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**Press Release**  
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**(For Immediate Release)**

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## **Datapulse Technology Records Improved Profitability For 2Q and 1H FY2015**

**Singapore, 5 March 2015** – 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 second quarter and half year results for the financial year 2015.

For 2Q FY2015, the Group registered 8.5% decline in revenue from \$6.7 million to \$6.1 million. The decrease in revenue was attributed mainly to weaker sales for DVD media storage products and services but was partially offset by higher sales of Blu-Ray media storage products and services.

Other income was lower due to lower interest income and higher loss recorded on sale of Plant and Equipment.

Total operating expenses decreased by 15.2% from \$7.1 million in 2Q FY2014 to \$6.0 million in 2Q FY2015. The decrease in cost of raw materials usage by 26.1% from \$1.9 million to \$1.4 million was attributed to lower revenue and improved effectiveness and efficiency in operations. Staff costs were lower by 4.7% from \$2.5 million to \$2.4 million due to lower level of business activities. The reduction in other operating expenses by 5.9% from \$1.5 million to \$1.4 million was attributed mainly to higher exchange gain, which formed part of other operating expenses, recorded during 2Q FY2015 as compared to 2Q FY2014. Depreciation was lower due to more assets becoming fully depreciated and there were minimal property, plant and equipment investments.

Finance costs, which were related to the Taiwan operation, were higher due to higher gearing. In January 2015, the Group's 100% owned Taiwan subsidiary, One Global Inc (**OGI**), drew down a bank loan to repay the inter-company loan of \$5.5 million due to the Company with a view of managing the Group's foreign exchange risk by funding the investment property held in Taiwan via a local currency bank loan.

The income tax expense recorded by the Group in 2Q FY2015 was related to the Taiwan operation. The Company did not recognize any income tax expense for 2Q FY2015 as it currently has sufficient tax allowances to offset its taxable income for 2Q FY2015. In 2Q FY2014, an income tax credit of \$0.2 million was recognized by the Company, which was a reversal of the amount provided in 1Q FY2014, as the Company had assessed that it would have sufficient tax allowances to offset its taxable income for 1H FY2014, taking into consideration that the Company was granted investment allowance by a government agency during 2Q FY2014 for its investments in Blu-Ray equipment.

As a result of the above, the Group's registered a profit of \$0.1 million in 2Q FY2015 compared to a loss of \$0.2 million recorded in 2Q FY2014.

For 1H FY2015, the Group recorded a 9.6% drop in revenue from \$17.3 million to \$15.6 million. The decrease in revenue was attributed mainly to weaker demand for DVD media storage products and services but was partially offset by stronger year-on-year sales for Blu-Ray media storage products and services.

Other income was lower due to lower interest income and loss on sale of Plant and Equipment recorded in 1H FY2015 compared to a gain on sale of Plant and Equipment recorded in 1H FY2014.

Total operating expenses decreased by 16.0% from \$16.8 million in 1H FY2014 to \$14.1 million in 1H FY2015. The decrease in cost of raw materials usage by 27.3% from \$5.1 million to \$3.7 million was attributed to lower revenue and improved effectiveness and efficiency in operations. The reduction in staff costs by 7.9% from \$5.3 million to \$4.9 million and other operating expenses by 10.5% from \$4.2 million to \$3.7 million was attributed to lower level of business activities. Depreciation was lower due to more assets becoming fully depreciated and there were minimal property, plant and equipment investments.

Finance costs, which were related to the Taiwan operation, were higher due to higher gearing.

The income tax expense recorded by the Group in 1H FY2015 and 1H FY2014 were related to the Taiwan operation. The Company did not recognize any income tax expense for both periods as it had sufficient tax allowances to offset its taxable income for 1H FY2015 and 1H FY2014 at the end of the respective reporting periods.

As a result of the above, the Group's profit increased by 96.0% from \$0.8 million in 1H FY2014 to \$1.6 million in 1H FY2015.

Earnings per share were 0.01 cent for 2Q FY2015 and 0.27 cent for 1H FY2015. The Group's net asset value per share stood at 6.82 cents as at 31 January 2015 compared to 6.76 cents as at 31 July 2014, an increase of 0.9% despite the payment of final one-tier tax exempt dividend of 0.22 cents per share for FY2014 amounting to \$1.3 million on 2 December 2014.

The Group's financial position remained strong with a net cash position of \$17.0 million as at 31 January 2015. The Group continued to generate positive operating cashflows of \$0.7 million and \$3.4 million during 2Q FY2015 and 1H FY2015, respectively.

While sales of Blu-Ray and CD media storage products and services have improved in the last six months, sales of other products and services, in particular, DVD media storage products and services continue to weaken and affect the overall performance of the Group.

Outlook for the next three to twelve months is expected to be challenging as the demand for our products and services remains uncertain.

The Group will continue to focus on providing more value-added services to its customers and controlling its operating costs.

### **About Datapulse Technology Limited**

Datapulse Technology Limited was incorporated in Singapore on 28 July 1980 and has been listed on the Mainboard of the Singapore Exchange since 1 March 1994.

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.*