

Date: 29 January 2018

To: **The Board of Directors**
Datapulse Technology Limited
15A Tai Seng Drive
Datapulse Industrial Building
Singapore 535225

Cc: **Ms June Sim**
Head, Listing Compliance
SGX
(by email)

Dear Sirs

**DATAPULSE TECHNOLOGY LIMITED (“COMPANY”)
REQUISITION NOTICE DATED 26 DECEMBER 2017 (“REQUISITION NOTICE”)**

Validity of the Requisition Notice

1. We refer to your letter dated 26 January 2018.
2. It has been one month since the Requisition Notice was sent. Yet, even now, the Board is still trying to call into question our status as shareholders of the Company and to argue that the Requisition Notice may be invalid. This simply shows the lengths that the Board is willing to go to in order to avoid the EGM being called.
3. **The Board knows** that there is no doubt about our shareholding in the Company, and that we (Uniseraya and Ms Intan Ng) have always been recognised as valid shareholders of the Company. This is clear from the Company’s **own** 2017 Annual Report, which lists Uniseraya as having 33,733,333 shares in the Company (15.398%) and Ms Intan Ng as having 1,314,800 shares in the Company (0.600%) – see page 85 of the 2017 Annual Report.
4. Footnote 2 on page 85 of the 2017 Annual Report also explains why the CDP records show Uniseraya as holding only 23,733,333 shares, as it states that Uniseraya’s direct interest (of 33,733,333 shares) “*includes 10,000,000 shares held in the name of nominee account*”. Indeed, that is the same reason why the CDP records show Ms Intan Ng as having no shares in the Company – her shares are also held by a nominee account (as they were at the time of the 2017 Annual Report, and despite that, the Company still listed her as having 1,314,800 shares).
5. In other words, at the time that the Company published its 2017 Annual Report, it was aware of the fact that Uniseraya and Ms Intan Ng’s shares were held in their own names and through nominees. Yet, now that the Board has a need to buy time, it tries to pretend that it is not aware of this fact. That is not right.
6. Even if there was any doubt, the correct thing to do would have been for the Board to highlight the difference between the statements that the Company made in its own Annual Report and the CDP records, and ask for clarification, rather than to leave out any mention of the Annual Report in its letter. Further, the Company secretary would also maintain a register of the substantial shareholders of the Company, which would show Uniseraya’s and Ms Intan Ng’s shareholding in

the Company. The shareholding listing as at 26 December 2017, the date of the Requisition Notice, would also show that Singapore Nominees Pte Ltd holds more than 10,000,000 shares in the Company, which corresponds with the 10,000,000 shares of Uniseraya's. The Board clearly has access to this information. Instead, the Board is trying to cast doubt on our shareholding and from there, try to delay the EGM. Is that really in the best interests of the Company?

7. **In any case**, your letter accepts that the CDP records show that Uniseraya holds 23,733,333 shares, which is more than 10% of the shares in the Company. In other words, Uniseraya **on its own** holds sufficient shares to call for an EGM under section 176 of the Companies Act. That being the case, there is absolutely no reason why the Board should be trying to question the validity of the Requisition Notice and to delay the EGM being convened.
8. Simply to put this issue to rest, we attach a letter from the Bank of Singapore which confirms that it holds 1,302,600 shares on behalf of Ms Intan Ng (as of 26 December 2017). We also attach a letter from Hong Leong Finance confirming that Singapore Nominees Pte Ltd holds 10,000,000 shares on behalf of Uniseraya. We trust that this will be sufficient to prevent any further attempts to question our status as shareholders of the Company.
9. So as to head off any further attempts to cast unnecessary doubt, we note that the Requisition Notice states that Ms Intan Ng holds 1,302,600 shares, compared to the 1,314,800 shares set out in the 2017 Annual Report. The reason is simply that Ms Intan Ng had, since the Annual Report, disposed of some of her shares. Ms Intan Ng confirms that as at the date of this letter, she now has reacquired her shares and holds (through nominee accounts) 1,314,800 shares.
10. This is not the right way to go about things. Please do not waste any more of ours and the shareholders' time on unnecessary issues such as this, especially when our substantive queries have gone unanswered.

State of the Company's business

11. Another troubling issue has come to our attention.
 - a. On 8 December 2017, the Company announced that Ms Ng Siew Hong, in a letter to the Company dated 5 December 2017, had stated that "*the core business of the Company is no longer profitable and the Company **will be ceasing its manufacturing business**". On the basis of that statement, Ms Ng Siew Hong stated that it would be in the Company's interests to diversify into "*multi-industry investments*".*
 - b. On 12 December 2017, in its announcement titled "Update on Company's Current Business and Future Plans", the Company stated that its "**current business**" ("*Current Business*") comprises the manufacturing of CD, DVD and BD (optical disk) products as well as activation cards used for software and games, all of which are **currently** being housed at the Company's property at 15A Tai Seng Drive". The Company also announced that it would be "*re-evaluating the feasibility of continuing the Group's manufacturing activities in view of certain recent developments*".
 - c. On 23 December 2017, the Company announced that it would "*focus its attention and resources on attending to, inter alia, the completion of the disposal of the Tai Seng Drive property and an **outcome on the status of the Group's manufacturing activities**, and*

will make the necessary announcements to update Shareholders as and when there are material developments on the same". No updates on these matters have been given.

- d. On 8 January 2018, the Company announced that there had been a "review undertaken by the Board of the Company's strategy for business direction and future plans where the Board is of the view that in view of the limited prospects for profitability and/or growth for the Group's existing business of manufacturing and sale of media storage products for content distribution in the Asia Pacific region".
 - e. On 14 January 2018, the Company announced its 12 January 2018 letter to us, where it had stated that "the Board is of the view that the current and immediate priority is for the Company to consider viable alternatives of diversifying from its Existing Business".
 - f. On 24 January 2018, the Company announced that it "is currently still in the midst of looking for alternative premises where it can relocate to and carry on its manufacturing activities [and] will update Shareholders inter alia, as and when there are any updates on the relocation of, or otherwise on the status of the Company's existing production facilities and operations". In a press release on the same date, the Board stated that "The Board's opinion is that our existing media storage business has limited growth prospects, given the challenging operating environment and global emphasis on cloud storage."
12. All of these statements give the clear impression that even on 24 January 2018, the Company continues to carry out its manufacturing business (in respect of its optical media business), and significantly, that the Company has "existing production facilities and operations" relating to its optical media business.
 13. However, we have since received certain information that, if true, appears to conflict with the Board's announcements:
 - a. On or around 8 December 2017, the Company had carried out one round of staff retrenchment, comprising around 70 staff being retrenched from the Company. Many of these were operators and supervisors – in other words, staff who were directly involved in the manufacturing operations of the Company.
 - b. By the same date, 8 December 2017, the Company had finished dismantling all of its downstream CD and DVD manufacturing lines and equipment.
 - c. On or around 15 December 2017, the Company carried out a second round of retrenchment, and another 40 to 50 staff were terminated. These again included manufacturing staff, and this time significant numbers of administrative staff were also retrenched.
 - d. On or around 26 December 2017, a third batch of staff were retrenched.
 - e. By the end of December 2017, the Company had sold off the dismantled equipment as scrap.
 - f. On or around 16 January 2018, all upstream injection machines of CD and DVD manufacturing were scrapped.
 14. In other words, from 8 December 2017 to 16 January 2018, it seems that the Company was steadily removing its manufacturing staff, equipment, and capabilities. In view of this, it appears that the Company's announcement on 24 January 2018, that it had "existing production facilities and operations", could not have been true.

15. Given the apparent discrepancy between the information that we have received (as set out at paragraph 13) and the statements made by the Board, we ask that the Board update the shareholders on the state of the Company's "existing" optical manufacturing business immediately. In particular:
- What are the exact dates that the Company retrenched its staff?
 - How many manufacturing staff are remaining?
 - Are the Company's CD and DVD lines still operational?
 - If not, when did the Company's manufacturing operations cease (in particular, its CD and DVD lines), or how many percent capacity is the Company's CD and DVD manufacturing business operating at?
 - Are the Company's Blu-Ray machines still operational?
 - When was the last day that the Company booked any sales in each of its CD, DVD, Blu-Ray, and activation card businesses?
 - If the information set out in paragraph 13 is correct, why did the Board continue to refer to the Company's optical media business as "existing"?
16. These are all straightforward and factual questions, which the Board should be able to answer immediately. We trust that the Board will be able to provide answers to these queries no later than **Wednesday, 31 January 2018**. Again, we must ask that the Board stop trying to evade and ignore our questions, and simply provide the answers that the shareholders are asking for.

The Company's Strategic Review

17. Finally, on 25 January 2018, the Company announced that it had appointed Ernst & Young (EY) to carry out a "strategic review" and to advise the Company of its options available for Wayco Manufacturing.
18. Again, we reiterate the facts. On 12 December 2017, one day after the New Board was appointed, the Company announced that it had, **on the same day**, entered into an agreement to acquire Wayco Manufacturing. On 15 December 2017, the acquisition of Wayco Manufacturing was completed. The New Board later confirmed that it did not carry out extensive due diligence of Wayco Manufacturing before acquiring it, because Mr Kee Swee Ann, the new CEO of the Company, was a "*former employee of the Vendor [Way Company] and is familiar with the business and operations of the Target Company [Wayco Manufacturing]*" – it should be highlighted that Mr Kee was involved in Wayco and Way Company **in 2008 to 2010**. This was clearly well before the acquisition in 2017.
19. And **now**, the Board is seeking EY's assistance to tell them the "Strategic Options" of how to develop Wayco Manufacturing's business. Surely that is something that should have been done by the Board **before** acquiring Wayco Manufacturing, and not after. It is also clear that after the Board has received significant criticism about this acquisition, and are unable to provide any answers, they now have to turn to EY to provide them the answers that they are not able to give. In fact, they are asking EY to create "Strategic Options" for a business that has been operating at an extremely low profit margin and low level of profit for around 10 years – again, that calls into question the Board's decision to purchase Wayco Manufacturing in the first place.
20. The Board has tried to make its hasty acquisition of Wayco Manufacturing more palatable by saying that there is a one-year period where they can demand that Way Company re-acquire the shares of Wayco Manufacturing if there are "*material adverse events or matters affecting or relating to the assets, liabilities and/or business of*" Wayco Manufacturing. Yet, there is no

clarification of what constitutes a material adverse event or matter that would allow the Company to demand a buy-back. Worse still is that, as stated in our Requisition Notice, when the Company acquired Wayco Manufacturing, Wayco Manufacturing's unaudited net profit after tax was approximately S\$53,301 for the 6 month period ended 30 June 2017. The Company has already **knowingly** acquired Wayco Manufacturing at a time when its profit margin is so low and the level of profit is similarly low (and it must be noted that this level of profit, S\$53,301 for 6 months, is after Wayco Manufacturing has been operating for around 10 years). Would there really be any material adverse findings that would still allow the Company to trigger the buy-back provision? That remains entirely unclear. Finally, even if the buy-back were to be triggered and Way Company re-acquires the shares of Wayco Manufacturing, the Company would already have expended significant sums of money to fund Wayco Manufacturing's / the other Wayco entities' capital expenditure and working capital which would not be recovered under this buy-back scheme.

21. And to make matters much worse, buried within its 25 January 2018 announcement, the Board has revealed that it commissioned EY to allow it to consider, among other things, "**an acquisition of Way Company and/or Wayco Trading**" (as well as in its 28 December 2017 reply to the SGX's queries, where the Board hinted that "it *does not preclude the possibility of [...] having a possible merger with or acquisition of the Vendor [Way Company] in future*". It is clear that acquiring Wayco Manufacturing was only the first step, and that the real goal appears to be for the Company to end up acquiring Way Company, as well as other Wayco entities. Will the EY strategic review simply end up as an exercise for the Board to obtain a stamp of approval to acquire even more Wayco / Way Company entities? Not only that, if the Company acquires Way Company, what use would any buyback provision be?
22. There are clearly many, many questions here. The Board **must** comply with its obligations under the Requisition Notice, and give the shareholders a chance to have these questions answered.
23. We trust that the Company will release this letter on SGXNet immediately, as well as all of our previous letters that have not yet been announced.
24. All of our rights are reserved.



Signed for and on behalf of
UNISERAYA HOLDINGS PTE LTD



NG BIE TJIN @ DJUNIARTI INTAN

Enclosures:

- (1) Letter from Bank of Singapore dated 26 January 2018
- (2) Letter from Hong Leong Finance dated 29 January 2018



BANK OF SINGAPORE

Asia's global private bank

A subsidiary of OCBC Group

26 January 2018

Datapulse Technology Limited
15A Tai Seng Drive
Singapore 535225

Dear Sir/Madam

PRIVATE & CONFIDENTIAL

Letter of Reference

We are writing this letter at the request of our client NG BIE TJIN ALIAS DJUNIARTI INTAN (the "Client") and have the Client's consent to share the information below with you.

We confirm that, in accordance with our records, as at the date of this letter:

- (a) as of 26 December 2017, the Bank of Singapore Limited (the "Bank", "we", "our" or "us") is holding 1,302,600 of the investments in the DATAPULSE TECHNOLOGY LTD for and on behalf of the Client, the said units held with us or with our custodian for and on our behalf.

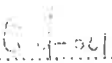
Please note that the information stated herein is true and accurate as at the date of this letter. In issuing this letter, the Bank does not assume any obligation to notify or inform you of any developments subsequent to the date of this letter that might render its contents untrue or inaccurate in whole or in part at such later time.

The above information is given in strict confidence at the request of our client and is without any engagement, responsibility or liability on the part of the Bank or any of its officers. This letter does not constitute a credit reference or a guarantee on the part of the Bank.

Any customer due diligence checks (including know-your-customer and anti-money laundering checks) which are undertaken by the Bank in relation to its clients (and its authorized personnel, if applicable), are solely for the purposes of the banking relationship between the Bank and its clients, and any such checks are not to be relied upon by you or any other entity for the purposes of, or to support, customer due diligence checks that you or any other entity is obliged to perform to meet your or its own obligations.

This letter is only intended for the addressee and shall not be shared with any other person or entity without our express written consent.

Yours Faithfully,
For and on behalf of
Bank of Singapore Limited


.....
Yeo Guek Hoon
Operations

Hong Leong Finance Limited
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Telephone: 6415 9433 Facsimile: 6724 6773



HONG LEONG FINANCE



Our Ref: SL/CP/RC/et/201-8901687-1/Datapulse

29 January 2018

Uniseraya Holdings Pte Ltd
8 Temasek Boulevard
#25-03 Suntec Tower 3
Singapore 038988

email: warni@uniseraya.com

Attention: Ms Warni Ng

Dear Sirs

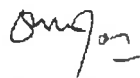
**DATAPULSE TECHNOLOGY LIMITED
CONFIRMATION OF BENEFICIAL OWNER – UNISERAYA HOLDINGS PTE LTD**


We refer to your request on the above.

This is to confirm that as at 31 December 2017, the beneficial owner of the following securities held under our Depository Agent, Singapore Nominees Private Limited is Uniseraya Holdings Pte Ltd.

Securities	Quantity
Datapulse Technology Limited	10,000,000

Yours faithfully
HONG LEONG FINANCE LIMITED


EVELYN TOH
ASST VICE PRESIDENT
SHARE LOANS/CREDIT PLUS


RITA CHUA
VICE PRESIDENT
HEAD, SHARE LOANS/CREDIT PLUS