

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

BUSINESS TIMES ARTICLE OF 8 DECEMBER 2017

The board of directors ("**Board**") of Datapulse Technology Limited (the "**Company**") refers to the Business Times article of 8 December 2017 entitled "*Datapulse Technology's disclosures about its operations throw up more questions than answers*" by Mak Yuen Teen ("**Press Article**") and would like to respond to certain questions raised in the Press Article as further elaborated below.

Shareholders may wish to note that subsequent to the Press Article, the Company has released various announcements on 8 December 2017, 10 December 2017, 11 December 2017 and 12 December 2017 (collectively, the "**Announcements**"), and certain capitalised terms used herein which are not defined shall have the same meanings ascribed to them in the Announcements.

In addition, due to a reconstitution of the Board on 11 December 2017, not all members of the current Board ("**New Board**") were privy to certain historical events or matters and has had to rely, *inter alia*, on information provided by former management of the Company, where applicable.

Questions raised in the Press Article

- Why did the board decide to grant the option to sell the existing property which can be exercised before it had secured the alternative property for its manufacturing?

The New Board understands that the board of directors prior to its reconstitution on 11 December 2017 ("**Former Board**") had decided to grant the option to sell the Tai Seng Drive Property although it can be exercised before the Company had secured an alternative property for its manufacturing activities as the buyer offered an attractive price for the Tai Seng Drive Property which was above the market value for similar properties, and the Company was then also in the midst of finalising an option to purchase an alternative property for its manufacturing activities.

- Why did the Company only announce SGX's waiver for shareholders' approval of the option to dispose of the property 10 days after SGX's approval? Why did it wait until 14 November to disclose the receipt of the two rejection letters from NEA on 4 September and 22 September for change of use of the property to be purchased, when these are critical conditions precedent?

Reply to first sub-question

Although the Company obtained SGX's waiver for shareholders' approval of the option to dispose of the property on 21 July 2017, the Company did not finalise the terms of the option to sell the Tai Seng Drive Property ("**Option**") until 26 July 2017, whereupon the Option was granted.

A trading halt was called for between 26 July 2017 and 31 July 2017, and the grant of the Option was then announced on 31 July 2017, after which the trading halt was lifted.

Reply to second sub-question

Please refer to the Company's announcement dated 13 December 2017 entitled "*Clarification of Developments relating to the sale and purchase of the Toa Payoh Property*".

- In saying that no material impact is expected from ceasing its manufacturing business because it is currently loss-making, has the board considered write-offs of manufacturing equipment, penalties of non-fulfilment of contractual obligations, redundancy payments to staff and workers, and other costs? Has the board considered the longer-term impact of such a decision especially when this is the only activity of the Company?

As announced by the Company on 12 December 2017 under the announcement entitled “*Update on the Company’s Current Business and Future Plans*”, the New Board is re-evaluating the feasibility of continuing the Group’s manufacturing activities in view of certain recent developments, as further elaborated in the said announcement.

The New Board will take into consideration, *inter alia*, the matters raised above when carrying out such evaluation.

- Since the Company is considering ceasing its manufacturing activities and exploring other business and investment opportunities, has the board considered the risk of it becoming a cash company if it is unable to secure other business and investment opportunities timely, with a possible suspension and delisting? In considering these other opportunities, the board also needs to be mindful of Management and its expertise.

Again, the New Board is cognisant of, and will take into consideration, *inter alia*, the matters raised above when carrying its further evaluation of whether the Group should cease its manufacturing activities and/or explore other business and investment opportunities.

BY ORDER OF THE BOARD

Lee Kam Seng

Chief Financial Officer and Company Secretary

13 December 2017