



DATAPULSE
TECHNOLOGY

Company Registration No. 198002677D

Datapulse Technology Limited

Second Quarter Financial Statements and Dividend Announcement

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Profit or Loss

GROUP	Three Months	Three Months	Change	Half Year	Half Year	Change
	Ended	Ended		Ended	Ended	
	31.01.19	31.01.18	%	31.01.19	31.01.18	%
	\$'000	\$'000		\$'000	\$'000	
		(Restated)			(Restated)	
<u>Continuing operations</u>						
Revenue	459	187	145.5	721	187	285.6
Other income	189	96	96.9	651	197	230.5
	<u>648</u>	<u>283</u>		<u>1,372</u>	<u>384</u>	
Changes in inventories and raw materials usage	(210)	(82)	156.1	(328)	(82)	300.0
Depreciation	(14)	(8)	75.0	(28)	(8)	250.0
Staff costs	(298)	(247)	20.6	(523)	(445)	17.5
Other operating expenses	(448)	(674)	(33.5)	(680)	(757)	(10.2)
Finance costs	(1)	(1)	-	(3)	(1)	NM
Total operating expenses	<u>(971)</u>	<u>(1,012)</u>	<u>(4.1)</u>	<u>(1,562)</u>	<u>(1,293)</u>	<u>20.8</u>
Loss before tax and exceptional item	(323)	(729)		(190)	(909)	
Exceptional item - Gain on sale of leasehold property	-	44,554	NM	-	44,554	NM
(Loss)/Profit before tax	(323)	43,825		(190)	43,645	
Income tax expense	(13)	(1,028)	NM	(15)	(1,028)	NM
(Loss)/Profit from continuing operations	(336)	42,797	NM	(205)	42,617	NM
<u>Discontinued Operations**</u>						
Loss from discontinued operations (net of tax)	-	(4,679)	NM	-	(5,830)	NM
(Loss)/Profit for the period attributable to owners of the Company	(336)	38,118	NM	(205)	36,787	NM

** During the previous financial year, the Group and the Company ceased its operations pertaining to the manufacture and sale of media storage products (the "Media Storage Business"). Accordingly, the results from the Media Storage Business have been presented as discontinued operations in the Group's statement of profit or loss.

The Group acquired Wayco Manufacturing (M) Sdn Bhd ("Wayco") on 15 December 2017, i.e. in the three months ended 31.01.18 ("2Q FY2018").

NM: Not meaningful.

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Consolidated Statement of Comprehensive income

	Three Months	Three Months	Change	Half Year	Half Year	Change
	Ended	Ended		Ended	Ended	
GROUP	31.01.19	31.01.18	%	31.01.19	31.01.18	%
	\$'000	\$'000		\$'000	\$'000	
(Loss)/Profit for the period	(336)	38,118	NM	(205)	36,787	NM
<u>Other comprehensive income</u>						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	(79)	59	NM	(108)	59	NM
Other comprehensive income attributable to owners of the Company	(79)	59	NM	(108)	59	NM
Other comprehensive income for the period	(79)	59	NM	(108)	59	NM
Total comprehensive income for the period attributable to owners of the Company	(415)	38,177	NM	(313)	36,846	NM

NM: Not meaningful.

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Notes	Three Months Ended 31.01.19			Three Months Ended 31.01.18 (Restated)			Change %
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue:							
Sale of goods	376	-	376	187	4,315	4,502	(91.6)
Dividend income	79	-	79	-	-	-	NM
Interest income on bond investment	4	-	4	-	-	-	NM
	459	-	459	187	4,315	4,502	
Other income:							
Gain on sale of plant and equipment	-	-	-	-	149	149	NM
Interest income	218	-	218	94	-	94	131.9
Sundry income	11	-	11	2	36	38	(71.1)
Fair value loss on investments	(40)	-	(40)	-	-	-	NM
	189	-	189	96	185	281	
Depreciation of property, plant and equipment	(14)	-	(14)	(8)	(190)	(198)	NM
Other operating expenses include the following items:							
Exchange gain/(loss)	(15)	-	(15)	(289)	-	(289)	(94.8)
Allowance for inventory obsolescence	-	-	-	-	(66)	(66)	NM
Impairment loss on property, plant and equipment	-	-	-	-	(527)	(527)	NM
Plant and equipment written off	-	-	-	-	(39)	(39)	NM
	(13)	-	(13)	(1,028)	634	(394)	NM

NM: Not meaningful.

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Notes	Half Year Ended 31.01.19			Half Year Ended 31.01.18 (Restated)			Change %
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue:							
Sale of goods	638	-	638	187	8,200	8,387	(92.4)
Dividend income	79	-	79	-	-	-	NM
Interest income on bond investment	4	-	4	-	-	-	NM
	721	-	721	187	8,200	8,387	
Other income:							
Gain on sale of plant and equipment	2	-	2	-	149	149	(98.7)
Interest income	593	-	593	195	-	195	204.1
Sundry income	20	-	20	2	52	54	(63.0)
Fair value gain on investments	36	-	36	-	-	-	NM
	651	-	651	197	201	398	
Depreciation of property, plant and equipment	(28)	-	(28)	(8)	(750)	(758)	NM
Other operating expenses include the following items:							
Exchange gain/(loss)	91	-	91	(287)	-	(287)	(131.7)
Allowance for inventory obsolescence	-	-	-	-	(66)	(66)	NM
Impairment loss on property, plant and equipment	-	-	-	-	(1,881)	(1,881)	NM
Plant and equipment written off	-	-	-	-	(39)	(39)	NM
	(15)	-	(15)	(1,028)	634	(394)	NM

NM: Not meaningful.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statements of Financial Position

	GROUP			COMPANY		
	31.01.19 \$'000	31.07.18 \$'000	Change %	31.01.19 \$'000	31.07.18 \$'000	Change %
Non-current assets						
Property, plant and equipment	2,194	2,235	(1.8)	31	9	244.4
Investment property	-	335	NM	-	-	-
Subsidiaries	-	-	-	2,292	2,291	0.0
	2,194	2,570	(14.6)	2,323	2,300	1.0
Current assets						
Inventories	484	484	-	-	-	NM
Trade and other receivables	4,502 ⁽²⁾	454	NM	230	380	(39.5)
Amounts due from subsidiaries	-	-	-	4,762	-	NM
Short-term investments ⁽¹⁾	6,505	-	100.0	6,505	-	NM
Cash and bank balances	67,256	81,184	(17.2)	66,778	81,162	(17.7)
Assets held for sale	329 ⁽³⁾	380 ⁽⁴⁾	(13.4)	-	380	NM
	79,076	82,502	(4.2)	78,275	81,922	(4.5)
Total assets	81,270	85,072	(4.5)	80,598	84,222	(4.3)
Equity attributable to owners of the						
Share capital	32,992	32,992	-	32,992	32,992	-
Reserves	45,669	48,173	(5.2)	45,645	48,108	(5.1)
Total equity	78,661	81,165	(3.1)	78,637	81,100	(3.0)
Non-current liabilities						
Deferred tax liabilities	237	239	(0.8)	44	44	-
	237	239	(0.8)	44	44	-
Current liabilities						
Bank overdraft	16	123	(87.0)	-	-	-
Trade and other payables	1,084	1,994	(45.6)	658	1,548	(57.5)
Current tax payable	1,272	1,551	(18.0)	1,259	1,530	(17.7)
	2,372	3,668	(35.3)	1,917	3,078	(37.7)
Total liabilities	2,609	3,907	(33.2)	1,961	3,122	(37.2)
Total equity and liabilities	81,270	85,072	(4.5)	80,598	84,222	(4.3)

NM: Not meaningful.

Notes:

⁽¹⁾ Short-term investments comprised quoted investments held for trading purposes and were carried at fair value through profit or loss.

⁽²⁾ Trade and other receivables as at 31 January 2019 included a deposit paid of \$4.28 million for the acquisition of a hotel property in Korea.

⁽³⁾ The Group, through its subsidiary, Wayco Manufacturing (M) Sdn Bhd ("Wayco") accepted an offer to sell its investment property to an unrelated third party at a consideration of \$0.3 million. Consequently, the investment property had been reclassified to assets held for sale as at 31 January 2019.

⁽⁴⁾ On 25 July 2018, the Company entered into a sale and purchase agreement to dispose all of its Blu-Ray replication line equipment, which were previously used for the Media Storage Business. The sale was completed on 6 August 2018. Accordingly, the Blu-Ray replication line equipment had been reclassified to assets held for sale as at 31 July 2018.

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

Amount repayable in one year or less, or on demand

As at 31.01.19		As at 31.07.18	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
16	-	123	-

Amount repayable after one year

As at 31.01.19		As at 31.07.18	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The secured borrowings as at 31 January 2019 relate to bank overdraft of the Group's subsidiary, which is secured by a fixed charge over certain freehold land and building of the subsidiary and a personal guarantee from a director of the subsidiary.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows

GROUP	Three Months Ended 31.01.19	Three Months Ended 31.01.18	Half Year Ended 31.01.19	Half Year Ended 31.01.18
	\$'000	\$'000	\$'000	\$'000
<u>Operating activities</u>				
Profit/(Loss) for the period	(336)	38,118	(205)	36,787
Adjustments for:				
Allowance for inventory obsolescence	-	66	-	66
Depreciation	14	198	28	758
Dividend income	(79)	-	(79)	-
Fair value loss/(gain) on investments	40	-	(36)	-
Finance costs	1	1	3	1
Gain on sale of leasehold property	-	(44,554)	-	(44,554)
Gain on sale of plant and equipment	-	(149)	(2)	(149)
Impairment loss recognised on property, plant and equipment	-	527	-	1,881
Income tax expense	13	394	15	394
Interest income	(222)	(94)	(597)	(195)
Plant and equipment written off	-	39	-	39
	<u>(569)</u>	<u>(5,454)</u>	<u>(873)</u>	<u>(4,972)</u>
Changes in working capital:				
Inventories	26	1,427	(9)	694
Trade and other receivables	(27)	1,351	56	208
Trade and other payables	(901)	2,663	(1,055)	3,606
Cash used in operations	<u>(1,471)</u>	<u>(13)</u>	<u>(1,881)</u>	<u>(464)</u>
Income tax paid, net	(279)	(2)	(292)	(2)
Net cash used in operating activities	<u>(1,750)</u>	<u>(15)</u>	<u>(2,173)</u>	<u>(466)</u>
<u>Investing activities</u>				
Acquisition of subsidiary, net of cash acquired	-	(3,541)	-	(3,541)
Deposit received for disposal of leasehold property	-	-	-	5,152
Deposit paid for acquisition of hotel property	(4,284)	-	(4,284)	-
Deposit and stamp duty paid for purchase of leasehold property	-	-	-	(1,360)
Deposit refunded for purchase of property	-	1,050	-	1,050
Deposit received for disposal of subsidiary	159	-	159	-
Dividend received	79	-	79	-
Interest received	445	108	735	264
Receipt of balance proceeds from sale of leasehold property, net of expenses	-	47,513	-	47,513
Refundable earnest money paid	-	-	(869)	-
Refund of earnest money	852	-	852	-
Proceeds from disposal of plant and equipment	-	205	383	205
Purchase of investments	(1,132)	-	(6,465)	-
Purchase of plant and equipment	(22)	-	(29)	(6)
Net cash (used in)/ generated from investing activities	<u>(3,903)</u>	<u>45,335</u>	<u>(9,439)</u>	<u>49,277</u>

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Consolidated Statement of Cash Flows (cont'd)

GROUP	Three Months Ended 31.01.19 \$'000	Three Months Ended 31.01.18 \$'000	Half Year Ended 31.01.19 \$'000	Half Year Ended 31.01.18 \$'000
<u>Financing activities</u>				
Dividends paid	(2,191)	(1,095)	(2,191)	(1,095)
Interest paid	(1)	(1)	(3)	(1)
Amounts owing from related parties (non-trade)	(35)	(10)	(7)	(10)
Repurchase of own shares	-	(15)	-	(15)
Proceeds from sale of own shares	-	16	-	16
Net cash used in financing activities	(2,227)	(1,105)	(2,201)	(1,105)
Net (decrease)/increase in cash and cash equivalents	(7,880)	44,215	(13,813)	47,706
Cash and cash equivalents at beginning of period	75,130	43,018	81,061	39,522
Effect of exchange rate changes on balances held in foreign currency	(10)	(157)	(8)	(152)
Cash and cash equivalents at end of period	67,240	87,076	67,240	87,076
<u>Note</u>				
Cash and cash equivalents at end of period comprise the following:				
Cash and bank balances	67,256	87,215	67,256	87,215
Bank overdraft	(16)	(139)	(16)	(139)
	67,240	87,076	67,240	87,076

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Changes in Equity

	Share capital \$'000	Reserve for own shares \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
GROUP					
At 1 August 2017	32,992	(183)	-	17,110	49,919
<i>Loss for the period</i>	-	-	-	(1,331)	(1,331)
<u>Other comprehensive income</u>					
<i>Total other comprehensive income</i>	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(1,331)	(1,331)
Transactions with owners, recorded directly in equity					
<i>Total contributions by and distributions to owners</i>	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
At 31 October 2017	32,992	(183)	-	15,779	48,588
At 1 November 2017	32,992	(183)	-	15,779	48,588
Total comprehensive income for the period					
<i>Profit for the period</i>	-	-	-	38,118	38,118
<u>Other comprehensive income</u>					
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	59	-	59
<i>Total other comprehensive income</i>	-	-	59	-	59
Total comprehensive income for the period	-	-	59	38,118	38,177
Transactions with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Final 1-tier tax-exempt dividend paid of 0.50 cents per share for FY2017	-	-	-	(1,095)	(1,095)
Own shares acquired	-	(15)	-	-	(15)
Own shares sold	-	11	-	5	16
<i>Total contributions by and distributions to owners</i>	-	(4)	-	(1,090)	(1,094)
Total transactions with owners	-	(4)	-	(1,090)	(1,094)
At 31 January 2018	32,992	(187)	59	52,807	85,671

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Consolidated Statement of Changes in Equity

	Share capital \$'000	Reserve for own shares \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
GROUP						
At 1 August 2018	32,992	(187)	21	30	48,309	81,165
<i>Profit for the period</i>	-	-	-	-	131	131
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	-	(29)	-	(29)
<i>Total other comprehensive income</i>	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(29)	131	102
Transactions with owners, recorded directly in equity						
<i>Total contributions by and distributions to owners</i>	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
At 31 October 2018	32,992	(187)	21	1	48,440	81,267
At 1 November 2018	32,992	(187)	21	1	48,440	81,267
Total comprehensive income for the period						
<i>Loss for the period</i>	-	-	-	-	(336)	(336)
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of foreign subsidiaries	-	-	-	(79)	-	(79)
<i>Total other comprehensive income</i>	-	-	-	(79)	-	(79)
Total comprehensive income for the period	-	-	-	(79)	(336)	(415)
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Final 1-tier tax-exempt dividend paid of 1 cent per share for FY2018	-	-	-	-	(2,191)	(2,191)
<i>Total contributions by and distributions to owners</i>	-	-	-	-	(2,191)	(2,191)
Total transactions with owners	-	-	-	-	(2,191)	(2,191)
At 31 January 2019	32,992	(187)	21	(78)	45,913	78,661

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Statement of Changes in Equity

COMPANY	Share capital \$'000	Reserve for own shares \$'000	Retained earnings \$'000	Total equity \$'000
At 1 August 2017	32,992	(183)	10,996	43,805
Total comprehensive income for the period				
<i>Loss for the period</i>	-	-	(1,331)	(1,331)
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the period	-	-	(1,331)	(1,331)
Transactions with owners, recorded directly in equity	-	-	-	-
At 31 October 2017	32,992	(183)	9,665	42,474
At 1 November 2017	32,992	(183)	9,665	42,474
Total comprehensive income for the period				
<i>Profit for the period</i>	-	-	44,184	44,184
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the period	-	-	44,184	44,184
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Final 1-tier tax-exempt dividend paid of 0.50 cents per share for FY2017	-	-	(1,095)	(1,095)
Own shares acquired	-	(15)	-	(15)
Own shares sold	-	11	5	16
<i>Total contributions by and distributions to owners</i>	-	(4)	(1,090)	(1,094)
Total transactions with owners	-	(4)	(1,090)	(1,094)
At 31 January 2018	32,992	(187)	52,759	85,564

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Statement of Changes in Equity

COMPANY	Share capital \$'000	Reserve for own shares \$'000	Retained earnings \$'000	Total equity \$'000
At 1 August 2018	32,992	(187)	48,295	81,100
Total comprehensive income for the period				
<i>Profit for the period</i>	-	-	101	101
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the period	-	-	101	101
Transactions with owners, recorded directly in equity	-	-	-	-
At 31 October 2018	32,992	(187)	48,396	81,201
At 1 November 2018	32,992	(187)	48,396	81,201
Total comprehensive income for the period				
<i>Loss for the period</i>	-	-	(373)	(373)
<i>Total other comprehensive income</i>	-	-	-	-
Total comprehensive income for the period	-	-	(373)	(373)
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Final 1-tier tax-exempt dividend paid of 1 cent per share for FY2018	-	-	(2,191)	(2,191)
<i>Total contributions by and distributions to owners</i>	-	-	(2,191)	(2,191)
Total transactions with owners	-	-	(2,191)	(2,191)
At 31 January 2019	32,992	(187)	45,832	78,637

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

For the quarter ended 31 January 2019, there was no change to the share capital of the Company.

As at 31 January 2019, the Company held 829,600 treasury shares (31 January 2018: 829,600).

The Company did not have any outstanding share options and convertibles at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

1(d)(iii) Total number of issued shares excluding treasury shares (a) as at the end of the current financial period and (b) as at the end of the immediately preceding year.

	COMPANY	
	As at 31.01.19	As at 31.07.18
Number of issued ordinary shares, excluding treasury shares, at the end of the period	219,074,844	219,074,844

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5, the financial statements have been prepared using the same accounting policies and methods of computation as presented in the audited financial statements for the financial year ended 31 July 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Group's financial statements for the financial year ending 31 July 2019 will be prepared in accordance with SFRS(I) and IFRS.

In adopting the new SFRS(I) framework with effect from 1 August 2018, the Group is required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change (cont'd).

In addition to the adoption to the new SFRS(I) framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date:

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- Requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and Measurement of Share-based Payment Transactions* issued by the IASB in June 2016;
- Requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 *Transfers of Investment Property* issued by the IASB in December 2016;
- Requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of Short-term Exemptions for First-time Adopters* issued by the IASB in December 2016;
- Requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an Associate or Joint Venture at Fair Value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The adoption of the above standards and interpretations did not have any significant impact on the Group's financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP						GROUP					
	Quarter ended 31.01.2019			Quarter ended 31.01.2018			Half year ended 31.01.2019			Half year ended 31.01.2018		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit/(Loss) attributable to owners of the Company (\$'000)	(336)	-	(336)	42,797	(4,679)	38,118	(205)	-	(205)	42,617	(5,830)	36,787
Weighted average no. of shares used in computation of basic earning per shares (in million)	219.07	219.07	219.07	219.07	219.07	219.07	219.07	219.07	219.07	219.07	219.07	219.07
Earnings per share												
(a) Based on the weighted average number of shares in issue	(0.15) cents	NA	(0.15) cents	19.54 cents	(2.14) cents	17.40 cents	(0.09) cents	NA	(0.09) cents	19.45 cents	(2.66) cents	16.79 cents
(b) On a fully diluted basis	(0.15) cents	NA	(0.15) cents	19.54 cents	(2.14) cents	17.40 cents	(0.09) cents	NA	(0.09) cents	19.45 cents	(2.66) cents	16.79 cents

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 31.01.19	As at 31.07.18	As at 31.01.19	As at 31.07.18
Net Asset Value per ordinary share based on issued share capital at the end of the period	35.91 cents	37.05 cents	35.90 cents	37.02 cents

Note: The Net Asset Value per ordinary share is calculated based on 219.07 million (31 July 2018: 219.07 million) ordinary shares in issue at the end of the financial period.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Three Months ended 31.01.19 ("2Q FY2019")

The Group's revenue for 2Q FY2019 comprised mainly revenue generated from sale of goods by the Group's subsidiary, Wayco of \$0.38 million, and dividend income of \$0.08 million from investments. The Group acquired Wayco on 15 December 2017, i.e. in the three months ended 31.01.18 ("2Q FY2018").

After the Group's sale of its Tai Seng leasehold property in the previous financial year, all operations staff were retrenched and the Group entered into a sale and purchase agreement to dispose all of its remaining Blu-Ray replication lines equipment used in the Media Storage Business on 25 July 2018. Consequently, the results from the Media Storage Business have been presented as discontinued operations in the Group's statement of profit or loss.

Changes in inventories and raw materials usage were related to Wayco's operations.

The increase in other income during 2Q FY2019 was mainly due to higher interest income recorded for the period.

Staff costs for 2Q FY2019 increased by 20.6% compared to 2Q FY2018.

The decrease in other operating expenses of \$0.23 million was due mainly to lower exchange loss recorded for 2Q FY2019 of \$0.27 million.

The exceptional gain recorded for 2Q FY2018 relates to gain recognised on sale of its leasehold property at 15A Tai Seng Drive (the "Tai Seng Property") of \$44.55 million. The sale was completed on 31 January 2018.

Loss from discontinued operations for 2Q FY2018 was mainly due to the results from the Media Storage Business which included an impairment loss on the Group's property, plant and equipment of \$0.5 million.

As a result of the above, the Group registered a loss of \$0.34 million in 2Q FY2019 (which included \$0.11 million of costs relating to the acquisition of a hotel property in Korea) as compared to a profit of \$38.12 million in 2Q FY2018.

Half Year ended 31.01.19 ("1H FY2019")

The Group's revenue for 1H FY2019 comprised mainly revenue generated from sale of goods by Wayco of \$0.64 million, and dividend income of \$0.08 million from investments. Revenue from sale of goods by Wayco in 1H FY2019 was higher than that recorded in 1H FY2018 as the Group only acquired Wayco on 15 December 2017.

The increase in other income during 1H FY2019 was mainly due to higher interest income recorded for the period.

Changes in inventories and raw materials usage were related to Wayco's operations and the increase was in line with the higher revenue recorded by Wayco during 1H FY2019.

Staff costs for 1H FY2019 increased by 17.5% compared to 1H FY2018.

The decrease in other operating expenses of \$0.08 million was due mainly to lower exchange loss recorded for 1Q FY2019 of \$0.38 million, which was partially offset by:

- a) Higher professional costs incurred during 1H FY2019 of \$0.08 million;
- b) Higher operating lease expenses incurred on rental of office/warehouse/motor vehicle during 1H FY2019 totaling \$0.10 million
- c) Operating expenses were higher for Wayco by \$0.06 million; and
- d) Commission/Brokerage charges incurred on investment activities of \$0.02 million.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Half Year ended 31.01.19 (“1H FY2019”) (cont'd)

The exceptional gain recorded for 1H FY2018 relates to gain recognised on sale of its leasehold property at 15A Tai Seng Drive of \$44.55 million. The sale was completed on 31 January 2018.

Loss from discontinued operations for 1H FY2018 was mainly due to the results from the Media Storage Business which included an impairment loss on the Group's property, plant and equipment of \$1.9 million.

As a result of the above, the Group registered a loss of \$0.21 million in 1H FY2019 (which included \$0.12 million of costs relating to the acquisition of a hotel property in Korea) as compared to a profit of \$36.79 million in 1H FY2018.

Financial Position and Cash flow

The increase in trade and other receivables was mainly attributable to payment of a deposit amounting to \$4.28 million for the acquisition of a hotel property in Korea.

Short-term investments as at 31 January 2019 of \$6.51 million comprised quoted investments held for trading purposes which are classified as fair value through profit or loss. During 1H FY2019, the Group and the Company purchased quoted investments amounting to \$6.47 million and recognised a fair value gain on these investments amounting to \$0.04 million for 1H FY2019.

The Group's financial position remained healthy with strong net cash position of \$67.24 million as at 31 January 2019. The decrease in net cash and bank balances from \$81.06 million as at 31 July 2018 to \$67.24 million as at 31 January 2019 was mainly attributable to the following:-

- a) Purchase of quoted investments during 1H FY2019 amounting to \$6.47 million;
- b) Payment of a deposit amounting to \$4.28 million for the acquisition of a hotel property in Korea;
- c) Payment of final one-tier tax-exempt dividend of 1.0 cent per share for FY2018 to shareholders amounting to \$2.19 million during 1H FY2019; and
- d) Payments made to former directors pursuant to profit sharing arrangements of \$0.60 million.

Assets held for sale as at 31 July 2018 pertained to Blu-Ray replication line equipment used in the Media Storage Business which had been contracted for sale on 25 July 2018. The sale was completed on 6 August 2018. The Group received proceeds from the sale of the Blu-Ray replication line equipment amounting to \$0.4 million during 1H FY2019. Assets held for sale as at 31 January 2019 pertained to the Group's investment property, whereby the Group, through Wayco, had accepted an offer to sell the property to an unrelated third party at a consideration of \$0.3 million. Consequently, the investment property had been reclassified to assets held for sale as at 31 January 2019.

Trade and other payables decreased by 45.6% from \$1.99 million as at 31 July 2018 to \$1.08 million as at 31 January 2019 due mainly to payments of accrued operating expenses and payments made to former directors pursuant to profit sharing arrangements.

Current tax payable decreased by 18.0% from \$1.55 million as at 31 July 2018 to \$1.27 million as at 31 January 2019 due to payment of income tax to the tax authorities amounting to \$0.29 million during 1H FY2019.

There was a deficit in net cash from operating activities of \$1.75 million for 2Q FY2019 and \$2.17 million for 1H FY2019 mainly due to the loss for the periods and payment of accrued expenses.

Use of proceeds raised from private placement

The Company will continue to make periodic announcements on the utilisation of the net placement proceeds from the issuance of shares to Lian Beng Group Ltd in FY2015 of \$7.25 million as and when such proceeds are materially disbursed.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Company had, on 16 December 2018, announced that it had entered into definitive agreements with Hotel Prima Co., Ltd in relation to the proposed acquisition of the entire beneficial interest of Hotel Aropa, and the assets, licenses, contracts and employees of Hotel Aropa (the "Proposed Acquisition"). The aggregate consideration of the Proposed Acquisition is KRW35 billion (approximately \$42.68 million).

In addition, on 20 December 2018, the Company announced that it had entered into a conditional sale and purchase agreement with Way Company Pte Ltd in respect of the sale of 100% of the shares in Wayco for an aggregate consideration of \$3.18 million (the "Proposed Disposal").

Both the Proposed Acquisition and the Proposed Disposal were approved by the shareholders at the Extraordinary General Meeting convened on 14 March 2019.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared or recommended for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared or recommended for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under [Rule 920\(1\)\(a\)\(ii\)](#). If no IPT mandate has been obtained, a statement to that effect.

There was no interested person transactions mandate adopted by the Company during the period under review. The Company had on 14 March 2019 adopted an interested person transaction general mandate in respect of certain transactions with ICP Ltd. and its subsidiaries and associated companies.

14. Negative confirmation pursuant to [Rule 705\(5\)](#).

The directors confirm that, to the best of their knowledge, nothing has come to their attention which may render these interim financial statements to be false or misleading in any material aspect.

15. Confirmation pursuant to [Rule 720\(1\)](#).

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

BY ORDER OF THE BOARD

Lee Kam Seng
Interim CEO

14 March 2019