

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

**LETTER OF INTENT IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED
AND PAID-UP SHARE CAPITAL OF MHI MY 1 PTE. LTD.**

1. INTRODUCTION

The board of directors of the Company (the "**Board**" or "**Directors**") wishes to announce that the Company had, on 16 July 2018, entered into a non-binding letter of intent (the "**LOI**") with ICP Ltd.'s ("**ICP**") wholly owned subsidiary, Midscale Hotel Investments Pte. Ltd. (the "**Seller**") in relation to the proposed acquisition by the Company of the entire issued and paid-up share capital of MHI MY 1 Pte. Ltd. (the "**Target Subsidiary**") ("**Proposed Acquisition**").

The LOI is intended to set out the preliminary framework for further discussions between the Company and the Seller in respect of the Proposed Acquisition and is not intended to be legally binding, except for certain legally binding provisions relating to, *inter alia*, confidentiality, termination and governing law. The LOI is subject to the Company and the Seller or its nominee(s) (collectively the "**Parties**") entering into the definitive agreements (the "**Definitive Agreements**") and further details will be announced in the event the Definitive Agreements are entered into by the Parties. Shareholders should note that the terms of the LOI are subject to further negotiations and changes. There is no certainty or assurance that the Definitive Agreements will be entered into and/or that the Proposed Acquisition will materialise.

2. INFORMATION ON THE TARGET SUBSIDIARY

The Target Subsidiary was incorporated as a joint venture company with an issued and paid-up share capital of S\$1,500 comprising 1,500 ordinary shares. As at the date of this announcement, the shareholding of the Target Subsidiary is as follows:

Name	%
Seller	73.3
Aw Cheok Huat	9.3
Ong Kok Wah	5.8
Choong Chee Peng, Bert	5.8
Ho Peng Cheong, David	5.8
Total	100.0

The Target Subsidiary is in the business of hotel investment. The Target Subsidiary, through its wholly owned Malaysian subsidiary, owns a midscale hotel in Kuala Lumpur, currently operating under the brand "Geo Hotel Kuala Lumpur". Upon the completion of a refurbishment program, the hotel will debut as Travelodge Central Market, Kuala Lumpur ("**Hotel**").

3. INFORMATION ON THE SELLER

The Seller is a wholly-owned subsidiary of ICP, a company listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). ICP's principal business activities are in hospitality (hotel investment and management), investment holding and shipping. Specific to hospitality, ICP, through its subsidiaries, is responsible for the development of the "Travelodge" brand across Asia. The principal activity of the Seller is that of investment holding.

4. COLLABORATION ARRANGEMENT

The Parties shall, in good faith, discuss and negotiate a non-binding collaboration arrangement between the Company and ICP in areas where the respective parties have common business interests and objectives, in particular, the Company's mandate to pursue property investments and ICP's expertise in hotel investments and management. Amongst others, the collaboration shall contemplate ICP identifying and evaluating hotel property investment opportunities in key cities within the Asia-Pacific region and present such opportunities to the Company for its consideration. ICP may provide hotel management services to the Company, by mutual agreement.

5. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is part of the Company's efforts to diversify its core business operations into the hospitality industry, specifically in relation to the business of hotel ownership, which the Company believes would have strong potential for growth. This is in line with the Company's plan to expand into the property business to optimize returns for the Company and its shareholders should suitable opportunities arise as disclosed in the Company's circular to shareholders dated 26 March 2018. The Company had previously on 8 March 2013 obtained a mandate from its shareholders to allow the Company to be involved in business comprising property development, investment and trading business and this includes, *inter alia*, (i) "undertaking property development activities including acquisition, development and/or sales of residential, commercial (retail and office), industrial and any other suitable types of properties including mixed development properties ("**Property Related Assets**") and (ii) "acquiring and holding investments in Property Related Assets including developing Property Related Assets and holding the same for long term investment for the collection of rent, capital growth potential and/or provision of services and facilities in the use of Property Related Assets".

The Board believes that the Proposed Acquisition will offer new business opportunities, provide the Company with additional and recurrent revenue streams and improve its prospects, so as to enhance shareholders' value in the Company.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN THE PROPOSED ACQUISITION

None of the Directors or their respective associates has any interest, direct or indirect, in the Proposed Acquisition other than their respective shareholdings in the Company. To the best information, belief and knowledge of the Company and its Directors, no controlling shareholder or Mr Ang Kong Meng or their respective associates has any interest, direct or indirect, in the Proposed Acquisition.

7. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of the Listing Manual of the SGX-ST, upon the execution of the Definitive Agreements (if any) and/or when there are material developments in respect of the Proposed Acquisition.

8. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Definitive Agreements will be entered into, the terms and conditions of the Proposed Acquisition will not differ from that set out in the LOI, or the Proposed Acquisition will be undertaken or completed at all. The Company will make the necessary announcements as and when there are further developments on the Proposed Acquisition.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their legal, financial, tax or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Lee Kam Seng
Chief Financial Officer and Company Secretary

16 July 2018