

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

**BOARD'S RESPONSE TO THE PROPOSED NEW DIRECTORS' PLAN FOR A PROPOSED
PAYOUT TO SHAREHOLDERS**

The board of directors ("**Board**") of Datapulse Technology Limited (the "**Company**" or "**Datapulse**") refers to certain statements made by Ms Ng Bie Tjin @ Djuniarti Intan ("**Ms Intan Ng**") published today in the media (Business Times "Datapulse boardroom challenger pledges S\$70m payout to shareholders") (the "**Business Times Article**") in relation to her plan to return some S\$70 million cash in dividend and through a capital reduction to Shareholders of the Company ("**Proposed Payout**").

Proposed Payout

The Board notes that Ms Intan Ng has outlined her plan for the Proposed Payout ahead of the upcoming Extraordinary General Meeting ("**EGM**") of the Company to be held on 20 April 2018, seeking, amongst other resolutions, Shareholders' support to appoint certain proposed new directors, including Ms Intan Ng ("**Proposed New Directors**" or "**New Board**").

The Board notes that Ms Intan Ng has mentioned that the Proposed Payout would entail, *inter alia*, a capital reduction to be undertaken by the Company, presumably because she is aware that the Company does not have sufficient distributable profits to return S\$70 million cash to Shareholders by way of dividend, and Shareholders would need to approve the Proposed Payout.

However, Ms Intan Ng has omitted to mention is that in order to effect a capital reduction, the Company has to convene a general meeting of Shareholders to pass a special resolution, which requires the approval of 75% or more of the votes cast by Shareholders present at the meeting.

As at the date of this announcement, the Company has a total issued share capital of 219,074,844 shares (excluding treasury shares), of which Ms Ng Siew Hong, a controlling shareholder of the Company, holds 63,531,705 shares, representing approximately 29.0% of the total issued share capital of the Company, while Ms Intan Ng has a direct and deemed interest in 35,038,133 shares, representing approximately 16.0% of the total issued share capital of the Company.

Since Ms Ng Siew Hong holds 29.0% of the total issued share capital of the Company, any proposed special resolution for a capital reduction (requiring 75% approval) may not be passed if she and/or other shareholders who support the business diversification proposed by the current board choose to vote against it.

In light of the foregoing, the Board is of the view that it may be potentially misleading or irresponsible not to clarify that any implementation of the Proposed Payout has to be subject, *inter alia*, to the New Board obtaining the requisite 75% support, including Ms Ng Siew Hong, for the Proposed Payout.

Plans After the Proposed Payout

On her plans for the Company after the Proposed Payout (assuming it occurs), Ms Intan Ng has mentioned that the Proposed New Directors plan to conduct a feasibility study on Datapulse's diversification into a new business, and if that does not pan out, a sale of the listed vehicle or voluntary liquidation may be contemplated.

Voluntary liquidation Considerations

Ms Intan Ng has again omitted to clarify that in order to effect a voluntary liquidation, the Company has to convene a general meeting of Shareholders to pass a special resolution, which requires the approval of 75% or more of the votes cast by Shareholders present at the meeting, and the Board is of the view that it may be potentially misleading or irresponsible not to clarify that based on the current shareholding composition of the Company, the Company will not be able to obtain approval for such special resolution if the requisite shareholders including, Ms Ng Siew Hong, do not support it.

Separately, the Board notes that assuming the Proposed Payout is duly approved, the Company will be left with less than S\$15 million in cash.

In relation to the use of such remaining cash, the Board understands that Ms Intan Ng may have mentioned elsewhere, *inter alia*, that she does not rule out the option of the Company undertaking the property business for which the Company previously obtained a mandate from Shareholders to engage in, on 8 March 2013, although she recognizes that such cash may not be sufficient for such purpose and the Company may need to raise funding from capital markets or through issuance of new shares.

Fund Raising Considerations

As Shareholders will be aware, raising funding typically carries implications for the Company and Shareholders, either in terms of interest servicing costs (in the event of debt funding) and/or the potential dilution of existing Shareholders' interests (in the event of equity funding).

Shareholders should also note that despite obtaining a mandate from Shareholders to engage in property business since 8 March 2013 whilst Ms Intan Ng was still an Executive Director of the Company, the Company did not carry out any such plans until her departure from the Company, as announced on 1 September 2014.

With such considerations in mind, the Board questions the feasibility of the Proposed Payout including whether it is in the best interests of the Company and Shareholders, and Shareholders are advised to consider carefully the implications of the Proposed Payout for the Company and Shareholders in totality.

Other Matters

The Board had previously raised certain queries relating to the circumstances leading to Ms Intan Ng's departure as Executive Director and Finance Director of the Company, including the reasons for her issuance of a formal written apology to a fellow director, Mr Ng Cheow Chye, to which Ms Intan Ng has chosen not to respond to the Board.

Instead, Ms Intan Ng has chosen to inform the media that "the matter was mainly related to a private matter between two shareholders that happened a long time ago, even before the company's listing", and continues to maintain such position, despite the Company releasing information (via its announcement of 27 March 2018), that the Company's statutory records disclosed that the apology letter from Ms Intan Ng to Mr Ng Cheow Chye was issued on 27 August 2014, and that prior thereto, there were discussions, *inter alia*, of Ms Intan Ng's conduct and performance of her role as Finance Director at formal board meetings, and a possible suggestion that her conduct may have warranted a dismissal, or removal from office, but for her apology.

The Board can only conclude that perhaps Ms Intan Ng may have inadvertently forgotten that the apology letter was issued well after the Company was listed (on 1 March 1994), and not on a private matter, but on matters related to the Company.

BY ORDER OF THE BOARD

Lee Kam Seng
Chief Financial Officer and Company Secretary

12 April 2018