

PROPOSED ACQUISITION OF AN INDUSTRIAL PROPERTY AT TOA PAYOH

1. INTRODUCTION

- 1.1 The board of directors (“**Directors**” or the “**Board**”) of Datapulse Technology Limited (“**Company**” together with its subsidiaries, “**Group**”) wishes to announce that the Company has on 4 August 2017 been granted an option to purchase (the “**Option**”) by an unrelated party (“**Vendor**”) an industrial property located in Toa Payoh Singapore (the “**Property**”) for an aggregate consideration of S\$10,500,000.00 (“**Consideration**”) (excluding goods and services tax (“**GST**”), where applicable) (“**Proposed Acquisition**”). The Option shall remain valid up to 4.00 pm on 3 September 2017.
- 1.2 The Property is held on a 35 year 5 months and 30 days lease from JTC, commencing from 1 December 1994.

2. PRINCIPAL TERMS OF THE OPTION

- 2.1 The Consideration was arrived at on a willing-buyer willing-seller basis after arm’s length negotiations between the Company and the Vendor and after taking into consideration, *inter alia*, relevant enquiries and references by the Group in relation to the current market prices of properties in the surrounding area of similar size and lease tenure. The Group intends to fund the purchase of the Property by internal cash resources.
- 2.2 An option fee of S\$112,350 (inclusive of GST) (the “**Option Fee**”) being 1% of the Consideration was paid to the Vendor on the grant of the Option. A further S\$1,011,150 (inclusive of GST), representing 10% of the Consideration less the Option Fee shall be payable to the Vendor on the exercise of the Option. The remaining 90% of the Consideration is payable to the Vendor or to the Vendor’s solicitors as the Vendor’s agent, on completion of the Proposed Acquisition (“**Completion**”).
- 2.3 The Proposed Acquisition is subject to, *inter alia*: -
- (a) JTC giving their consent in writing for the sale of the Property and assignment to the Company (“**Written Consent**”) of the unexpired term of the lease of the Property; and
 - (b) JTC giving their approval in writing to the use of the Property for manufacturing of media storage products, such as compact discs, digital versatile discs and blu-ray discs.
- 2.4 Subject to there being no default, refusal, neglect, or failure on the part of the Vendor and/or the Company:
- (a) if the approvals to the Preliminary Applications or the JTC Approvals are not obtained:
 - (i) within twelve (12) weeks from the date of the submission of the assignment form to JTC by the Vendor, or
 - (ii) such further extension of time as may be agreed between the parties hereto, whichever is the later; or
 - (b) if any of the said approvals are refused by JTC or the relevant authorities,
- then either party shall be at liberty to terminate the sale and purchase of the Property by written notice in that respect to the other party’s solicitor whereupon the sale and purchase

DATAPULSE TECHNOLOGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198002677D)

shall then be null and void. The Company shall at its own cost and expense withdraw all caveats lodged against the Property and return all title deeds or documents relating to the Property and upon the same being effected, the Vendor shall refund to the Company all monies paid by the Company hereunder free of interest and neither party shall have any further demand claim right or action against the other whether for costs, damages, compensation or otherwise.

2.5 Subject to the above clause, the sale and purchase of the Property shall be completed on the latest of the following dates:-

- (a) the date falling one (1) week from the date of receipt of JTC's confirmation that they have no objections to the execution and completion of the transfer and assignment of the Property by the Vendor to the Company; or
- (b) where the Environmental Baseline Study ("EBS") shows the presence of contaminants at the Property and decontamination works are required by JTC to be carried out, the date falling one (1) week from the date when JTC confirms that the decontamination works carried out by the Vendor are satisfactory to JTC or the relevant authorities; or
- (c) where the EBS shows the presence of contaminants at the Property but no decontamination works are required by JTC to be carried out, the date falling one (1) week from the date when notification in writing is received from JTC or the relevant authorities confirming that no decontamination works are required to be carried out;
- (d) where the Certificate of Title needs to be replaced within one (1) week of release of the replacement Certificate of Title by the Singapore Land Authority (and in this respect, the Vendor shall submit the application for the replacement Certificate of Title by 8 August 2017; or
- (e) such other date as the parties may mutually agree in writing.

2.6 For the avoidance of doubt, any term or condition imposed by JTC including in respect of the variation of the terms of the land rent and other terms of the lease of the Property and any term or condition imposed for the Written Consent issued by JTC in conformity with JTC's prevailing policies shall not be a ground for the Company to delay the completion of, or refuse to complete, the sale and purchase of the Property.

3. RATIONALE

The Company intends to sell its existing property located at 15A Tai Seng Drive Singapore 535225. The Proposed Acquisition would provide the Company with replacement space to conduct the manufacturing of media storage products, such as compact discs, digital versatile discs and blu-ray discs and is in the ordinary course of business.

4. NON-DISCLOSEABLE TRANSACTION

The Proposed Acquisition is within the ordinary course of the Company's business and therefore the bases under Chapter 10 does not apply.

In any event, for purposes of fuller disclosures, the relevant relative figures of the Proposed Acquisition computed pursuant to Rule 1006 of the SGX-ST Listing Manual, based on the Company's audited consolidated results for the financial year ended 31 July 2016, is less than 20%.

DATAPULSE TECHNOLOGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198002677D)

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has an interest, direct or indirect in the Proposed Acquisition, other than through the respective shareholding interests in the Company, if any.

6. FURTHER ANNOUNCEMENTS

The Company will update shareholders in due course if there are any material developments to the Proposed Acquisition and/or upon exercise by the Company of the Option.

FOR AND ON BEHALF OF THE BOARD

Lee Kam Seng
Chief Financial Officer and Company Secretary
7 August 2017