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Datapulse Technology Reports Higher Profit of \$4.3 Million for 9M FY2017 due largely to gain from discontinued operations in an overseas subsidiary

Singapore, 8 June 2017 – 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 2017.

For 9M FY2017, the Group registered a 47.7% drop in revenue as compared to 9M FY2016 from \$20.7 million to \$10.8 million. The decrease in revenue was a result of weaker demand for media storage products and services during the period.

Total operating expenses decreased by 34.3% from \$19.1 million in 9M FY2016 to \$12.6 million in 9M FY2017. The decrease in cost of raw materials usage of 48.4% was in tandem with the lower revenue during 9M FY2017. Depreciation was lower as more assets were fully depreciated and there were minimal property, plant and equipment investments. The reduction in staff costs by 20.0% from \$6.9 million to \$5.5 million and other operating expenses by 51.0% from \$4.3 million to \$2.1 million were mainly attributed to lower business activities, cost management measures undertaken by the management of the Group, and exchange gain recognized during the period.

Profit from discontinued operations was due to recognition of gain on disposal of subsidiary of \$5.6 million upon completion of the disposal of One Global Inc (“OGI”) during the period.

As a result of the above, the Group’s profit increased by 109.4% from \$2.0 million in 9M FY2016 to \$4.3 million in 9M FY2017.

For 3Q FY2017, the Group registered a 34.2% drop in revenue as compared to 3Q FY2016 from \$3.6 million to \$2.3 million. The decrease in revenue was a result of weaker demand for media storage products and services during the quarter.

Total operating expenses decreased by 24.0% from \$5.0 million in 3Q FY2016 to \$3.8 million in 3Q FY2017. The decrease in cost of raw materials usage of 31.1% was a result of the lower revenue during 3Q FY2017. Depreciation was lower as more assets were fully depreciated and there were minimal property, plant and equipment investments. The reduction in staff costs by 14.0% from \$1.9 million to \$1.6 million and other operating expenses by 41.8% from \$1.2 million to \$0.7 million were mainly attributed to lower business activities, cost management measures undertaken by the management of the Group, and lower exchange loss during the period.

Profit from discontinued operations of \$85,000 in 3Q FY2017 was due to receipt of balance consideration and finalization of costs relating to disposal of OGI.

As a result of the above, the Group's net loss decreased by 3.4% from \$1.25 million in 3Q FY2016 to \$1.21 million in 3Q FY2017.

Earnings per share of the Group were 1.95 cents for 9M FY2017 as compared to 0.93 cents for 9M FY2016. The Group's net asset value per share stood at 23.36 cents as at 30 April 2017 compared to 21.57 cents as at 31 July 2016, an increase of 8.3%.

The Group's financial position remained strong with a net cash position of \$39.9 million as at 30 April 2017, equivalent to 18.2 cents per share.

On 7 July 2016, the Group 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). The assets and liabilities of OGI had also been reclassified to assets held for sale and liabilities held for sale in the Group's statement of financial position as at 31 July 2016. The disposal was completed on 19 August 2016 and the Group received proceeds from discontinued operations, net of cash disposed amounting to \$5.9 million.

Associate at the Group level of \$2.9 million as at 31 July 2016 comprised mainly a long term shareholders' loan extended to a 20% owned associate, Goldprime Realty Pte Ltd ("Goldprime"), for a property development project in Australia. On 2 December 2016, the Group entered into a share sale and purchase agreement to dispose of its 20% interest in Goldprime for a consideration of \$35,000. The disposal was completed on 17 February 2017 and the shareholders' loan was repaid during the quarter.

The outlook for the Singapore manufacturing sector remains weak due to uncertainties surrounding the global economy. 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.