



Company Registration No. 198002677D

Press Release
08 June 2016
(For Immediate Release)

Contact Person:
Lee Kam Seng, Chief Financial Officer
Datapulse Technology Limited
Tel: +65 6382 7989

Datapulse Technology Registers Profit of \$2.0 Million for 9M FY2016

Singapore, 08 June 2016 – Mainboard listed Datapulse Technology Limited, a leading total solution provider of CD, DVD and Blu Ray Discs services in the Asia Pacific region, reported its third quarter and nine month results for the financial year 2016.

For 9M FY2016, the Group's revenue dropped marginally by 0.5% from \$21.1 million to \$21.0 million.

Other income increased due to higher interest income in 9M FY2016.

Total operating expenses decreased slightly by 2.7% from \$19.9 million to \$19.3 million due to higher cost of raw materials usage, which was offsetted by lower other operating expenses. Although revenue dropped marginally by 0.5%, the cost of raw materials usage increased by 9.3% due to variation in the mix of products and services sold to customers. The reduction in other operating expenses by 15.9% from \$5.2 million to \$4.3 million was attributed mainly to the absence of impairment losses made on club memberships and cost management measures undertaken by the Group. Depreciation was lower as a result of more assets becoming fully depreciated.

Finance costs, which were related to the Taiwan operation, were higher due to the bank loan obtained in 2Q FY2015.

For 9M FY2015, the Group recorded an income tax credit of \$0.4 million, which was for the reversal of over provision in respect of prior years' income taxes. The Company did not recognize any income tax expense despite registering pre-tax profit of \$2.0 million as it currently has sufficient tax allowances to offset its taxable income for 9M FY2016.

As a result of the above, the Group's profit increased by 10.0% from \$1.9 million in 9M FY2015 to \$2.0 million in 9M FY2016.

For 3Q FY2016, the Group registered a 33.2% drop in revenue from \$5.5 million to \$3.7 million. The decrease in revenue was a result of weaker demand for media storage products and services in the quarter.

Total operating expenses decreased by 12.7% from \$5.8 million in 3Q FY2015 to \$5.0 million in 3Q FY2016. Although revenue decreased by 33.2%, cost of raw materials usage decreased by a lesser extent of 20.5% due to variation in the mix of products and services sold to customers. The reduction in staff costs by 7.6% from \$2.1 million to \$1.9 million and other operating expenses by 16.3% from \$1.4 million to \$1.2 million was attributed to lower level of business activities. Depreciation was lower due to more assets becoming fully depreciated.

For 3Q FY2015, the Group recorded an income tax credit of \$0.4 million, which was for the reversal of over provision in respect of prior years' income taxes.

As a result of the above, the Group incurred a loss of \$1.2 million for 3Q FY2016 compared to a profit of \$0.2 million recorded for 3Q FY2015.

Earnings per share were 0.93 cents for 9M FY2016 and 0.94 cents for 9M FY2015. The Group's net asset value per share stood at 22.10 cents as at 30 April 2016 compared to 21.75 cents as at 31 July 2015, an increase of 1.6%.

The Group's financial position remained strong with a net cash position of \$25.6 million as at 30 April 2016.

The Group recorded a negative operating cash flow of \$0.4 million during 3Q FY2016. However, for the 9M FY2016, there was a positive operating cash flow of \$4.0 million.

A portion of the proceeds raised from the issuance of shares to Lian Beng Group Ltd in FY2015, amounting to approximately S\$2.87 million had been extended to the Group's associate, Goldprime Realty Pte Ltd, by way of a long term interest-free shareholders' loan. The funds are to be used for a property development project in Australia.

The outlook for the Singapore manufacturing sector remains weak, on the back of the global economic uncertainties and ongoing slowdown in China. Operating environment in the media storage industry continues to be challenging due to weak market demand for media 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 managing 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 media storage industry and explore other investment and business opportunities.

At the same time, the Group will actively re-define its business strategies, and explore measures to optimize utilisation of its resources efficiently.

About Datapulse Technology Limited

Datapulse Technology Limited was incorporated in Singapore on 28 July 1980 and is listed on the Mainboard of the Singapore Exchange.

Datapulse Technology Limited is a leading producer of digital storage media for content distribution in the Asia Pacific region, specialising in fast and secure delivery solutions, to a broad range of customers in the computer software, computer hardware, gaming, publishing, multimedia application and consumer electronics industry.

This news release is to be read in conjunction with the full set of financial results posted by the Company today in SGXNET.