

PROPOSED EXPANSION OF PROPERTY BUSINESS MANDATE

The board of directors ("**Board**" or "**Directors**") of Datapulse Technology Limited ("**Company**", and together with its subsidiaries, the "**Group**") refers to the mandate ("**Proposed Property Business Mandate**") previously obtained by the Company on 8 March 2013 from shareholders of the Company to allow the Company to, *inter alia*, undertake property development activities including acquisition, development and/or sale of residential, commercial (retail and office), industrial and any other suitable types of properties (including mixed development properties) ("**Property Related Assets**").

The Board also refers to the announcement dated 3 October 2018 in relation to the Company's entry into a non-binding letter of intent in relation to the proposed acquisition of a hotel property in Seoul ("**Proposed Acquisition**").

Proposed Expansion of Core Business

The Group will be engaged in the business of hotel investment if the Proposed Acquisition is entered into, and going forward, the Group intends to focus on the acquisition or investment in hotels or hospitality assets, whether by way of majority or minority stakes, and whether on a standalone basis or in joint venture with selected capital partners.

In view of the foregoing, the Company intends to seek shareholders' approval at an extraordinary general meeting to be convened to expand the existing Proposed Property Business Mandate to, *inter alia*, specifically include hotels and hospitality assets as an asset class within the Property Related Assets for acquisition or investment in ("**Proposed Expansion of Property Business Mandate**").

In this respect, the Company notes that ICP Ltd ("**ICP**", and together with its subsidiaries, the "**ICP Group**"), a company in which Mr Aw Cheok Huat, the Non-Independent Chairman and a substantial shareholder of the Company, is the non-independent and non-executive chairman and a controlling shareholder, is currently also engaged in the hotel and hospitality sector. In particular, ICP owns a hotel in Kuala Lumpur previously known as Geo Hotel which was rebranded to Travelodge Central Market ("**TLCM**"). The Company also notes that ICP had on 1 October 2018 announced that, except for the investment in TLCM, the ICP Group's focus is on third party hotel management and there are no current plans for the ICP Group to enter into capital-intensive acquisitions.

The Company does not contemplate providing hotel or hospitality management services as part of the Proposed Expansion of Property Business Mandate, and will engage third party service providers to provide hotel or hospitality management services in respect of the hotels or hospitality assets which it owns or has an interest in. Instead, the focus of the Group will be on the investment of Property Related Assets (including hotels or hospitality assets should shareholders approve the Proposed Expansion of Proposed Property Business Mandate) through which the Group expects to receive property income and capital appreciation.

Accordingly, even though both the Group and the ICP Group have interest in a common sector, namely hotels and hospitality, the nature and scope of their businesses are different. While there may be potential interested party transactions arising (given Mr Aw's respective roles or positions in both companies) if the Group were to engage the ICP Group to provide hotel management services, such transactions will be undertaken in accordance with all applicable regulatory requirements and the Company's policies and procedures. In this circumstance, Mr Aw will recuse himself and abstain from any determination by the Board on such interested party transactions.

Rationale for the Proposed Expansion

The proposed expansion of the Proposed Property Business Mandate in the manner as aforesaid would enable the Company to enhance shareholders' returns by receiving (i) stable income through its proportionate ownership of income-yielding hotels and hospitality assets and (ii) capital appreciation through redevelopment and/or value-add asset enhancement initiatives.

The Board is accordingly of the view that the Proposed Expansion of the Property Business Mandate would be beneficial to shareholders, and is looking forward to their support for the same.

Other Information

A circular containing further details on the foregoing and the Proposed Expansion of Property Business Mandate and the notice of extraordinary general meeting to be convened to seek shareholders' approval for the Proposed Expansion of Property Business Mandate will be despatched to shareholders in due course.

BY ORDER OF THE BOARD

Lee Kam Seng
Interim Chief Executive Officer
3 October 2018