

DATAPULSE TECHNOLOGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 196002677D)

UPDATE ON COMPANY'S CURRENT BUSINESS AND FUTURE PLANS

The board of directors ("**Board**") of Datapulse Technology Limited (the "**Company**") refers to the Company's announcements of, *inter alia*, 14 November 2017, 18 November 2017, 25 November 2017, 8 December 2017, 10 December 2017 and 11 December 2017, and wishes to provide an update in relation to the matters referred to therein, and generally on the status of the Company's current business and future plans.

Background

In the Company's announcement of 18 November 2017, it was disclosed, *inter alia*, that the management at that time was considering ceasing the Group's manufacturing activities and exploring other business and investment opportunities.

This followed, *inter alia*, the termination of the Company's option to purchase an industrial property at Toa Payoh with effect from 14 November 2017, which was announced on 14 November 2017.

On 22 November 2017, following the completion of a sale of shares by our Executive Director, Mr Ng Cheow Chye to Ms Ng Siew Hong, Ms Ng Siew Hong became our new substantial shareholder ("**New Substantial Shareholder**"), holding 63,531,705 ordinary shares representing approximately 29% of the total issued share capital of the Company.

The then board of directors sought further information from the New Substantial Shareholder, *inter alia*, as to her plans for the Company and whether she may wish to seek board representation on the board of directors of the Company.

The then board of directors met on 8 December 2017, *inter alia*, to deliberate on the direction to be taken for the Company's manufacturing activities and also to consider the New Substantial Shareholder's view that it would be in the interests of the Company and its shareholders to diversify the business of the Company to include multi-industry investments as part of the core business of the Company.

On 10 December 2017, the then three independent directors of the Company resigned as directors of the Company with effect from 10 December 2017.

On 11 December 2017, the following individuals were appointed as new Directors of the Company in the following respective roles (collectively the "**New Directors**"):-

- (i) Mr Low Beng Tin (Non-Executive Chairman and Independent Director);
- (ii) Mr Kee Swee Ann (Executive Director and Chief Executive Officer);
- (iii) Mr Thomas Ng Der Sian (Independent Director); and
- (iv) Mr Rainer Teo Jia Kai (Independent Director),

while two out of the three existing Executive Directors, namely, Mr Ng Cheow Leng and Mr Si Yok Fong @ Chin Yok Fong, resigned as Directors of the Company with effect from 11 December 2017, with the new board of directors, including the existing Executive Director, Mr Ng Cheow Chye ("**New Board**") being duly reconstituted in the manner as further set out in the Company's announcement of 11 December 2017.

Status of Company's current business

The Company's 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, Singapore 535225 ("**Tai Seng Drive Property**").

By way of update, the New Board will be re-evaluating the feasibility of continuing the Group's manufacturing activities in view of certain recent developments, as further elaborated below:

- (i) As announced on 31 July 2017, the Company had granted an option for the sale ("**Proposed Disposal**") of the Tai Seng Drive Property and the Proposed Disposal was approved by shareholders of the Company ("**Shareholders**") at an extraordinary general meeting held on 28 September 2017.
- (ii) As announced on 14 November 2017, the Company's original plan to relocate its manufacturing activities from the Tai Seng Drive Property to the new property in Toa Payoh to be purchased has changed, following the termination of the option to purchase the Toa Payoh property.
- (iii) Based on the Company's understanding from the buyer, the Company currently expects completion of the Proposed Disposal to take place in January 2018.
- (iv) However, there may be some uncertainty as to the exact timing for completion, for reasons as further elaborated below:
 - (a) Completion of the Proposed Disposal was originally scheduled to fall on the latest of, *inter alia*: (i) 30 November 2017; (ii) the date falling two weeks from the date of the JTC Approval; or (iii) the date falling two weeks from the date of approval of the Shareholders for the Proposed Disposal ("**Sale Completion Date**").
 - (b) Completion of the Proposed Disposal in accordance with the Sale Completion Date has so far not been proceeded with, at the request of the buyer, although the Company is seeking further legal advice and exploring its options in relation thereto.
 - (c) Amongst other options, the Company may consider, *inter alia*, further discussions with the buyer on a possible further delay in the completion of the Proposed Disposal and/or the delivery of vacant possession of the Tai Seng Drive Property, and in the interim, the Group may continue to carry on its manufacturing activities at the Tai Seng Drive Property, albeit on a significantly reduced scale of operations.

Company's future plans

Notwithstanding the foregoing, the New Board is of the view that it would be in the interests of the Company and its shareholders to consider diversifying the Company's core businesses to include other businesses, *inter alia*, as the overall prospects for the media storage industry, which the Company's current manufacturing activities are focused on, remains challenging.

To that end, the Company has on 12 December 2017 entered into a sale and purchase agreement with Way Company Pte. Ltd. to acquire 100% of the issued share capital of Wayco Manufacturing (M) Sdn Bhd, further details of which are set out in the Company's announcement dated today's date and entitled "Proposed Acquisition of a New Subsidiary" ("**Proposed Acquisition**").

The Proposed Acquisition will entail the Company entering into a new area of business activity, namely, the manufacture of hair care, cosmetics and other homecare chemical products, and the Company intends to seek Shareholders' approval, *inter alia*, for a proposed diversification of the core businesses of the Company and propose change of name, further details of which are to be set out in a circular to Shareholders to be dispatched in due course.

The Company will make the necessary announcements to update Shareholders as and when there are material or further developments relating to the status of the Company's current business and/or on the foregoing matters.

BY ORDER OF THE BOARD
Lee Kam Seng
Chief Financial Officer and Company Secretary
12 December 2017