6. SUBSIDIARIES

	Company 2016 $	Company 2015 $
Equity investments at cost	4	4
Amounts due from subsidiaries	2,903,141	27,873
	2,903,145	27,877

The amounts due from subsidiaries are non-trade in nature, unsecured and interest-free. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, part of the entity's net investment in the subsidiaries, they are stated at cost. There is no allowance for impairment losses arising from the amounts due from subsidiaries.

Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective equity interest held by the Group 2016 %	Effective equity interest held by the Group 2015 %
Datapulse Investment Pte. Ltd.[1]	Singapore	100	100
Alchymie Investment Pte. Ltd.[1] and its subsidiary:	Singapore	100	100
– One Global Inc.[2]	Taiwan	100	100

(1) Audited by KPMG LLP Singapore

(2) Audited by other member firm of KPMG International

7. ASSOCIATE

(a) Investment in associate

	Group 2016 $	Group 2015 $
Cost of investment	20	–
Share of reserves	14,079	–
Shareholders' loan to associate	2,875,248	–
	2,889,347	–

7. ASSOCIATE (Continued)

(a) Investment in associate (Continued)

The shareholders' loan to associate is non-trade in nature, unsecured and interest-free. The settlement of the shareholders' loan to associate is neither planned nor likely to occur in the foreseeable future. As this amount is, in substance, a part of the entity's net investment in the associate, it is stated at cost. There is no allowance for impairment losses arising from the shareholders' loan to associate.

(b) An associate is considered significant as defined under the Singapore Exchange Limited Listing Manual if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits. The Group's associate is immaterial to the Group based on the above criteria.

The following summaries the financial information of the immaterial associate that is accounted for using the equity method.

Immaterial associate

	Group 2016 $
Group's share of:	
– Loss from continuing operations	(6,238)
– Other comprehensive income	20,317
Total comprehensive income	14,079
Proportionate interest in associate's commitments	572,418

8. INVENTORIES

	Group and Company 2016 $	Group and Company 2015 $
Raw materials	999,357	1,086,675
Work in progress	2,629	89,826
Finished goods	48,339	92,967
	1,050,325	1,269,468

Raw materials, work in progress and changes in finished goods recognised as cost of sales amounted to $6,288,744 (2015: $6,122,338).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade receivables	978,932	1,667,129	978,932	1,667,129
Amount due from a subsidiary (non-trade)	–	–	2,575	–
Deposits	1,570	1,558	1,570	1,440
Other receivables	65,852	47,581	48,053	47,581
Loans and receivables	1,046,354	1,716,268	1,031,130	1,716,150
Prepayments	266,911	261,637	266,911	260,612
	1,313,265	1,977,905	1,298,041	1,976,762

The non-trade amount due from a subsidiary is unsecured, interest-free and repayable on demand. There is no allowance for impairment losses arising from amount due from a subsidiary.

The Group and the Company's exposure to credit and currency risks are disclosed in note 16.

10. CASH AND BANK BALANCES

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Fixed deposits	23,636,082	29,021,457	23,636,082	29,021,457
Cash at bank and in hand	8,238,115	2,953,261	7,832,005	2,869,857
	31,874,197	31,974,718	31,468,087	31,891,314

The weighted average effective interest rate per annum relating to fixed deposits for the Group and Company is 1.5% (2015: 1.4%). Interest rates reprice upon maturity or rollover of the fixed deposits, at intervals of one to three months.

11. ASSETS AND LIABILITIES HELD FOR SALE

On 7 July 2016, the Group, through its wholly-owned subsidiary, Alchymie Investment Pte Ltd, entered into a share sale and purchase agreement with an independent third party, GSiMedia Corp Inc (the Purchaser) to dispose 100% of its equity interest in One Global Inc (OGI) to the Purchaser, which is expected to be completed within the next 12 months. Accordingly, this subsidiary is presented as a disposal group held for sale.

No impairment loss has been made and no accumulative income or expenses were included in OCI in relation to the disposal group.

11. ASSETS AND LIABILITIES HELD FOR SALE (Continued)

Assets and liabilities held for sale

At 31 July 2016, the disposal group comprised the following assets and liabilities:

	2016 $
Group	
Investment property	6,320,986
Trade and other receivables	451
Cash and cash equivalents	205,684
Assets held for sale	6,527,121
Loans and borrowings	6,226,150
Trade and other payables	97,796
Current tax payable	16,963
Liabilities held for sale	6,340,909

12. SHARE CAPITAL AND RESERVES

Share capital

	Number of shares	
	2016	2015
Company		
At 1 August	659,724,000	594,724,000
Issued for cash	–	65,000,000
Share consolidation	(439,819,556)	–
At 31 July	219,904,444	659,724,000

All shares (excluding treasury shares) rank equally with regards to the Company's residual assets. All issued shares are fully paid, with no par value.

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

12. SHARE CAPITAL AND RESERVES (Continued)

Share capital (Continued)

Issue of ordinary shares

On 11 June 2015, through a private placement exercise, the Company allotted and issued 65,000,000 new ordinary shares to Lian Beng Group Ltd at an issue price of $0.11235 per share. Total proceeds of $7,302,750 were raised, of which $57,596 was utilised for expenses incurred for the issue of the new ordinary shares. The net proceeds of $7,245,154 are intended to be used for property related businesses.

During the year, a portion of the proceeds, amounting to $2,875,248 was extended as an interest-free shareholders' loan to the Group's associate (see note 7). The funds are to be used for a property development project in Australia.

Share consolidation

On 1 December 2015, the Company completed the share consolidation of every three ordinary shares into one ordinary share in the capital of the Company, with fractional entitlements to be disregarded. Upon completion of the share consolidation, fractional shares aggregating to 3,556 shares were disregarded and cancelled.

Reserves

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
Legal reserve	17,148	8,599	–	–
Foreign currency translation reserve	(279,039)	(295,084)	–	–
Reserve for own shares	(183,371)	–	(183,371)	–
Retained earnings	14,714,075	15,131,724	14,279,765	14,732,460
	14,268,813	14,845,239	14,096,394	14,732,460

Legal reserve

The legal reserve of the Group represents 10% of the net profit of a subsidiary which is appropriated as required under the legislation of its country of incorporation. Appropriation will cease only when the legal reserve is equivalent to the amount of authorised share capital in the subsidiary. The reserve may be used to offset the subsidiary's accumulated deficit but cannot be distributed as cash dividends; however, 50% of the reserve may be converted to share capital when it reaches an amount equal to one-half of the issued share capital upon approval by the subsidiary's shareholder. If the subsidiary has no earnings in any year but the reserve is in excess of 50% of the amount of issued share capital, the excess can be used to distribute cash dividends.

12. SHARE CAPITAL AND RESERVES (Continued)

Reserves (Continued)

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of a foreign subsidiary and a foreign associate whose functional currency is different from that of the Company.

Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares acquired and held by the Group. As at 31 July 2016, the Group held 829,600 (2015: nil) of the Company's shares.

Dividends

The following dividends were declared and paid by the Group and Company:

For the year ended 31 July

	Group and Company	
	2016	**2015**
	$	**$**
Paid by the Company to owners of the Company		
Final one-tier tax exempt dividend of 0.20 cents (2015: 0.22 cents) per ordinary share	1,319,448	1,308,393

After the respective reporting dates, the following dividends were proposed by the directors. These dividends have not been provided for as at the reporting date:

	Group and Company	
	2016	**2015**
	$	**$**
Final one-tier tax exempt dividend of 0.30 cents per ordinary share (2015: 0.20 cents)	657,225	1,319,448

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2016
continued

13. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2016 $	2015 $	2016 $	2015 $
Group and Company				
Property, plant and equipment	–	–	(1,078,800)	(1,266,000)

Movements in temporary differences during the year

	At 1 August 2014 $	Recognised in profit or loss (note 19) $	Exchange differences $	At 31 July 2015 $	Recognised in profit or loss (note 19) $	Exchange differences $	At 31 July 2016 $
Group							
Property, plant and equipment	(1,616,000)	350,000	–	(1,266,000)	187,200	–	(1,078,800)
Tax value of losses carried forward	14,310	(14,729)	419	–	–	–	–
Valuation allowances	(12,022)	12,374	(352)	–	–	–	–
Other items	(2,288)	2,355	(67)	–	–	–	–
	(1,616,000)	350,000	–	(1,266,000)	187,200	–	(1,078,800)
Company							
Property, plant and equipment	(1,616,000)	350,000	–	(1,266,000)	187,200	–	(1,078,800)

14. LOANS AND BORROWINGS

The Group's exposure to interest rate, foreign currency and liquidity risk are disclosed in note 16.

	Group	
	2016 $	2015 $
Current liabilities		
Secured bank loan	–	6,408,994

The secured bank loan of the Group was secured over an investment property with carrying amount of $5,703,685 and a corporate guarantee of TWD 150,000,000 (equivalent to $6,524,850) by the Company.

During the year, the secured bank loan was reclassified to liabilities held for sale (see note 11).

14. LOANS AND BORROWINGS (Continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

Group	Currency	Effective interest rate %	Year of maturity	Face value $	Carrying amount $
2015					
Secured bank loan	New Taiwan Dollar	See note (a)	2016	6,408,994	6,408,994

(a) The applicable interest rate for the loan was calculated based on lender's cost of fund plus 1.5% per annum.

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
Trade payables	436,789	579,089	436,789	578,084
Accrued operating expenses	2,137,852	2,322,605	2,122,629	2,309,413
Deposit received for sale of disposal group	406,106	–	–	–
Other payables	24,360	162,611	24,360	76,908
	3,005,107	3,064,305	2,583,778	2,964,405

The Group and the Company's exposure to currency and liquidity risk related to trade and other payables are disclosed in note 16.

16. FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

16. FINANCIAL INSTRUMENTS (Continued)

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Risk management policy

Credit risk is the potential financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets in the statements of financial position represent the Group's and the Company's respective maximum exposure to credit risk. The Group and the Company do not hold any collateral in respect of their financial assets.

The Group has established credit limits for customers and monitors their balances. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are of high quality.

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that may have been incurred.

The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		Group Carrying amount		Company Carrying amount	
	Note	2016 $	2015 $	2016 $	2015 $
Loans and receivables	9	1,046,354	1,716,268	1,031,130	1,716,150
Cash and bank balances	10	31,874,197	31,974,718	31,468,087	31,891,314
Recognised financial assets		32,920,551	33,690,986	32,499,217	33,607,464

As at the reporting date, the Group's and Company's top five customers account for $667,404 (2015: $735,510) of loans and receivables' carrying amounts.

16. FINANCIAL INSTRUMENTS (Continued)

Credit risk (Continued)

Impairment losses

The ageing of loans and receivables at the reporting date was:

	Gross 2016 $	Impairment 2016 $	Gross 2015 $	Impairment 2015 $
Group				
Not past due	902,956	–	1,335,817	–
Past due 1 – 30 days	76,939	–	246,249	–
Past due 31 – 60 days	6,828	–	101,579	–
Past due 61 – 90 days	59,024	–	32,623	–
Past due greater than 90 days	607	–	–	–
	1,046,354	–	1,716,268	–
Company				
Not past due	887,732	–	1,335,699	–
Past due 1 – 30 days	76,939	–	246,249	–
Past due 31 – 60 days	6,828	–	101,579	–
Past due 61 – 90 days	59,024	–	32,623	–
Past due greater than 90 days	607	–	–	–
	1,031,130	–	1,716,150	–

The movement in the allowance for impairment in respect of loans and receivables during the year was as follows:

	Group and Company 2016 $	2015 $
At 1 August	–	2,840
Impairment losses utilised	–	(2,840)
At 31 July	–	–

The Group and the Company believe that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment behaviour and extensive analyses of customer credit risk, including underlying customers' credit ratings, when available.

Based on the Group's monitoring of customer credit risk, the Group believes that, apart from the above, no impairment allowance is necessary in respect of loans and receivables not past due or past due.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2016
continued

16. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk on an ongoing basis and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $	Contractual cash flows $	12 months or less $	1 to 5 years $	More than 5 years $
Group					
31 July 2016					
Non-derivative financial liabilities					
Trade and other payables*	2,599,001	(2,599,001)	(2,599,001)	–	–
31 July 2015					
Non-derivative financial liabilities					
Secured bank loan	6,408,994	(6,449,703)	(6,449,703)	–	–
Trade and other payables	3,064,305	(3,064,305)	(3,064,305)	–	–
	9,473,299	(9,514,008)	(9,514,008)	–	–
Company					
31 July 2016					
Non-derivative financial liabilities					
Trade and other payables	2,583,778	(2,583,778)	(2,583,778)	–	–
31 July 2015					
Non-derivative financial liabilities					
Trade and other payables	2,964,405	(2,964,405)	(2,964,405)	–	–

* Excluding deposit received for sale of disposal group.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

16. FINANCIAL INSTRUMENTS (Continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Risk management policy

The Group is exposed to currency risk on sales, purchases and cash holdings that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the United States dollar (USD) and Australian dollar (AUD).

There is no formal hedging policy with respect to foreign exchange exposures. Exposures to currency risk are monitored on an ongoing basis and the Group endeavours to keep the net exposures at an acceptable level, by buying or selling foreign currencies at forward rates when necessary to address short term imbalances. Interest on secured bank loan is denominated in the currency of the borrowing.

Exposure to currency risk

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2016		2015	
	USD $	AUD $	USD $	AUD $
Group and Company				
Trade and other receivables	513,756	60,334	1,047,143	68,853
Cash and bank balances	7,044,100	37,083	1,096,448	866,154
Trade and other payables	(315,886)	–	(677,080)	–
Net exposure	7,241,970	97,417	1,466,511	935,007

Sensitivity analysis – foreign currency risk

A reasonably possible strengthening/(weakening) of the above currencies, as indicated below, against the Singapore dollar at 31 July would have increased/(decreased) profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2015.

	2016 $	2015 $
Group and Company		
USD (10% strengthening)	724,197	146,651
AUD (10% strengthening)	9,742	93,501

A 10% weakening of above currencies against the Singapore dollar would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2016
continued

16. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Interest rate risk

Risk management policy

The Group's exposure to changes in interest rates relates primarily to fixed deposits and a secured bank loan. Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments at the reporting date was:

	Group Carrying amount		Company Carrying amount	
	2016 $	2015 $	2016 $	2015 $
Fixed rate instrument				
Fixed deposits	23,636,082	29,021,457	23,636,082	29,021,457
Variable rate instrument				
Secured bank loan	–	(6,408,994)	–	–

Fair value sensitivity analysis for fixed rate instrument

The Group does not account for the fixed rate financial asset at fair value through profit or loss due to the short period to maturity. Therefore a change in interest rates at the reporting date would not affect profit or loss. Interest rates are repriced upon maturity/rollover of the fixed deposits, at intervals of one to three months.

Cash flow sensitivity analysis for variable rate instrument

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

	100 bp increase $	100 bp decrease $
Group		
31 July 2015		
Variable rate instrument	(64,090)	64,090

16. FINANCIAL INSTRUMENTS (Continued)

Capital management

In managing the capital of the Group, the Board aims to maintain a capital structure which balances the need to maximise the rate of return on capital and at the same time safeguard the Group's ability to continue as a going concern in the long term, maintain investors, creditors and market confidence, and sustain future development of the business.

The Group defines capital as share capital and reserves.

The Group manages the level of capital in proportion to risk and future business development requirements while balancing the need to maximise the return on capital. The Group does not stipulate the desired level of capital. It monitors and manages its capital structure on an ongoing basis and makes adjustments to it in light of changes in economic conditions, risk characteristics of the underlying assets and performance of the Group.

As part of the capital management process, the Group may adjust its level of dividends, issue new shares and/or return capital to shareholders, where appropriate. The Board takes into consideration the cash position and business and capital requirements of the Group when determining the level of dividends to pay shareholders. From time to time, the Company may also purchase its own shares from the market or off-market; the timing of these purchases depends on market conditions and prices.

There was no change to the Group's approach to capital management during the year.

The Company and its subsidiary are not subject to any externally imposed capital requirement except for the legal reserve of a subsidiary of the Group as disclosed in note 12. This externally imposed capital requirement has been complied with by the subsidiary for the financial years ended 31 July 2016 and 31 July 2015.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

16. FINANCIAL INSTRUMENTS (Continued)

Accounting classifications and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	Note	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
Group					
31 July 2016					
Loans and receivables	9	1,046,354	–	1,046,354	1,046,354
Cash and bank balances	10	31,874,197	–	31,874,197	31,874,197
		32,920,551	–	32,920,551	32,920,551
Trade and other payables*	15	–	2,599,001	2,599,001	2,599,001
31 July 2015					
Loans and receivables	9	1,716,268	–	1,716,268	1,716,268
Cash and bank balances	10	31,974,718	–	31,974,718	31,974,718
		33,690,986	–	33,690,986	33,690,986
Loans and borrowings	14	–	6,408,994	6,408,994	6,408,994
Trade and other payables	15	–	3,064,305	3,064,305	3,064,305
		–	9,473,299	9,473,299	9,473,299
Company					
31 July 2016					
Loans and receivables	9	1,031,130	–	1,031,130	1,031,130
Cash and bank balances	10	31,468,087	–	31,468,087	31,468,087
		32,499,217	–	32,499,217	32,499,217
Trade and other payables	15	–	2,583,778	2,583,778	2,583,778
31 July 2015					
Loans and receivables	9	1,716,150	–	1,716,150	1,716,150
Cash and bank balances	10	31,891,314	–	31,891,314	31,891,314
		33,607,464	–	33,607,464	33,607,464
Trade and other payables	15	–	2,964,405	2,964,405	2,964,405

* Excluding deposit received for sale of disposal group.

16. FINANCIAL INSTRUMENTS (Continued)

Accounting classifications and fair values (Continued)

Fair value hierarchy

The table below analyses fair value measurement for assets and liabilities, by levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: unobservable inputs for the asset or liability.

Assets and liabilities not carried at fair values but for which fair values are disclosed#

	Level 1 $	Level 2 $	Level 3 $	Total $
Group				
31 July 2015				
Investment property	–	–	6,567,250	6,567,250
Loans and borrowings	–	6,408,994	–	6,408,994

\# Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

The valuation techniques and the inputs used in the fair value measurements of the financial assets and financial liabilities for measurement and/or disclosure purposes are set out in note 23.

For the financial years ended 31 July 2016 and 31 July 2015, there were no transfers of financial assets between Levels 1, 2 or 3.

17. REVENUE

Group	Continuing operations 2016 $	Continuing operations 2015 $ Restated*	Discontinued operations (see note 20) 2016 $	Discontinued operations (see note 20) 2015 $	Total 2016 $	Total 2015 $
Sale of goods	23,308,972	25,444,107	–	–	23,308,972	25,444,107
Rental income	–	–	351,624	354,189	351,624	354,189
	23,308,972	25,444,107	351,624	354,189	23,660,596	25,798,296

* See note 3.16 and 20.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2016
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18. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

Group	Continuing operations 2016 $	Continuing operations 2015 $ Restated*	Discontinued operations 2016 $	Discontinued operations 2015 $	Total 2016 $	Total 2015 $
Audit fees paid to:						
– auditors of the Company	77,000	75,000	–	–	77,000	75,000
– other auditors	–	–	1,700	1,713	1,700	1,713
Non-audit fees paid to:						
– auditors of the Company	16,600	15,000	–	–	16,600	15,000
– other auditors	15,300	22,100	1,275	856	16,575	22,956
Bad debt recovered	(1,754)	(608)	–	–	(1,754)	(608)
Contributions to defined contribution plans, included in staff costs	679,925	686,889	–	3,862	679,925	690,751
Exchange loss/(gain)	143,612	(183,487)	–	(8)	143,612	(183,479)
Finance costs	–	–	149,596	92,716	149,596	92,716
Gain on sale of property, plant and equipment	–	(33,829)	–	–	–	(33,829)
Government grants, included in staff costs	(271,119)	(166,684)	–	–	(271,119)	(166,684)
Impairment losses recognised on non-financial assets	–	142,150	–	–	–	142,150
Interest income from:						
– banks	(441,781)	(265,970)	(108)	(2,660)	(441,889)	(268,630)
– others	–	(150)	–	–	–	(150)
Operating lease expense	368,947	349,711	548	8,186	369,495	357,897
Property, plant and equipment written off	–	4,137	–	–	–	4,137

* See note 3.16 and 20.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

19. TAX CREDIT

	Group 2016 $	Group 2015 $ Restated*
Tax recognised in profit or loss		
Current tax expense		
Current year	–	–
Over provided in prior years	(285,880)	(414,228)
	(285,880)	(414,228)
Deferred tax expense		
Origination and reversal of temporary differences	(220,881)	(184,000)
Under/(Over) provided in prior years	33,681	(166,000)
	(187,200)	(350,000)
Total tax credit	(473,080)	(764,228)
Reconciliation of effective tax rate		
Profit before tax	382,086	803,620
Tax using the Singapore tax rate at 17% (2015: 17%)	64,955	136,615
Non-deductible expenses	53,686	60,389
Tax incentives	(340,582)	(388,734)
Over provided in prior years	(252,199)	(580,228)
Others	1,060	7,730
	(473,080)	(764,228)

* See note 3.16 and 20.

Tax incentives mainly relate to the Productivity and Innovative Credit (PIC) scheme with respect to the acquisition and leasing of PIC information technology and automation equipment and the acquisition and in-licensing of intellectual property rights for the respective qualifying periods.

20. DISCONTINUED OPERATIONS

Following the contracting of sale and purchase agreement to sell the Group's 100% equity interest in OGI, which is expected to be completed within the next 12 months (note 11), the comparable statement of comprehensive income for OGI has been re-presented to show the discontinued operations separately from continuing operations.

	Group 2016 $	Group 2015 $
Results of discontinued operations		
Revenue	351,624	354,189
Other income	108	2,660
Expenses	(283,472)	(287,575)
Results from operating activities	68,260	69,274
Tax expense	(18,429)	(2,855)
Results from operating activities, net of tax	49,831	66,419
Basic and diluted earnings per share	0.02	0.03

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

20. DISCONTINUED OPERATIONS (Continued)

	Group	
	2016	2015
	$	$
Cash flows from discontinued operations		
Net cash from operating activities	271,772	225,446
Net cash from investing activities	108	2,660
Net cash from financing activities	(149,596)	(481,429)
Net cash flows for the year	122,284	(253,323)

21. EARNINGS PER SHARE

The calculation of basic and dilutive earnings per share at 31 July 2016 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Profit attributable to ordinary shareholders

	Group	
	2016	2015
	$	$
Profit attributable to ordinary shareholders	904,997	1,634,267

Weighted average number of ordinary shares

	Group	
	Number of shares	
	2016	2015 Restated*
Issued shares at 1 August	219,908,000	198,241,333
Effect of shares issued	–	3,027,397
Effect of shares disregarded upon share consolidation	(3,556)	–
Effect of own shares held	(295,897)	–
	219,608,547	201,268,730

* Restated due to share consolidation (see note 12).

22. OPERATING SEGMENTS

The Group has three reportable segments, namely Singapore, Australia and Taiwan, which are the Group's strategic business units operating in different geographical areas. These are managed separately because they require different operating and marketing strategies, given that they operate in and serve customers in different geographical areas. For each of these, the Group's CEO (the chief operating decision maker) reviews internal management reports on a monthly basis.

Information regarding the results, assets and liabilities of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of these segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The accounting policies of the reportable segments are the same as described in note 3.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2016
continued

22. OPERATING SEGMENTS (Continued)

Information about reportable segments

	Singapore		Australia	
	2016	2015	2016	2015
	$	$	$	$
External revenue	23,308,972	25,444,107	–	–
Inter-segment revenue	–	–	–	–
Total revenue for reporting segments	23,308,972	25,444,107	–	–
Interest income	441,781	266,120	–	–
Finance costs	–	–	–	–
Depreciation	(3,145,170)	(3,395,855)	–	–
Share of loss of associate	–	–	(6,238)	–
Reportable segment profit/(loss) before tax	388,324	817,327	(6,238)	–
Tax credit/(expense)	473,080	764,228	–	–
Other material non-cash items:				
Segment assets	47,878,043	52,243,066	2,889,347	–
Capital expenditure	101,219	172,636	–	–
Segment liabilities	3,664,961	4,518,669	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
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Total (Continuing operations)		Taiwan (Discontinued operations)		Total	
2016	2015	2016	2015	2016	2015
$	$	$	$	$	$
23,308,972	25,444,107	351,624	354,189	23,660,596	25,798,296
–	–	–	–	–	–
23,308,972	25,444,107	351,624	354,189	23,660,596	25,798,296
441,781	266,120	108	2,660	441,889	268,780
–	–	(149,596)	(92,716)	(149,596)	(92,716)
(3,145,170)	(3,395,855)	(59,280)	(65,141)	(3,204,450)	(3,460,996)
(6,238)	–	–	–	(6,238)	–
382,086	817,327	62,871	88,978	444,957	906,305
473,080	764,228	(18,429)	(2,855)	454,651	761,373
50,767,390	52,243,066	6,521,732	6,651,794	57,289,122	58,894,860
101,219	172,636	–	–	101,219	172,636
3,664,961	4,518,669	6,340,909	6,511,141	10,005,870	11,029,810

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2016
continued

22. OPERATING SEGMENTS (Continued)

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

	2016 $	2015 $ Restated*
Revenue		
Total revenue for reporting segments	23,660,596	25,798,296
Elimination of discontinued operations	(351,624)	(354,189)
Consolidated revenue	23,308,972	25,444,107
Profit or loss		
Total profit or loss for reportable segments	444,957	906,305
Consolidation adjustments	5,389	(33,411)
Elimination of discontinued operations	(68,260)	(69,274)
Consolidated profit before tax	382,086	803,620
Assets		
Total assets for reportable segments	57,289,122	58,894,860
Other unallocated amounts	466,031	–
Consolidation adjustments	(67,205)	(27,875)
Consolidated total assets	57,687,948	58,866,985
Liabilities		
Total liabilities for reportable segments	10,005,870	11,029,810
Other unallocated amounts	451,778	–
Consolidation adjustments	(30,449)	–
Consolidated total liabilities	10,427,199	11,029,810

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

* See note 3.16 and 20.

Products and services

The Singapore operations are in the business of media storage products and services. The Taiwan operations are involved in the leasing of commercial space. The Australia operations are involved in the property development undertaken by the Group's associate in Australia. Accordingly, information on revenue from external customers is as disclosed above.

22. OPERATING SEGMENTS (Continued)

Geographical information

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

	2016 $	2015 $ Restated*
Revenue		
Singapore	10,794,889	13,399,690
Taiwan	429,707	498,541
Other Asia Pacific	8,434,907	6,729,052
Others	4,001,093	5,171,013
Less: Discontinued operations	(351,624)	(354,189)
	23,308,972	25,444,107

	2016 $	2015 $
Non-current assets#		
Singapore	14,033,693	17,077,644
Taiwan	–	6,567,250
Australia	2,889,347	–
	16,923,040	23,644,894

* See note 3.16 and 20.

\# Non-current assets presented comprise property, plant and equipment, investment property and investment in associate.

Major customers

Revenue from three of the Group's major customers represents approximately 52% (2015: 46%) of the Group's total revenue.

23. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016
continued

23. DETERMINATION OF FAIR VALUES (Continued)

Investment property

As at 31 July 2015, an external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, valued the Group's investment property. The fair value is based on market values (i.e., market comparison approach), being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and without compulsion. Such valuation was based on the price per Ping (a Taiwanese unit of measure for area, equivalent to 3.3 square metres) for the buildings derived from observable market data from an active and transparent market.

In the absence of a price per Ping for similar buildings with comparable lease terms in an active market, the valuations are prepared by considering the estimated rental value of the property (i.e. the income approach). A capitalisation rate of 1.56% was applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents. As a check, a comparison is made against relevant market transactions.

The estimated fair value would increase (decrease) if:

- Estimated rental value used was higher (lower); or
- Capitalisation rate used was lower (higher).

Non-derivative financial liabilities (non-current)

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For secured bank loan, the market rate of interest is determined by reference to similar loan agreements. As at 31 July 2015, the market interest rate adopted to measure the non-current bank loan at amortised cost was 2.52%. The fair value of non-derivative financial liabilities is determined to be not materially different from their carrying amounts.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and bank balances, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

24. OPERATING LEASES

Leases as lessee

The leasehold building which is owned by the Company is built on land subject to a 30-year cancellable lease, commencing from 16 August 1993, and the Company has satisfied the minimum investment criteria set by the lessor for an additional 30-year lease. The annual land rent paid/payable under the lease agreement for the year ended 31 July 2016 was $368,947 (2015: $349,711). The land rental is subject to review every year, with a maximum increase in rent not exceeding 5.5% of the annual rent for the preceding year.

24. OPERATING LEASES (Continued)

Leases as lessee (Continued)

The Group leases out its investment property. The future minimum lease receivables under these non-cancellable leases were as follows:

	Group	
	2016	2015
	$	$
Within one year	–	351,330
Between one and five years	–	308,745
	–	660,075

During the year, rental income and direct operating expenses relating to investment property that generate rental income of $351,624 (2015: $354,189) and $26,975 (2015: $38,313), respectively, were recognised in profit or loss by the Group.

25. CAPITAL COMMITMENTS

	Group and Company	
	2016	2015
	$	$
Authorised but not contracted for	5,000,000	5,000,000

26. RELATED PARTIES

Transactions with key management personnel

Key management personnel compensation

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

Compensation paid/payable to key management personnel comprise:

	Group	
	2016	2015
	$	$
Short-term employee benefits	1,178,095	1,134,467
Post-employment benefits	31,319	37,346
	1,209,414	1,171,813

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Year ended 31 July 2016
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27. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation of property, plant and equipment and investment property

Property, plant and equipment and investment property are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment and investment property to be within 3 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and future depreciation charges could also be revised.

Income taxes

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

Measurement of recoverable amounts of loans and receivables

The Group maintains an allowance for doubtful accounts at a level considered adequate to provide for potential uncollectible loans and receivables. The level of this allowance is based on the evaluation of collectability and ageing analysis of loans and receivables and on the estimation of the management. A considerable amount of estimation is required in assessing the ultimate realisation of these loans and receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers in the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment losses may be recorded.

28. SUBSEQUENT EVENT

The disposal of 100% equity interest in the Group's wholly owned subsidiary, OGI, for a consideration of TWD 144,500,000 (equivalent to $6,064,000) was completed on 19 August 2016.

SHAREHOLDING STATISTICS

As at 13 October 2016

Number of shares in issue (including treasury shares)	:	219,904,444
Number and percentage of treasury shares held	:	829,600 or 0.379%#
Number of shares in issue (excluding treasury shares)	:	219,074,844
Class of shares	:	Ordinary shares
Number of shareholders (excluding shares held in treasury)	:	9,561
Voting rights	:	On a poll: 1 vote for each share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

Range of shareholdings	No. of shareholders	%	No. of shares (excluding treasury shares)	%#
1 – 99	59	0.617	2,791	0.001
100 – 1,000	2,406	25.165	1,773,081	0.809
1,001 – 10,000	5,235	54.754	22,438,420	10.243
10,001 – 1,000,000	1,845	19.297	74,566,608	34.037
1,000,001 and above	16	0.167	120,293,944	54.910
	9,561	100.000	219,074,844	100.000

Percentage is calculated based on 219,074,844 issued shares, excluding treasury shares.

Substantial shareholders

Name	Direct interest		Deemed interest	
	No. of shares	%(1)	No. of shares	%(1)
Ng Cheow Chye	48,947,366	22.343	–	–
Uniseraya Holdings Pte Ltd(2)	33,733,333	15.398	–	–
Ng Khim Guan(3)	166,666	0.076	33,733,333	15.398
Kwek Li Chien(3)	–	–	33,733,333	15.398
Ng Han Meng(4)	1,261,332	0.576	33,733,333	15.398
Ng Bie Tjin @ Djuniarti Intan(3)	1,314,800	0.600	33,733,333	15.398

(1) Percentage is calculated based on 219,074,844 issued shares, excluding treasury shares.

(2) Uniseraya Holdings Pte Ltd's direct interest includes 10,000,000 shares held in the name of nominee account.

(3) Mr Ng Khim Guan, Ms Kwek Li Chien and Ms Ng Bie Tjin @ Djuniarti Intan's deemed interests arise from the 33,733,333 shares in which Uniseraya Holdings Pte Ltd has an interest.

(4) Mr Ng Han Meng's direct interest includes 1,177,999 shares held in the names of nominee accounts, and his deemed interest arises from the 33,733,333 shares in which Uniseraya Holdings Pte Ltd has an interest.

SHAREHOLDING STATISTICS
As at 13 October 2016
continued

Top twenty shareholders

No.	Name	No. of shares	%#
1.	NG CHEOW CHYE	48,947,366	22.343
2.	UNISERAYA HOLDINGS PTE LTD	23,733,333	10.833
3.	SINGAPORE NOMINEES PTE LTD	10,013,333	4.571
4.	HUANG SHUHUI CHERYL	7,704,333	3.517
5.	DBS NOMINEES PTE LTD	5,859,288	2.675
6.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,541,527	2.073
7.	PEH KWEE YONG	2,953,333	1.348
8.	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,506,364	1.144
9.	TEO KEE BOCK	2,327,533	1.062
10.	RAFFLES NOMINEES (PTE) LTD	2,096,251	0.957
11.	MAYBANK KIM ENG SECURITIES PTE LTD	2,080,093	0.949
12.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,055,339	0.938
13.	PHILLIP SECURITIES PTE LTD	1,927,218	0.880
14.	CHONG KWEN SAM	1,471,900	0.672
15.	TAY SEOW WAH @ TAY SIEW WAH	1,075,433	0.491
16.	MS VENTURE PTE LTD	1,001,300	0.457
17.	OCBC SECURITIES PRIVATE LTD	913,290	0.417
18.	LAI WENG KAY	851,000	0.388
19.	UOB KAY HIAN PTE LTD	816,659	0.373
20.	POH KHENG MUI (FU QINGMEI)	780,666	0.356
		123,655,559	56.444

Percentage is calculated based on 219,074,844 issued shares, excluding treasury shares.

Shareholdings in the hands of public

The percentage of shareholdings in the hands of the public is approximately 57%. Hence, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited which states that an issuer must ensure that at least 10% of its listed securities is at all times held by the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the thirty-sixth annual general meeting of Datapulse Technology Limited (the "**Company**") will be held at Furama Riverfront, Venus 1, Level 3, 405 Havelock Road, Singapore 169633 on Wednesday, 23 November 2016 at 2.00 p.m. for the following purposes:

Ordinary Business

1 To receive and adopt the directors' statement and audited financial statements for the year ended 31 July 2016 and the auditors' report thereon. **(Resolution 1)**

2 To declare a final one-tier tax exempt dividend of 0.30 cents per share for the year ended 31 July 2016. **(Resolution 2)**

3 To approve the payment of directors' fees of S$150,000 for the year ended 31 July 2016 (2015: S$150,000). **(Resolution 3)**

4 To re-elect the following directors who retire by rotation pursuant to Article 100 of the Company's Constitution and who, being eligible, offer themselves for re-election:

(A) Mr Ng Cheow Leng **(Resolution 4)**

Note: Key information on Mr Ng Cheow Leng is set out on page 10 of the annual report.

(B) Mr Hee Theng Fong **(Resolution 5)**

Note: Mr Hee Theng Fong will upon re-election as a director of the Company, remain as the chairman of the board of directors, chairman of the nominating committee and a member of the audit and remuneration committees, and be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Key information on Mr Hee is set out on page 9 of the annual report.

5 To re-appoint KPMG LLP as auditors of the Company and to authorise the directors to fix their remuneration. **(Resolution 6)**

Special Business

To consider and, if thought fit, to pass with or without any modifications, the following resolutions as ordinary resolutions:

6 That pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**") and Rule 806 of the Listing Manual of the SGX-ST, authority be and is hereby given to the directors of the Company to:

(A) (I) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(II) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors of the Company may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING
continued

(B) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the directors of the Company while this resolution was in force,

provided that:

(I) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (II) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (II) below);

(II) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (I) above, the total number of issued shares (excluding treasury shares) of the Company shall be based on the total number of issued shares (excluding treasury shares) of the Company as at the time of the passing of this resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting as at the time of the passing of this resolution, provided the options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(III) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and

(IV) the authority conferred on the directors of the Company pursuant to this resolution may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:

(a) the date on which the next annual general meeting of the Company is held or required by law to be held;

(b) in the case of shares issued in pursuance of the Instruments, made or granted pursuant to this resolution, until the issuance of such shares in accordance with the terms of the Instruments; or

(c) the date on which the authority conferred in this resolution is varied or revoked by an ordinary resolution of the shareholders of the Company in general meeting.

[see Explanatory Note 1] **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING
continued

7 That:

(A) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(I) on-market purchases (each a "**Market Purchase**") transacted through the SGX-ST trading system or on another stock exchange on which the Company's equity securities are listed; and/or

(II) off-market purchases (each an "**Off-Market Purchase**") in accordance with an equal access scheme as defined in Section 76C of the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(B) the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:

(I) the conclusion of the next annual general meeting of the Company or the date on which such annual general meeting of the Company is required by law to be held;

(II) the date on which Share purchases have been carried out to the full extent of the Share Purchase Mandate; or

(III) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of the shareholders of the Company in general meeting;

(C) in this resolution:

"**Prescribed Limit**" means ten percent (10%) of the issued Shares (excluding treasury shares) of the Company as at the date of the passing of this resolution; and "**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(I) in the case of a Market Purchase: 105% of the Average Closing Price; and

(II) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days (being days on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period;

NOTICE OF ANNUAL GENERAL MEETING
continued

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(D) the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.

[see Explanatory Note 2] **(Resolution 8)**

AND to transact any other business which may be properly transacted at an annual general meeting.

By Order of the Board

Lee Kam Seng
Company Secretary

Singapore
7 November 2016

NOTICE OF ANNUAL GENERAL MEETING
continued

Explanatory Notes

1 Resolution 7 proposed in item 6 above, if passed, will empower the directors of the Company from the date of this general meeting until the next annual general meeting or the date by which the next annual general meeting is required by law to be held or when revoked by the Company in general meeting, whichever is earlier, to issue shares and make or grant Instruments convertible into shares up to an amount not exceeding 50% of the total number of issued shares (excluding treasury shares) of the Company at the time of passing this resolution, provided that the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders pursuant to this resolution shall not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company. The percentage of issued shares is based on the Company's total number of issued shares (excluding treasury shares) of the Company at the time the proposed Resolution 7 is passed after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities; (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time the proposed Resolution 7 is passed; and (c) any subsequent bonus issue, consolidation or subdivision of shares.

2 Resolution 8 proposed in item 7 above, if passed, will empower the Company to purchase or otherwise acquire issued Shares by way of Market Purchases or Off-Market Purchases, in accordance with the terms and conditions set out in the Appendix to this notice of annual general meeting.

Please refer to the Appendix to this notice of annual general meeting of the Company for additional information in relation to the proposed renewal of the Share Purchase Mandate.

Notes

(i) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

(ii) A proxy need not be a member of the Company.

(iii) The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar Office, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902, not less than 48 hours before the time appointed for the holding of the meeting.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the annual general meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the annual general meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF BOOK CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 1 December 2016 for the purpose of determining the members' entitlements to the final one-tier tax exempt dividend of 0.30 cents per share for the year ended 31 July 2016.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 30 November 2016 will be registered before members' entitlements to the dividends are determined.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 30 November 2016 will be entitled to the dividend.

Payment of the dividend, if approved by members at the Company's thirty-sixth annual general meeting, will be made on 9 December 2016.

By Order of the Board

Lee Kam Seng
Company Secretary

Singapore
7 November 2016

DATAPULSE TECHNOLOGY LIMITED

(Incorporated In The Republic Of Singapore)
Company Registration No. 198002677D

PROXY FORM
THIRTY-SIXTH ANNUAL GENERAL MEETING

IMPORTANT

1 Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the annual general meeting.

2 For CPF/SRS investors who have used their CPF/SRS monies to buy Datapulse Technology Limited shares, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

3 By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the notice of annual general meeting dated 7 November 2016.

I/We ______________________________ NRIC/Passport/Co. Reg. No. ______________

of ____

being a member/members of **Datapulse Technology Limited** hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the thirty-sixth annual general meeting of the Company to be held at Furama Riverfront, Venus 1, Level 3, 405 Havelock Road, Singapore 169633 on Wednesday, 23 November 2016 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the annual general meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the annual general meeting.

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" or a "✓" in the relevant box provided below. Alternatively, if you wish to vote some of your shares "For" and some of your shares "Against" the relevant resolution, please insert the relevant number of shares in the relevant boxes provided below.)

No.	Resolutions	No. of Votes "For"	No. of Votes "Against"
Ordinary Business			
1	To receive and adopt the directors' statement and audited financial statements		
2	To declare a final one-tier tax exempt dividend		
3	To approve the payment of directors' fees		
4	To re-elect Mr Ng Cheow Leng as director		
5	To re-elect Mr Hee Theng Fong as director		
6	To re-appoint KPMG LLP as auditors and to authorise the directors to fix their remuneration		
Special Business			
7	To authorise the directors to allot and issue shares		
8	To approve the proposed renewal of share purchase mandate		

Dated this __________ day of ____________________ 2016

Total Number of Ordinary Shares Held

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1 If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If the number of shares is not inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

3 A proxy need not be a member of the Company.

4 The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar Office, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902, not less than 48 hours before the time appointed for the holding of the meeting.

5 The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.

6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7 A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

8 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting.

9 Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Hee Theng Fong
Ng Cheow Chye
Si Yok Fong @ Chin Yok Fong
Ng Cheow Leng
Hilary Quah Lam Seng
Guok Chin Huat Samuel

AUDIT COMMITTEE

Guok Chin Huat Samuel, Chairman
Hee Theng Fong, Member
Hilary Quah Lam Seng, Member

NOMINATING COMMITTEE

Hee Theng Fong, Chairman
Hilary Quah Lam Seng, Member
Guok Chin Huat Samuel, Member
Ng Cheow Chye, Member

REMUNERATION COMMITTEE

Hilary Quah Lam Seng, Chairman
Hee Theng Fong, Member
Guok Chin Huat Samuel, Member
Ng Cheow Chye, Member

COMPANY SECRETARY

Lee Kam Seng

REGISTERED OFFICE

Company Registration No. 198002677D
15A Tai Seng Drive
Datapulse Industrial Building
Singapore 535225
Tel: (65) 6382 7989
Fax: (65) 6382 8070
Email: dtpulse@datapulse.com.sg
Website: www.datapulse.com.sg

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

AUDITORS

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Engagement Partner: Tan Kar Yee Linda
(Appointed since FY2015)

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

DATAPULSE TECHNOLOGY LIMITED

Registration no. 198002677D
15A Tai Seng Drive
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tel +65 6382 7989
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email dtpulse@datapulse.com.sg
www.datapulse.com.sg