



**DATAPULSE**  
TECHNOLOGY

Company Registration No. 198002677D

## Datapulse Technology Limited

### Third 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

<u>Consolidated Statement of Profit or Loss</u>	Three Months Ended 30.04.19	Three Months Ended 30.04.18	Change	Nine Months Ended 30.04.19	Nine Months Ended 30.04.18	Change
GROUP	\$'000	\$'000 (Restated)	%	\$'000	\$'000 (Restated)	%
<b><u>Continuing operations</u></b>						
Revenue	777	-	NM	860	-	NM
Other income	417	250	66.8	1,048	444	136.0
	<u>1,194</u>	<u>250</u>		<u>1,908</u>	<u>444</u>	
Staff costs	(338)	(199)	69.9	(735)	(594)	23.7
Depreciation	(34)	-	NM	(36)	-	NM
Finance costs	(100)	-	NM	(100)	-	NM
Hotel operating costs	(264)	-	NM	(264)	-	NM
Other operating expenses	(637)	(448)	42.3	(1,228)	(885)	38.8
Total operating expenses	<u>(1,373)</u>	<u>(647)</u>		<u>(2,363)</u>	<u>(1,479)</u>	
<b>Loss before tax and exceptional item</b>	<b>(179)</b>	<b>(397)</b>		<b>(455)</b>	<b>(1,035)</b>	
Exceptional item - Gain on sale of leasehold property	-	-	-	-	44,554	NM
<b>(Loss)/Profit before tax</b>	<b>(179)</b>	<b>(397)</b>		<b>(455)</b>	<b>43,519</b>	
Income tax expense	-	-	-	-	(1,024)	NM
<b>(Loss)/Profit from continuing operations</b>	<b>(179)</b>	<b>(397)</b>		<b>(455)</b>	<b>42,495</b>	
<b><u>Discontinued Operations**</u></b>						
Profit/(Loss) from discontinued operations (net of tax)	20	(99)	NM	91	(6,204)	NM
Gain on sale of discontinued operation	814	-	NM	814	-	NM
	<u>834</u>	<u>(99)</u>		<u>905</u>	<u>(6,204)</u>	
<b>Profit/(Loss) for the period attributable to owners of the Company</b>	<b>655</b>	<b>(496)</b>		<b>450</b>	<b>36,291</b>	

\*\* On 30 April 2019, the Group completed the disposal of Wayco Manufacturing (M) Sdn Bhd ("Wayco"). Accordingly, the results of Wayco have been presented as discontinued operations.

\*\* 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.

NM: Not meaningful.

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

<u>Consolidated Statement of Comprehensive income</u>	Three Months Ended 30.04.19 \$'000	Three Months Ended 30.04.18 \$'000	Change %	Nine Months Ended 30.04.19 \$'000	Nine Months Ended 30.04.18 \$'000	Change %
<b>GROUP</b>						
<b>Profit/(Loss) for the period</b>	655	(496)	NM	450	36,291	NM
<b><u>Other comprehensive income</u></b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	(906)	13	NM	(1,014)	72	NM
Other comprehensive (loss)/income attributable to owners of the Company	(906)	13		(1,014)	72	
<b>Other comprehensive (loss)/income for the period</b>	<b>(906)</b>	<b>13</b>		<b>(1,014)</b>	<b>72</b>	
<b>Total comprehensive (loss)/income for the period attributable to owners of the Company</b>	<b>(251)</b>	<b>(483)</b>	(48.0)	<b>(564)</b>	<b>36,363</b>	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**

**Revenue:**

Hotel operations revenue  
 Sale of goods  
 Gain on disposal of investments  
 Dividend income  
 Interest income on bond investment

**Other income:**

Interest income  
 Sundry income  
 Fair value gain on investments

**Depreciation of property, plant and equipment**

**Other operating expenses include the following items:**

Exchange (loss)/gain  
 Plant and equipment written off

**Income tax expense**

	Three Months Ended 30.04.19			Three Months Ended 30.04.18 (Restated)			
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Change %
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
	523	-	523	-	-	-	NM
	-	357	357	-	266	266	34.2
	205	-	205	-	-	-	NM
	22	-	22	-	-	-	NM
	27	-	27	-	-	-	NM
	777	357	1,134	-	266	266	
	263	-	263	250	-	250	5.2
	129	-	129	-	21	21	NM
	25	-	25	-	-	-	NM
	417	-	417	250	21	271	
	(34)	(13)	(47)	-	(15)	(15)	213.3
	(1)	(4)	(5)	59	-	59	NM
	-	-	-	-	(39)	(39)	NM
	-	(11)	(11)	-	(13)	(13)	(15.4)

NM: Not meaningful.

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

<b>Notes</b>	<b>Nine Months Ended 30.04.19</b>			<b>Nine Months Ended 30.04.18 (Restated)</b>			<b>Change</b>
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue:</b>							
Hotel operations revenue	523	-	523	-	-	-	NM
Sale of goods	-	995	995	-	8,654	8,654	(88.5)
Gain on disposal of investments	205	-	205	-	-	-	NM
Dividend income	101	-	101	-	-	-	NM
Interest income on bond investments	31	-	31	-	-	-	NM
	860	995	1,855	-	8,654	8,654	
<b>Other income:</b>							
Gain on sale of plant and equipment	2	-	2	-	149	149	(98.7)
Gain on sale of leasehold property	-	-	-	44,554	-	44,554	NM
Interest income	856	-	856	445	-	445	92.4
Sundry income	129	20	149	2	74	76	96.1
Fair value gain on investments	61	-	61	-	-	-	NM
	1,048	20	1,068	45,001	223	45,224	
<b>Depreciation of property, plant and equipment</b>	(36)	(39)	(75)	-	(773)	(773)	(90.3)
<b>Other operating expenses include the following items:</b>							
Exchange gain/(loss)	89	5	94	(228)	-	(228)	NM
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
	-	(26)	(26)	(1,024)	617	(407)	(93.6)

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**

**Non-current assets**

Property, plant and equipment  
Investment property  
Subsidiaries

**Current assets**

Inventories  
Trade and other receivables  
Amounts due from subsidiaries  
Short-term investments<sup>(1)</sup>  
Cash and bank balances  
Assets held for sale

**Total assets**

**Equity attributable to owners of the Company**

Share capital  
Reserves

**Total equity**

**Non-current liabilities**

Term loan  
Deferred tax liabilities

**Current liabilities**

Bank overdraft  
Trade and other payables  
Current tax payable

**Total liabilities**

**Total equity and liabilities**

	GROUP			COMPANY		
	30.04.19 \$'000	31.07.18 \$'000	Change %	30.04.19 \$'000	31.07.18 \$'000	Change %
Property, plant and equipment	44,143	2,235	NM	37	9	311.1
Investment property	-	335	NM	-	-	-
Subsidiaries	-	-	-	1	2,291	(100.0)
	<b>44,143</b>	<b>2,570</b>		<b>38</b>	<b>2,300</b>	
Inventories	-	484	NM	-	-	-
Trade and other receivables	1,853	454	NM	317	380	(16.6)
Amounts due from subsidiaries	-	-	-	29,131	-	NM
Short-term investments <sup>(1)</sup>	5,298	-	NM	5,298	-	NM
Cash and bank balances	49,926 <sup>(2)</sup>	81,184	(38.5)	46,142	81,162	(43.1)
Assets held for sale	-	380 <sup>(3)</sup>	NM	-	380	NM
	<b>57,077</b>	<b>82,502</b>		<b>80,888</b>	<b>81,922</b>	
<b>Total assets</b>	<b>101,220</b>	<b>85,072</b>		<b>80,926</b>	<b>84,222</b>	
Share capital	32,992	32,992	-	32,992	32,992	-
Reserves	45,408	48,173	(5.7)	46,381	48,108	(3.6)
<b>Total equity</b>	<b>78,400</b>	<b>81,165</b>		<b>79,373</b>	<b>81,100</b>	
Term loan	20,865	-	NM	-	-	-
Deferred tax liabilities	44	239	(81.6)	44	44	-
	<b>20,909</b>	<b>239</b>		<b>44</b>	<b>44</b>	
Bank overdraft	-	123	NM	-	-	-
Trade and other payables	923	1,994	(53.7)	521	1,548	(66.3)
Current tax payable	988	1,551	(36.3)	988	1,530	(35.4)
	<b>1,911</b>	<b>3,668</b>		<b>1,509</b>	<b>3,078</b>	
<b>Total liabilities</b>	<b>22,820</b>	<b>3,907</b>		<b>1,553</b>	<b>3,122</b>	
<b>Total equity and liabilities</b>	<b>101,220</b>	<b>85,072</b>		<b>80,926</b>	<b>84,222</b>	

NM: Not meaningful.

**Notes:**

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

<sup>(2)</sup> Includes amount of \$1.6 million pledged to bank for term loan facility.

<sup>(3)</sup> On 25 July 2018, the Company entered into a sale and purchase agreement to dispose all of its Blu-Ray replication line equipment, which was 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 30.04.19		As at 31.07.18	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
-	-	123	-

**Amount repayable after one year**

As at 30.04.19		As at 31.07.18	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
20,865	-	-	-

**Details of any collateral**

The secured borrowings as at 30 April 2019 relate to a term loan which is secured by a fixed charge over certain freehold land and building of the subsidiary and a corporate guarantee from the Company.

As at 31 July 2018, the bank overdraft of the Group's subsidiary was 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**

<b>GROUP</b>	<b>Three Months Ended 30.04.19 \$'000</b>	<b>Three Months Ended 30.04.18 \$'000</b>	<b>Nine Months Ended 30.04.19 \$'000</b>	<b>Nine Months Ended 30.04.18 \$'000</b>
<b><u>Operating activities</u></b>				
Profit/(Loss) for the period	655	(496)	450	36,291
Adjustments for:				
Allowance for inventory obsolescence	-	-	-	66
Depreciation	34	15	36	773
Dividend income	(22)	-	(101)	-
Fair value gain on investments	(25)	-	(61)	-
Finance costs	100	2	100	3
Gain on sale of leasehold property	-	-	-	(44,554)
Gain on sale of plant and equipment	-	-	(2)	(149)
Gain on disposal of a subsidiary	(814)	-	(814)	-
Gain on disposal of investments	(205)	-	(205)	-
Impairment loss recognised on property, plant and equipment	-	-	-	1,881
Income tax expense	11	13	26	407
Interest income	(290)	(250)	(887)	(445)
Plant and equipment written off	-	39	-	39
	<u>(556)</u>	<u>(677)</u>	<u>(1,458)</u>	<u>(5,688)</u>
Changes in working capital:				
Inventories	-	(48)	-	646
Trade and other receivables	1,786	1,040	(1,534)	1,248
Trade and other payables	<u>237</u>	<u>(3,334)</u>	<u>(600)</u>	<u>272</u>
Cash generated from/(used in) operations	1,467	(3,019)	(3,592)	(3,522)
Income tax paid, net	<u>(269)</u>	<u>(8)</u>	<u>(553)</u>	<u>(10)</u>
<b>Net cash generated from/(used in) operating activities</b>	<u>1,198</u>	<u>(3,027)</u>	<u>(4,145)</u>	<u>(3,532)</u>
<b><u>Investing activities</u></b>				
Acquisition of subsidiary, net of cash acquired	-	-	-	(3,541)
Deposit received for disposal of leasehold property	-	-	-	5,152
Cash in escrow account in relation of disposal of leasehold property	-	-	-	(5,152)
Release of cash from escrow account with lawyer	-	-	-	5,152
Deposit and stamp duty paid for purchase of leasehold property	-	-	-	(1,360)
Deposit refunded for purchase of property	-	-	-	1,050
Disposal of discontinued operation, net of cash disposed of	3,173	-	3,288	-
Stamp duty refunded for purchase of property	-	310	-	310
Dividend received	22	-	101	-
Interest received	290	96	963	360
Receipt of balance proceeds from sale of leasehold property, net of expenses	-	-	-	47,513
Refundable earnest money paid	-	-	(869)	-
Refund of earnest money	-	-	852	-
Proceeds from disposal of plant and equipment	-	-	383	205
Acquisition of investments	(3,984)	-	(10,449)	-
Proceeds from sale of investments	5,421	-	5,417	-
Acquisition of property, plant and equipment	<u>(44,197)</u>	<u>(5)</u>	<u>(45,238)</u>	<u>(11)</u>
<b>Net cash (used in)/ generated from investing activities</b>	<u>(39,275)</u>	<u>401</u>	<u>(45,552)</u>	<u>49,678</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 30.04.19 \$'000	Three Months Ended 30.04.18 \$'000	Nine Months Ended 30.04.19 \$'000	Nine Months Ended 30.04.18 \$'000
<b><u>Financing activities</u></b>				
Dividends paid	-	-	(2,191)	(1,095)
Net proceeds from borrowings	20,865	-	20,865	-
Interest paid	(100)	(2)	(100)	(3)
Amounts owing from related parties (non-trade)	-	(12)	-	(22)
Repurchase of own shares	-	-	-	(15)
Proceeds from sale of own shares	-	-	-	16
<b>Net cash generated from/(used in) financing activities</b>	<b>20,765</b>	<b>(14)</b>	<b>18,574</b>	<b>(1,119)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(17,312)</b>	<b>(2,679)</b>	<b>(31,123)</b>	<b>45,027</b>
Cash and cash equivalents at beginning of period	67,240	87,076	81,061	39,522
Effect of exchange rate changes on balances held in foreign currency	(2)	(67)	(12)	(219)
<b>Cash and cash equivalents at end of period</b>	<b>49,926</b>	<b>84,330</b>	<b>49,926</b>	<b>84,330</b>
<b><u>Note</u></b>				
<b>Cash and cash equivalents at end of period comprise the following:</b>				
Cash and bank balances	48,352	84,459	48,352	84,459
Deposits pledged	1,574	-	1,574	-
Bank overdraft	-	(129)	-	(129)
	<b>49,926</b>	<b>84,330</b>	<b>49,926</b>	<b>84,330</b>

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

**Consolidated Statement of Changes in Equity**

<b>GROUP</b>	Share capital \$'000	Reserve for own shares \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 August 2017</b>	<b>32,992</b>	<b>(183)</b>	-	<b>17,110</b>	<b>49,919</b>
<i>Profit for the period</i>	-	-	-	36,787	36,787
<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
<b>Total comprehensive income for the period</b>	-	-	59	-	59
<b>Transactions with owners, recorded directly in equity</b>					
<u>Contributions by and distributions to owners</u>					
Final 1-tier tax-exempt dividend paid of 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)
<b>Total transactions with owners</b>	-	(4)	-	(1,090)	(1,094)
<b>At 31 January 2018</b>	<b>32,992</b>	<b>(187)</b>	<b>59</b>	<b>52,807</b>	<b>85,671</b>
<b>At 1 February 2018</b>	<b>32,992</b>	<b>(187)</b>	<b>59</b>	<b>52,807</b>	<b>85,671</b>
<b>Total comprehensive income for the period</b>					
<i>Loss for the period</i>	-	-	-	(496)	(496)
<u>Other comprehensive income</u>					
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	13	-	13
<i>Total other comprehensive income</i>	-	-	13	-	13
<b>Total comprehensive income for the period</b>	-	-	<b>13</b>	<b>(496)</b>	<b>(483)</b>
<b>Transactions with owners, recorded directly in equity</b>					
<i>Total contributions by and distributions to owners</i>	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 30 April 2018</b>	<b>32,992</b>	<b>(187)</b>	<b>72</b>	<b>52,311</b>	<b>85,188</b>

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

**Consolidated Statement of Changes in Equity**

<b>GROUP</b>	Share capital \$'000	Reserve for own shares \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 August 2018</b>	<b>32,992</b>	<b>(187)</b>	<b>21</b>	<b>30</b>	<b>48,309</b>	<b>81,165</b>
<i>Loss for the period</i>	-	-	-	-	(205)	(205)
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	-	(108)	-	(108)
<i>Total other comprehensive income</i>	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	(108)	(205)	(313)
<b>Transactions with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Final 1-tier tax-exempt dividend paid of 1 cent per share for FY2018	-	-	-	-	(2,191)	(2,191)
<i>Total contributions by and distributions to owners</i>	-	-	-	-	(2,191)	(2,191)
<b>Total transactions with owners</b>	-	-	-	-	(2,191)	(2,191)
<b>At 31 January 2019</b>	<b>32,992</b>	<b>(187)</b>	<b>21</b>	<b>(78)</b>	<b>45,913</b>	<b>78,661</b>
<b>At 1 February 2019</b>	<b>32,992</b>	<b>(187)</b>	<b>21</b>	<b>(78)</b>	<b>45,913</b>	<b>78,661</b>
<b>Total comprehensive income for the period</b>						
<i>Profit for the period</i>	-	-	-	-	655	655
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of foreign subsidiaries	-	-	-	(906)	-	(906)
<i>Total other comprehensive income</i>	-	-	-	(906)	-	(906)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(906)</b>	<b>655</b>	<b>(251)</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Total contributions by and distributions to owners</i>	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-	-
<b>Changes in ownership interests in subsidiaries</b>						
Disposal of a subsidiary	-	-	(21)	11	-	(10)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	(21)	11	-	(10)
<b>At 30 April 2019</b>	<b>32,992</b>	<b>(187)</b>	<b>-</b>	<b>(973)</b>	<b>46,568</b>	<b>78,400</b>

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

**Statement of Changes in Equity**

<b>COMPANY</b>	Share capital \$'000	Reserve for own shares \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 August 2017</b>	<b>32,992</b>	<b>(183)</b>	<b>10,996</b>	<b>43,805</b>
<b>Total comprehensive income for the period</b>				
<i>Profit for the period</i>	-	-	42,853	42,853
<i>Total other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>42,853</b>	<b>42,853</b>
<b>Contributions by and distributions to owners</b>				
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>	<i>-</i>	<i>(4)</i>	<i>(1,090)</i>	<i>(1,094)</i>
<b>Transactions with owners, recorded directly in equity</b>	<b>-</b>	<b>(4)</b>	<b>(1,090)</b>	<b>(1,094)</b>
<b>At 31 January 2018</b>	<b>32,992</b>	<b>(187)</b>	<b>52,759</b>	<b>85,564</b>
<b>At 1 February 2018</b>	<b>32,992</b>	<b>(187)</b>	<b>52,759</b>	<b>85,564</b>
<b>Total comprehensive income for the period</b>				
<i>Profit for the period</i>	-	-	(540)	(540)
<i>Total other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(540)</b>	<b>(540)</b>
<b>At 30 April 2018</b>	<b>32,992</b>	<b>(187)</b>	<b>52,219</b>	<b>85,024</b>

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

**Statement of Changes in Equity**

<b>COMPANY</b>	Share capital \$'000	Reserve for own shares \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 August 2018</b>	<b>32,992</b>	<b>(187)</b>	<b>48,295</b>	<b>81,100</b>
<b>Total comprehensive income for the period</b>				
<i>Loss for the period</i>	-	-	(272)	(272)
<i>Total other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(272)</b>	<b>(272)</b>
<b><u>Contributions by and distributions to owners</u></b>				
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)
<b>Transactions with owners, recorded directly in equity</b>	<b>-</b>	<b>-</b>	<b>(2,191)</b>	<b>(2,191)</b>
<b>At 31 January 2019</b>	<b>32,992</b>	<b>(187)</b>	<b>45,832</b>	<b>78,637</b>
<b>At 1 February 2019</b>	<b>32,992</b>	<b>(187)</b>	<b>45,832</b>	<b>78,637</b>
<b>Total comprehensive income for the period</b>				
<i>Profit for the period</i>	-	-	736	736
<i>Total other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>736</b>	<b>736</b>
<b>At 30 April 2019</b>	<b>32,992</b>	<b>(187)</b>	<b>46,568</b>	<b>79,373</b>

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

For the quarter ended 30 April 2019, there was no change to the share capital of the Company.

As at 30 April 2019, the Company held 829,600 treasury shares (30 April 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 30.04.19	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 30.04.2019			Quarter ended 30.04.2018			Nine months ended 30.04.2019			Nine months ended 30.04.2018		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
(Loss)/Profit attributable to owners of the Company (\$'000)	(179)	834	655	(397)	(99)	(496)	(455)	905	450	42,495	(6,204)	36,291
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	(0.08) cents	0.38 cents	0.30 cents	(0.18) cents	(0.05) cents	(0.23) cents	(0.21) cents	0.41 cents	0.21 cents	19.40 cents	(2.83) cents	16.57 cents
(b) On a fully diluted basis	(0.08) cents	0.38 cents	0.30 cents	(0.18) cents	(0.05) cents	(0.23) cents	(0.21) cents	0.41 cents	0.21 cents	19.40 cents	(2.83) cents	16.57 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 30.04.19	As at 31.07.18	As at 30.04.19	As at 31.07.18
Net Asset Value per ordinary share based on issued share capital at the end of the period	35.79 cents	37.05 cents	36.23 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 30.04.19 ("3Q FY2019")**

The Group has completed the acquisition of the hotel in Seoul ("Hotel Aropa") on 20 March 2019.

The Group's revenue for 3Q FY2019 resulted mainly from the hotel operations revenue of \$0.5 million and the gain on disposal of quoted investment \$0.2 million.

The increase in other income during 3Q FY2019 was mainly due to the higher bank interest income recorded for the period.

Staff costs for 3Q FY2019 increased by 69.9% compared to the three months ended 30.04.18 ("3Q FY2018") mainly due to the costs associated with Hotel Aropa.

The increase in finance costs was due to the term loan facility in a subsidiary.

The increase in other operating expenses of \$0.2 million in 3Q FY2019 was mainly due to the one-time expense relating to the extraordinary general meeting held in March 2019.

Following the disposal of Wayco on 30 April 2019, the Group recorded a gain of \$0.8 million in 3Q FY2019. Loss from discontinued operations for 3Q FY2018 was mainly due to the results from the Media Storage Business.

As a result of the above, the Group registered a profit of \$0.7 million in 3Q FY2019 as compared to a loss of \$0.5 million in 3Q FY2018.

**Nine Months ended 30.04.19 ("9M FY2019")**

The Group's revenue for 9M FY2019 resulted mainly from the hotel operations revenue of \$0.5 million, the gain on disposal of quoted investment of \$0.2 million and dividend income of \$0.1 million.

The increase in other income during 9M FY2019 was mainly due to higher bank interest income recorded for the period.

Staff costs for 9M FY2019 increased by 23.7% as compared to the nine months ended 30.04.18 ("9M FY2018") mainly due to the costs associated with Hotel Aropa.

The increase in finance costs was due to the term loan facility in a subsidiary.

The exceptional gain recorded for 9M FY2018 relates to gain recognised on sale of its leasehold property at 15A Tai Seng Drive of \$44.6 million. The sale was completed on 31 January 2018.

Following the disposal of Wayco on 30 April 2019, the Group recorded a gain of \$0.8 million in 9M FY2019. Loss from discontinued operations for 9M 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 profit of \$0.5 million in 9M FY2019 as compared to a profit of \$36.3 million in 9M FY2018.

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

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

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

#### **Financial Position and Cash flow**

The increase in property, plant and equipment as at 30.04.19 of \$41.9 million was mainly due to the acquisition of Hotel Aropa.

As referenced in the Company's announcement dated 24 April 2019, KPH Top Pte Ltd, a wholly-owned subsidiary of the Company, had on 24 April 2019 incorporated KPH 2 Pte Ltd, a wholly-owned subsidiary in Singapore, with an issued share capital of S\$1,000.

The increase of \$1.4 million in trade and other receivables was mainly due to the value added tax paid (which is refundable) on the acquisition of Hotel Aropa.

Short-term investments of \$5.3 million as at 30 April 2019 relates to the quoted investments held for trading purposes which are classified as fair value through profit or loss.

The Group's financial position remained healthy with cash and bank balances of \$49.9 million as at 30 April 2019. The decrease of \$31.3 million as compared to cash and bank balances as at 31 July 2018 was mainly due to the funds utilised for the acquisition of Hotel Aropa and the payment of dividends.

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 9M FY2019.

Term loan of \$20.9 million relates to the bank borrowing for the acquisition of Hotel Aropa.

Trade and other payables decreased by 53.7% from \$2.0 million as at 31 July 2018 to \$0.9 million as at 30 April 2019 mainly due to payments of accrued operating expenses and payments made to former directors pursuant to profit sharing arrangements.

Current tax payable decreased by 36.3% from \$1.6 million as at 31 July 2018 to \$1.0 million as at 30 April 2019 due to payment of income tax to the tax authorities amounting to \$0.5 million during 9M FY2019.

Net cash generated from operating activities for 3Q FY2019 was \$1.2 million, mainly due to the reduction in trade and other receivables.

The increase in net cash from financing activities of \$20.9 million for 3QFY2019 was due to the term loan facility obtained for the acquisition of Hotel Aropa.

#### **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 \$7.3 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 Group completed its acquisition of Hotel Aropa, located in Seoul, South Korea in March 2019. Driven by key source markets such as China, Taiwan and Japan, the growth trend in inbound arrivals into South Korea continued in 2019, with an increase of approximately 17% for the first four months of the year<sup>1</sup>. In the near term, the hotel market in Seoul is expected to be driven by continual growth in inbound arrivals and moderated growth in supply of new hotel rooms.

<sup>1</sup>Source: Korea Tourism Organization

**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.**

None.

**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.**

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.

The details of interested person transactions for the nine-month period ended 30 April 2019 are set out below.

Name of Interested Person	Aggregate value of all interested person transactions during FY2019 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during FY2019 which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nil	Nil	Nil

**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  
Company Secretary

14 June 2019