

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

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

The board of directors ("**Board**") of Datapulse Technology Limited (the "**Company**" or "**Datapulse**") refers to its announcement dated 12 April 2018 on the above matter ("**Announcement**"). All capitalized terms used herein which are not defined shall bear the meanings ascribed to them in the said Announcement.

Further to the Board's response (as set out in the Announcement) commenting on the feasibility of the Proposed Payout as mentioned by Ms Intan Ng to the media, the Board understands that Ms Intan Ng has on 13 April 2018 further informed the media (Business Times "Dissident Datapulse shareholders set June target to declare 20 cents per share payout") that the requisitioning shareholders have a timeline to declare an interim dividend of 20 Singapore cents per share before 14 June 2018 ("**Proposed Interim Dividend**") if they gain control of the Board.

The Board is of the view that this latest proposal for an interim dividend of such magnitude is clearly an eleventh-hour manoeuvre to solicit support at the coming EGM.

Self-serving?

The current Board is of the view that the requisitioning shareholders' proposal for the new Board to make an immediate declaration of the Proposed Interim Dividend by June 2018, if elected, is obviously a self-serving ploy to get the Proposed New Directors elected to the Board by enticing Shareholders, first with the Proposed Payout, and now with the Proposed Interim Dividend. If the new Board actually carries this through after their appointments, without further or due consideration of the potential implications for the Company, business or Shareholders after such a payout, would they be properly discharging their fiduciary duties or just acting as puppets of controlling shareholder(s)?

Bypassing Shareholders' Approval?

Ms Intan Ng had originally contemplated seeking Shareholders' approval for the Proposed Payout which involves a payout of 32 Singapore cents per share, with 20 Singapore cents per share to be distributed by way of a dividend and 12 Singapore cents per share to be distributed through a capital reduction.

After the Board pointed out (in the Announcement) that a capital reduction (as required under the Proposed Payout) would have to be by way of a special resolution that requires the support of 75% of the requisite shareholders including Ms Ng Siew Hong who owns 29% of the total issued share capital of the Company, a fact which Ms Intan Ng failed to mention when she first outlined the Proposed Payout (either deliberately or through ignorance or for other reasons), Ms Intan Ng has changed her mind overnight and is now proposing the Proposed Interim Dividend at 20 Singapore cents per share.

Ms Intan Ng would also appear to have changed her mind about seeking Shareholders' approval for such dividend since by law, directors are entitled to declare interim dividends, unlike final dividends, without obtaining shareholders' approval, so long as the directors are of the opinion that there are sufficient distributable profits for such dividends to be declared. If so, the Board would urge Shareholders to take note of Ms Intan Ng's seeming readiness to bypass Shareholders on major corporate decisions, and whether her decision stems from considerations of what may be in the best interests of the Company and its business.

Fickle-minded?

As Shareholders may be aware, Ms Intan Ng was the Executive Director and Finance Director of the Company between 1994 and 2014. During this period, the Company had never contemplated a

dividend or other distribution of such magnitude as the Proposed Payout or the Proposed Interim Dividend. In fact, in 2013, Ms Intan Ng was the only dissenter to a proposal for a capital reduction and a special dividend which was eventually paid.

As disclosed in the circular dated 26 March 2018 (“**Circular**”), the current Board had previously tried to engage the requisitioning shareholders to share their strategy or plans for the Company, but to no avail (please refer to Appendix C of the Circular which discloses a series of correspondences which reflected this).

At the eleventh-hour, Ms Intan Ng has, in a short succession of two days, come up with two proposals, first, for a payout of 32 Singapore cents per share, with 20 Singapore cents per share to be distributed by way of a dividend and 12 Singapore cents per share to be distributed through a capital reduction, and, then, for a payout of 20 Singapore cents per share, leaving the Board to wonder if there will be any further changes to be proposed by Ms Intan Ng, whether before or after the EGM.

If 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, the Board also wonders if she is able to commit to Shareholders on the complete execution of such a plan, including the distribution of the remaining cash in the Company after the initial payout.

The Board has questioned the feasibility of such a plan, as well as the implications of such plan for the Company and its business thereafter. The Board strongly believes that the Company can enhance shareholder value through a business diversification from the media storage business which had deteriorated for several years.

In view of the foregoing, the Board believes that Shareholders will vote wisely for good corporate governance and leadership to enhance Shareholder value.

BY ORDER OF THE BOARD

Lee Kam Seng
Chief Financial Officer and Company Secretary

15 April 2018