



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.

#### Consolidated Statement of Comprehensive Income

GROUP	Three	Three	Change	Nine	Nine	Change
	Months	Months		Months	Months	
	Ended	Ended		Ended	Ended	
	30.04.16	30.04.15		30.04.16	30.04.15	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	3,655	5,471	(33.2)	20,992	21,093	(0.5)
Other income	132	133	(0.8)	368	222	65.8
	<u>3,787</u>	<u>5,604</u>	(32.4)	<u>21,360</u>	<u>21,315</u>	0.2
Changes in inventories and raw materials usage	(1,096)	(1,379)	(20.5)	(5,521)	(5,051)	9.3
Staff costs	(1,923)	(2,082)	(7.6)	(6,903)	(6,985)	(1.2)
Depreciation	(787)	(843)	(6.6)	(2,441)	(2,614)	(6.6)
Other operating expenses	(1,199)	(1,433)	(16.3)	(4,332)	(5,154)	(15.9)
Finance costs	(37)	(39)	(5.1)	(116)	(52)	123.1
Total operating expenses	<u>(5,042)</u>	<u>(5,776)</u>	(12.7)	<u>(19,313)</u>	<u>(19,856)</u>	(2.7)
<b>Results from operating activities</b>	<b>(1,255)</b>	<b>(172)</b>	<b>NM</b>	<b>2,047</b>	<b>1,459</b>	<b>40.3</b>
Share of profit of associate	10	-	NM	6	-	NM
<b>(Loss)/profit before tax</b>	<b>(1,245)</b>	<b>(172)</b>	<b>NM</b>	<b>2,053</b>	<b>1,459</b>	<b>40.7</b>
Income tax (expense) / credit	(3)	414	NM	(8)	400	NM
<b>(Loss)/profit for the period attributable to owners of the Company</b>	<b>(1,248)</b>	<b>242</b>	<b>NM</b>	<b>2,045</b>	<b>1,859</b>	<b>10.0</b>
<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	(4)	10	NM	(8)	41	NM
Share of foreign currency translation differences of associate	32	-	NM	28	-	NM
Other comprehensive income attributable to owners of the Company	<u>28</u>	<u>10</u>	180.0	<u>20</u>	<u>41</u>	(51.2)
<b>Other comprehensive income for the period</b>	<b>28</b>	<b>10</b>	<b>180.0</b>	<b>20</b>	<b>41</b>	<b>(51.2)</b>
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b>(1,220)</b>	<b>252</b>	<b>NM</b>	<b>2,065</b>	<b>1,900</b>	<b>8.7</b>

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>Three</b>	<b>Three</b>	<b>Change</b>	<b>Nine</b>	<b>Nine</b>	<b>Change</b>
	<b>Months</b>	<b>Months</b>		<b>Months</b>	<b>Months</b>	
	<b>Ended</b>	<b>Ended</b>		<b>Ended</b>	<b>Ended</b>	
	<b>30.04.16</b>	<b>30.04.15</b>	<b>%</b>	<b>30.04.16</b>	<b>30.04.15</b>	<b>%</b>
	<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	
<b>Other income:</b>						
Gain on sale of plant and equipment	-	53	NM	-	22	NM
Interest income	111	74	50.0	336	169	98.8
Sundry income	21	6	250.0	32	31	3.2
	<b>132</b>	<b>133</b>	<b>(0.8)</b>	<b>368</b>	<b>222</b>	<b>65.8</b>
<b>Other operating expenses include the following items:</b>						
Exchange loss / (gain)	338	158	113.9	170	(136)	NM
Impairment losses made on non-financial assets	-	-	-	-	142	NM
Net change in fair value of derivative financial assets recognised in profit or loss	-	(31)	NM	-	-	-
Bad debt recovered	(1)	-	NM	(2)	-	NM
Plant and equipment written off	-	-	-	-	4	NM
<b>Others:</b>						
Adjustment for overprovision of tax in respect of prior years (included as part of income tax expense)	-	414	NM	-	414	NM

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**

	GROUP			COMPANY		
	30.04.16 \$'000	31.07.15 \$'000	Change %	30.04.16 \$'000	31.07.15 \$'000	Change %
<b>Non-current assets</b>						
Property, plant and equipment	14,786	17,078	(13.4)	14,786	17,078	(13.4)
Investment property	6,229	6,567	(5.1)	-	-	-
Subsidiaries	-	-	-	2,903	28	NM
Associate	2,909	-	NM	-	-	-
	<b>23,924</b>	<b>23,645</b>	<b>1.2</b>	<b>17,689</b>	<b>17,106</b>	<b>3.4</b>
<b>Current assets</b>						
Inventories	1,052	1,270	(17.2)	1,052	1,270	(17.2)
Trade and other receivables	2,110	1,978	6.7	2,108	1,977	6.6
Cash and bank balances	31,728	31,975	(0.8)	31,550	31,891	(1.1)
	<b>34,890</b>	<b>35,223</b>	<b>(0.9)</b>	<b>34,710</b>	<b>35,138</b>	<b>(1.2)</b>
<b>Total assets</b>	<b>58,814</b>	<b>58,868</b>	<b>(0.1)</b>	<b>52,399</b>	<b>52,244</b>	<b>0.3</b>
<b>Equity attributable to owners of the Company</b>						
Share capital	32,992	32,992	-	32,992	32,992	-
Reserves	15,413	14,846	3.8	15,235	14,733	3.4
<b>Total equity</b>	<b>48,405</b>	<b>47,838</b>	<b>1.2</b>	<b>48,227</b>	<b>47,725</b>	<b>1.1</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities	1,266	1,266	-	1,266	1,266	-
	<b>1,266</b>	<b>1,266</b>	<b>-</b>	<b>1,266</b>	<b>1,266</b>	<b>-</b>
<b>Current liabilities</b>						
Trade and other payables	2,722	3,064	(11.2)	2,618	2,965	(11.7)
Bank loan	6,126	6,409	(4.4)	-	-	-
Current tax payable	295	291	1.4	288	288	-
	<b>9,143</b>	<b>9,764</b>	<b>(6.4)</b>	<b>2,906</b>	<b>3,253</b>	<b>(10.7)</b>
<b>Total liabilities</b>	<b>10,409</b>	<b>11,030</b>	<b>(5.6)</b>	<b>4,172</b>	<b>4,519</b>	<b>(7.7)</b>
<b>Total equity and liabilities</b>	<b>58,814</b>	<b>58,868</b>	<b>(0.1)</b>	<b>52,399</b>	<b>52,244</b>	<b>0.3</b>

NM: Not meaningful.

**(b)(ii) Aggregate amount of the group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

As at 30.04.16		As at 31.07.15	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
6,126	-	6,409	-

**Amount repayable after one year**

As at 30.04.16		As at 31.07.15	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Details of any collateral**

As at 30 April 2016, the bank loan of \$6.1 million (31 July 2015: \$6.4 million) was secured by a charge over freehold property with net book value of \$5.4 million (31 July 2015: \$5.7 million) held by the Group's Taiwan subsidiary, One Global Inc (OGI) and corporate guarantee provided by the Company.

**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 30.04.16 \$'000</b>	<b>Three Months Ended 30.04.15 \$'000</b>	<b>Nine Months Ended 30.04.16 \$'000</b>	<b>Nine Months Ended 30.04.15 \$'000</b>
<b><u>Operating activities</u></b>				
(Loss)/profit for the year	(1,248)	242	2,045	1,859
Adjustments for:				
Bad debt recovered	(1)	-	(2)	-
Depreciation	787	843	2,441	2,614
Finance costs	37	39	116	52
Gain on sale of plant and equipment	-	(53)	-	(22)
Impairment losses made on non-financial assets	-	-	-	142
Income tax expense/(credit)	3	(414)	8	(400)
Interest income	(111)	(74)	(336)	(169)
Net change in fair value of derivative financial assets recognised in profit or loss	-	(31)	-	-
Plant and equipment written off	-	-	-	4
Share of profit of associate	(10)	-	(6)	-
Operating (loss) / profit before working capital changes	<u>(543)</u>	<u>552</u>	<u>4,266</u>	<u>4,080</u>
Changes in working capital:				
Inventories	160	152	217	580
Trade and other receivables	(149)	(30)	(107)	547
Trade and other payables	124	180	(340)	(941)
Cash (used in) / generated from operations	<u>(408)</u>	<u>854</u>	<u>4,036</u>	<u>4,266</u>
Income tax paid, net	-	(115)	(2)	(116)
<b>Net cash (used in) / from operating activities</b>	<u>(408)</u>	<u>739</u>	<u>4,034</u>	<u>4,150</u>
<b><u>Investing activities</u></b>				
Fixed deposits with maturity of more than three months	6,386	-	-	2,103
Interest received	79	73	313	155
Loan to associate	(20)	-	(2,875)	-
Proceeds from sale of non-financial assets	-	-	-	74
Proceeds from sale of plant and equipment	-	70	-	101
Purchase of plant and equipment	(71)	(46)	(101)	(159)
<b>Net cash from / (used in) investing activities</b>	<u>6,374</u>	<u>97</u>	<u>(2,663)</u>	<u>2,274</u>
<b><u>Financing activities</u></b>				
Dividends paid	-	-	(1,320)	(1,308)
Interest paid	(37)	(39)	(116)	(52)
Proceeds from bank loan	-	-	-	6,156
Repayment of bank loan	-	-	-	(646)
Repurchase of own shares	(183)	-	(183)	-
Return of unclaimed dividends	-	-	5	4
<b>Net cash (used in) / from financing activities</b>	<u>(220)</u>	<u>(39)</u>	<u>(1,614)</u>	<u>4,154</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	5,746	797	(243)	10,578
Cash and cash equivalents at beginning of period	26,032	23,285	31,975	13,282
Effect of exchange rate changes on balances held in foreign currency	(50)	(91)	(4)	131
<b>Cash and cash equivalents at end of period</b>	<u>31,728</u>	<u>23,991</u>	<u>31,728</u>	<u>23,991</u>

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**

	Share capital	Reserve for own shares	Legal reserve	Foreign currency translation reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GROUP</b>						
<b>At 1 August 2015</b>	<b>32,992</b>	-	<b>9</b>	<b>(295)</b>	<b>15,132</b>	<b>47,838</b>
<b>Total comprehensive income for the period</b>						
<i>Profit for the period</i>	-	-	-	-	3,293	3,293
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	-	(4)	-	(4)
Share of foreign currency translation differences of associate	-	-	-	(4)	-	(4)
<i>Total other comprehensive income</i>	-	-	-	(8)	-	(8)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(8)</b>	<b>3,293</b>	<b>3,285</b>
<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 0.20 cents per share for FY2015	-	-	-	-	(1,320)	(1,320)
Return of unclaimed dividends	-	-	-	-	5	5
<i>Total contributions by and distributions to owners</i>	-	-	-	-	(1,315)	(1,315)
<b>Total transactions with owners</b>	-	-	-	-	<b>(1,315)</b>	<b>(1,315)</b>
<b>At 31 January 2016</b>	<b>32,992</b>	-	<b>9</b>	<b>(303)</b>	<b>17,110</b>	<b>49,808</b>
<b>At 1 February 2016</b>	<b>32,992</b>	-	<b>9</b>	<b>(303)</b>	<b>17,110</b>	<b>49,808</b>
<b>Total comprehensive income for the period</b>						
<i>Loss for the period</i>	-	-	-	-	(1,248)	(1,248)
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	-	(4)	-	(4)
Share of foreign currency translation differences of associate	-	-	-	32	-	32
<i>Total other comprehensive income</i>	-	-	-	28	-	28
<b>Total comprehensive income for the period</b>	-	-	-	<b>28</b>	<b>(1,248)</b>	<b>(1,220)</b>
<b>Transactions with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Own shares acquired	-	(183)	-	-	-	(183)
<i>Total contributions by and distributions to owners</i>	-	(183)	-	-	-	(183)
<b>Total transactions with owners</b>	-	<b>(183)</b>	-	-	-	<b>(183)</b>
<b>At 30 April 2016</b>	<b>32,992</b>	<b>(183)</b>	<b>9</b>	<b>(275)</b>	<b>15,862</b>	<b>48,405</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**

	Share capital \$'000	Legal reserve \$'000	Foreign currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>GROUP</b>						
<b>At 1 August 2014</b>	<b>25,747</b>	<b>9</b>	<b>(337)</b>	<b>410</b>	<b>14,392</b>	<b>40,221</b>
<b>Total comprehensive income for the period</b>						
<i>Profit for the period</i>	-	-	-	-	1,617	1,617
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	31	-	-	31
<i>Total other comprehensive income</i>	-	-	31	-	-	31
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>-</b>	<b>1,617</b>	<b>1,648</b>
<b>Transactions with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Final 1-tier tax-exempt dividends paid of 0.22 cents per share for FY2014	-	-	-	-	(1,308)	(1,308)
Return of unclaimed dividends	-	-	-	-	4	4
Transfer to retained earnings for value of share options cancelled	-	-	-	(410)	410	-
<i>Total contributions by and distributions to owners</i>	-	-	-	(410)	(894)	(1,304)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(410)</b>	<b>(894)</b>	<b>(1,304)</b>
<b>At 31 January 2015</b>	<b>25,747</b>	<b>9</b>	<b>(306)</b>	<b>-</b>	<b>15,115</b>	<b>40,565</b>
<b>At 1 February 2015</b>	<b>25,747</b>	<b>9</b>	<b>(306)</b>	<b>-</b>	<b>15,115</b>	<b>40,565</b>
<b>Total comprehensive income for the period</b>						
<i>Profit for the period</i>	-	-	-	-	242	242
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	10	-	-	10
<i>Total other comprehensive income</i>	-	-	10	-	-	10
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>242</b>	<b>252</b>
<b>Transactions with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
<i>Total contributions by and distributions to owners</i>	-	-	-	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 April 2015</b>	<b>25,747</b>	<b>9</b>	<b>(296)</b>	<b>-</b>	<b>15,357</b>	<b>40,817</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**

	Share capital \$'000	Reserve for own shares \$'000	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>COMPANY</b>					
<b>At 1 August 2015</b>	<b>32,992</b>	-	-	<b>14,733</b>	<b>47,725</b>
<b>Total comprehensive income for the period</b>					
<i>Profit for the period</i>	-	-	-	3,271	3,271
<i>Total other comprehensive income</i>	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,271</b>	<b>3,271</b>
<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 0.20 cents per share for FY2015	-	-	-	(1,320)	(1,320)
Return of unclaimed dividends	-	-	-	5	5
<i>Total contributions by and distributions to owners</i>	-	-	-	(1,315)	(1,315)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,315)</b>	<b>(1,315)</b>
<b>At 31 January 2016</b>	<b>32,992</b>	-	-	<b>16,689</b>	<b>49,681</b>
<b>At 1 February 2016</b>	<b>32,992</b>	-	-	<b>16,689</b>	<b>49,681</b>
<b>Total comprehensive income for the period</b>					
<i>Loss for the period</i>	-	-	-	(1,271)	(1,271)
<i>Total other comprehensive income</i>	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,271)</b>	<b>(1,271)</b>
<b>Transactions with owners, recorded directly in equity</b>					
<u>Contributions by and distributions to owners</u>					
Own shares acquired	-	(183)	-	-	(183)
<i>Total contributions by and distributions to owners</i>	-	(183)	-	-	(183)
<b>Total transactions with owners</b>	<b>-</b>	<b>(183)</b>	<b>-</b>	<b>-</b>	<b>(183)</b>
<b>At 30 April 2016</b>	<b>32,992</b>	<b>(183)</b>	-	<b>15,418</b>	<b>48,227</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)

	Share capital \$'000	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>COMPANY</b>				
<b>At 1 August 2014</b>	<b>25,747</b>	<b>410</b>	<b>14,060</b>	<b>40,217</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	1,564	1,564
<i>Total other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,564</b>	<b>1,564</b>
<b>Transactions with owners, recorded directly in equity</b>				
<u>Contributions by and distributions to owners</u>				
Final 1-tier tax-exempt dividends paid of 0.22 cents per share for FY2014	-	-	(1,308)	(1,308)
Return of unclaimed dividends	-	-	4	4
Transfer to retained earnings for value of share options cancelled	-	(410)	410	-
<i>Total contributions by and distributions to owners</i>	-	(410)	(894)	(1,304)
<b>Total transactions with owners</b>	<b>-</b>	<b>(410)</b>	<b>(894)</b>	<b>(1,304)</b>
<b>At 31 January 2015</b>	<b>25,747</b>	<b>-</b>	<b>14,730</b>	<b>40,477</b>
<b>At 1 February 2015</b>	<b>25,747</b>	<b>-</b>	<b>14,730</b>	<b>40,477</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	243	243
<i>Total other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>243</b>	<b>243</b>
<b>Transactions with owners, recorded directly in equity</b>				
<u>Contributions by and distributions to owners</u>				
<i>Total contributions by and distributions to owners</i>	-	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 April 2015</b>	<b>25,747</b>	<b>-</b>	<b>14,973</b>	<b>40,720</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.**

On 1 December 2015, the Company completed the share consolidation of every three (3) ordinary shares into one (1) ordinary share in the capital of the Company, fractional entitlements to be disregarded.

For the quarter ended 30 April 2016, a total of 829,600 ordinary shares were bought back by way of market acquisitions and held as treasury shares.

Except for the above, there were no other changes to the share capital of the Company.

As at 30 April 2016, the Company held 829,600 treasury shares (30 April 2015: NIL).

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 30.04.16	As at 31.07.15
Number of issued ordinary shares, excluding treasury shares, at the end of the period	219,074,844	659,724,000

**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.**

The Company held 829,600 treasury shares as at 30 April 2016. 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 2015.

**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.**

The Group has adopted all applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") which became effective for accounting period beginning on or after 1 August 2015. The adoption of these new and revised FRS and INT FRS are assessed to have no significant financial impact on the Group's financial statements for the current financial period reported on.

**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			
	Three Months Ended 30.04.16	Three Months Ended 30.04.15 (Restated)*	Nine Months Ended 30.04.16	Nine Months Ended 30.04.15 (Restated)*
(Loss)/profit attributable to owners of the Company (\$'000)	(1,248)	242	2,045	1,859
Weighted average no. of shares used in computation of basic earnings per shares ( in million) **	219.55	198.24	219.79	198.24
Earnings per share				
(a) Based on the weighted average number of shares on issue	(0.57) cents	0.12 cents	0.93 cents	0.94 cents
(b) On a fully diluted basis	(0.57) cents	0.12 cents	0.93 cents	0.94 cents

\*For comparison purposes, prior year earnings per share are adjusted due to the share consolidation of every three (3) ordinary shares into one (1) ordinary share in the capital of the Company, fractional entitlements to be disregarded.

\*\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the period.

**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 30.04.16	As at 31.07.15 (Restated)*	As at 30.04.16	As at 31.07.15 (Restated)*
Net Asset Value per ordinary share based on issued share capital at the end of the period	22.10 cents	21.75 cents	22.01 cents	21.70 cents

\* For comparison purposes, prior year net asset values are adjusted due to the share consolidation of every three (3) ordinary shares into one (1) ordinary share in the capital of the Company, fractional entitlements to be disregarded.

**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.

**3Q 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.

**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. (cont'd)**

### **9M FY2016**

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 offset 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 \$2.1 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.

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

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.

The decrease in property, plant and equipment was attributed mainly to depreciation charged for the period.

Inventories were lower in line with lower business activities.

Associate at the Group level of \$2.9 million comprised mainly a long term shareholders' loan extended to a 20% owned associate, Goldprime Realty Pte Ltd, for a property development project in Australia.

Trade and other payables were lower by 11.2% from \$3.1 million to \$2.7 million.

Reserves were higher by \$0.6 million due mainly to 9M FY2016's profit of \$2.0 million, which was offset by the payment of final one-tier tax exempt dividend of 0.20 cents per share for FY2015 amounting to \$1.3 million on 27 November 2015 and purchase of treasury shares amounting to \$0.2 million.

The bank loan taken in 2Q FY2015 was attributed to OGI. During 2Q FY2015, OGI repaid its building loan in full and concurrently took up a term loan facility, which is subject to annual renewal, to fund the repayments of the building loan of \$0.6 million and 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.

**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. (cont'd)**

**Use of proceeds raised from private placement**

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.

**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 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.

**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.**

No dividend has been declared for the quarter ended 30 April 2016.

**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.**

No IPT mandate has been obtained from shareholders.

**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  
Chief Financial Officer  
08 June 2016