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Datapulse Technology Registers Profit of \$0.9 Million for FY2016 and Recommends Final Dividend of 0.30 Cent Per Share

Singapore, 15 September 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 results for the financial year 2016.

For FY2016, the Group's revenue dropped by 8.4% from \$25.4 million to \$23.3 million. The decrease in revenue was a result of weaker demand for media storage products and services during the year.

Other income increased mainly due to higher interest income in FY2016.

Total operating expenses decreased by 6.3% from \$25.0 million to \$23.4 million mainly due to lower other operating expenses incurred. Although revenue dropped marginally by 8.4%, the cost of raw materials usage increased by 2.7% due to variation in the mix of products and services sold to customers. Depreciation was lower as a result of more assets becoming fully depreciated. The reduction in other operating expenses by 19.8% from \$6.3 million to \$5.1 million was attributed to lower business activities and cost management measures undertaken by management of the Group.

Share of loss of associate of \$6,000 (FY2015: Nil) was due to the Group's associate, Goldprime Realty Pte Ltd, which is involved in a property development project in Australia.

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

The Company did not recognize any income tax expense despite registering pre-tax profit of \$0.4 million as it currently has sufficient tax allowances to offset its taxable income for FY2016.

Profit from discontinued operations relating to OGI dropped by 24.2% compared to FY2015 mainly due to higher finance costs incurred in FY2016 on the term loan facility taken up in the second quarter of FY2015.

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.

For FY2016 and FY2015, earnings per share of the Group from continuing operations were 0.39 cents and 0.78 cents, respectively, while earnings per share of the Group (including discontinued operations) were 0.41 cents and 0.81 cents, respectively.

The Group's financial position remained strong with a net cash position of \$25.9 million as at 31 July 2016, taking into consideration cash and cash equivalents held within assets classified as held for sale of \$0.2 million and bank loan held within liabilities classified as held for sale of \$6.2 million. This was equivalent to 11.80 cents of net cash per share.

The Group continued to generate positive operating cash flows amounting to \$3.9 million during FY2016.

On 7 July 2016, the Group had entered into a share sale and purchase agreement to dispose of its entire shareholding in OGI for a consideration of TWD 144.5 million (equivalent to \$6.1 million). Consequently, the assets and liabilities of OGI had been reclassified to assets held for sale and liabilities held for sale in the Group's statement of financial position.

Proceeds from share issue in the previous financial year related to the issue of 65 million new ordinary shares through a private placement, in the Company to Lian Beng Group Ltd amounting to \$7.2 million in FY2015. The net proceeds of \$7.2 million are intended to be used for property related businesses.

The disposal of the entire shareholding in OGI was completed in August 2016. Gain on disposal of subsidiary is approximately \$5.6 million.

The outlook for the Singapore manufacturing sector remains weak, on the back of the global economic uncertainties. 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 continue to 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.