

Chew Ah Kong
32 Vanda Road
Singapore 287792

16 April 2018

The Board of Directors
Datapulse Technology Limited
150 Beach Road,
The Gateway West #35-00
Singapore 189720

Open Letter to Board of Directors regarding dividend payment and diversification plan

Dear Sirs,

We refer to your announcement dated 15 April 2018 on “BOARD’S RESPONSE TO THE PROPOSED NEW DIRECTOR’S PLAN FOR A PROPOSED PAYOUT TO SHAREHOLDERS.”

As a group of concerned shareholders, we welcome Ms Intan Ng’s plan to pay an interim dividend of 20 cents per share amounting to \$44 million before 14 June 2018 if they were appointed to the board. If a majority of the minority shareholders vote for the proposed directors at the EGM on Friday 20 April 2018, it means that they have broad support of the minority shareholders for both their appointments and the plan to pay an interim dividend.

On 24 January 2018 the Company announced it was expecting to receive net sale proceeds of S\$52.9 million from the disposal of the Tai Seng factory and record a gain of S\$44.6 million. And in view of that, the Board proposed to distribute a special dividend of 1 cent for each share.

The proposed special dividend was said to be “in recognition of, and to reward shareholders for their continued support of the Company.” We would like to point out that the Board was only prepared to pay \$2.19 million out of the gain from the disposal which is “peanut.”

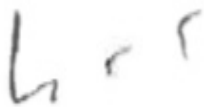
As disclosed in the circular to shareholders dated 26 March 2018, there is cash of about \$84.3 million in the company.

We think that if the Board feels that Ms Intan Ng is “using a cash return plan as her manifesto to encourage Shareholders to vote in the Proposed New Directors to the Board,” we welcome the Board to make a similar gesture of paying an interim dividend of the same quantum. Perhaps then, we as shareholders will consider to give the Board the latitude to utilise our money and “use a substantial portion of Datapulse’s cash assets for (1) Datapulse’s operating expenses for the “Existing Business,” and (2) “the currently anticipated requirements for the Proposed Consumer Business and Proposed Investment Business” as stated in the circular.

If the Board strongly believes that the Company can enhance shareholder value through a business diversification and “Wayco is a profitable hair care, personal care and household chemical business which can be nurtured into a regional brand for the fast-growing personal grooming sector,” we urge the Board to consider returning our cash and raise money from the capital market as is the intention of the requisitioning shareholders if any diversification is contemplated.

I was up at Bedok North yesterday from my place at Sixth Ave to pick up a proxy form from one Tan Chye Yang who called me out of the blue. Chye Yang is going to be 90 years old in ten days and is a shareholder of Datapulse. He only knew about the coming EGM when he opened his mail the night before and read our letter to fellow shareholders. He noticed my name as someone to call if he needed help. Chye Yang came to know me when I last went around to rally for support for the cause of voting against Michael Mun of Aztech in his plan to take Aztech private after the company was delisted for which the minority shareholders succeeded. So Chye Yang called me said he read about us but he had since moved house from Binjai Park to now Bedok to stay with his son as he is very sick. He said he holds some Datapulse shares and he wishes to proxy me. It is shareholders like Chye Yang we want to help get back his money otherwise he would not see it again. There are many more Chye Yangs among the 9000 shareholders in Datapulse. We want to help them get their money back which otherwise they will not see again.

Yours faithfully,



Chew Ah Kong
For and On Behalf of A Group of Concerned Shareholders

E-mail reply to Mr Chew Ah Kong dated April 16, 2018 9:44 PM

Dear Mr Chew,

Thank you for your Open Letter to the Board of Directors regarding dividend payment and diversification plan.

The Board is seeking shareholders' support at the coming EGM to keep the current directors, approve the business diversification plan and approve the payment of a special dividend of 1 cent per share. The rationale for these resolutions are clearly elaborated in the Circular sent to shareholders.

The Board strongly believes that we can enhance shareholder value through this proposed business diversification to bring about corporate recovery from the deteriorating performance of the core business of media storage previously. The Board will deploy our cash prudently to invest in the new core businesses to deliver returns to shareholders in the medium term. When this materialises, the share price should be rerated correspondingly by the market. We have no intention to pay out an interim 20 cents dividend as propagated by Ms Intan Ng. On your suggestion to return some cash and raise money from the capital market later to fund the diversifications, this may result in dilution to all existing shareholders. We believe our deserving shareholders/investors like yourself would like the Board and company to pursue a business strategy that can bring about good growth prospects and set itself on a recovery path.

For those shareholders who need to raise liquidity for their immediate needs, they always have the option of selling their shares in the market.

You have a noble intention to help fellow shareholders. In this regard, we would like to appeal to you to support the current Board and our proposed diversification plan. We welcome constructive feedback from all stakeholders and will be happy to engage with you, with the common purpose of enhancing value to shareholders. Thank you.

Best regards,
Michael Lee
CFO and Company Secretary
On behalf of the Board

E-mail reply from Chew Ah Kong dated April 17, 2018 11:33 PM

Chew Ah Kong
32 Vanda Road
Singapore 287792

17 April 2018

Mr Michael Lee
CFO and Company Secretary,
Datapulse Technology Limited
150 Beach Road,
The Gateway West #35-00
Singapore 189720

Dear Mr Lee

We refer to your email reply on behalf of the Board to our open letter dated 16 April 2018.

Thank you for your surprisingly civil reply. However, we do not share your optimism about the diversification plan, notwithstanding the Board Chairman had said at the SIAS Dialogue Session that the shares are worth 60 cents. We are firmly of the view that shareholder value will be destroyed.

We feel strongly that the better option is for us to be first paid the 20 cents interim dividend. We can then continue to hold the shares while you attempt to execute your diversification plan to enhance the value of our shares. Paying a 20-cent interim dividend will still leave the Board with \$40 million for its diversification strategy. We are sure that if the Company is able to demonstrate to the market that its diversification plan is on track to increase shareholder value, it will be able to easily raise capital to fully execute the plan.

If the Board and management truly believe in the diversification plan, we challenge all members of the Board, the CEO and yourself to put in your own money by buying shares of Datapulse **from the market right now**. We also ask that the directors and management be paid token salary and director fees, and instead accept equivalent remuneration in shares that only vest when the share price hits 60 cents, which is the value that your Chairman believes the shares are worth. If your diversification turns out to be so successful, who knows, maybe the multinational competitors in the hair care business will offer to buy up the Company at a significant premium just like SUPER and we will all be very happy. If you walk the talk then we may be inclined to believe you.

Please think of Chye Yang and many others like him among the 9000 shareholders.

We will keep your reply in our records and if we cannot stop you at this April 20th EGM, rest assured that we will be present at every AGM and EGM to hold the Board and management to account. As you hoard our money for your diversification, we shall see shortly how the "market will re-rate the share price."

AYours sincerely,

Chew Ah Kong
For and On Behalf of A Group of Concerned Shareholders