

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

UPDATE ON THE INTERNAL CONTROLS REVIEW

The board of directors (“**Board**”) of Datapulse Technology Limited (“**Company**”) refers to the announcements of the Company on 11 March 2018, 4 April 2018, 11 April 2018 (“**Announcements**”) and the Company’s circular dated 26 March 2018 (“**Circular**”). Unless otherwise defined herein, all capitalized terms used in this announcement shall have the meanings ascribed to them in the Circular.

On 23 February 2018, SGX-ST issued a Notice of Compliance to the Company requiring the Company to appoint independent professional(s) to undertake an independent review of such matters as set out in the Notice of Compliance, and pursuant thereto, Lee & Lee was appointed to carry out the Internal Controls Review on 11 April 2018.

Lee & Lee has completed the Internal Controls Review and the report on its findings (“**Final Report**”) has been submitted to the SGX-ST, the Audit Committee and Board of Directors of the Company. An executive summary of the Internal Controls Review report (“**Executive Summary**”) is attached as Appendix A (Executive Summary of Internal Controls Review Report) to this announcement.

Notwithstanding the foregoing, the Company will in due course release further information relating to the acquisition and disposal of the Company’s interests in Goldprime Realty Pte Ltd, which is currently under further review by Lee & Lee.

The Audit Committee and Board of Directors of the Company have reviewed the Final Report, and have adopted all the recommendations on improvements to internal controls and corporate governance practices set out in the Final Report, save for the recommendation to establish a Board Risk Committee. Given the current scale and scope of the Company’s operations, it may not be necessary or appropriate at this juncture to establish a separate Board Risk Committee and it is proposed that the Audit Committee assumes the proposed functions of a Board Risk Committee as recommended by Lee & Lee.

The Company has, in connection with such recommendations set out in the Final Report, adopted a new policy for the evaluation and approval of merger, acquisition and disposal of assets (“**M&A Policy**”) and a new policy relating to the appointment, re-appointment and resignation of directors of the Company (“**Appointment of Directors Policy**”).

In line with one of the recommendations, the Board wishes to add that they have since appointed Mr Aw Cheok Huat as a non-independent non-executive director of the Company on 15 August 2018 and Mr Sin Boon Ann and Mr Loo Cheng Guan as independent directors of the Company on 10 September 2018. Mr Aw, Mr Sin and Mr Loo have significant experience as directors of various companies listed on the SGX-ST.

In addition to the adoption of the recommendations on improvements to internal controls and corporate governance practices set out in the Final Report, the Company has also on 10 September 2018 appointed Morgan Lewis Stamford LLC as the Company’s compliance advisor for a period of one year (or such other period as may be agreed), to assist and advise on matters relating to compliance with continuing listing rules, as and when consulted by the Company.

The Board is appreciative of Lee & Lee’s contribution to the improvement of the Company’s corporate governance procedures and processes.

In the Company's Announcements and Circular, the Company had undertaken that it would not commence its Proposed Property Business and Proposed Business Diversification until after recommendations on improvements to internal controls and corporate governance practices by the appointed independent reviewer have been adopted. Following the adoption of the recommendations set out in the Final Report as described above, the Company intends to commence and implement the Proposed Property Business (which was approved by the shareholders of the Company (the "Shareholders") on 8 March 2013) and the Proposed Business Diversification (which was approved by the Shareholders on 20 April 2018).

Notwithstanding the above, the Company will seek Shareholders' approval in the event of any of the following events as previously disclosed in the Circular:

- (a) for the first acquisition transaction under the Proposed Consumer Business which results in the relative figure as computed based on the purchase consideration set out in Rule 1006 exceeding 20% ("**First Major Consumer Business Acquisition**");
- (b) for the first acquisition transaction under the Proposed Investment Business which results in the relative figure as computed based on the purchase consideration set out in Rule 1006 exceeding 20% ("**First Major Investment Business Acquisition**");
- (c) if the Company enters into a series of smaller acquisition transactions under the Proposed Consumer Business, for the acquisition transaction ("**Relevant Consumer Business Acquisition Transaction**") where the purchase consideration of the Relevant Consumer Business Acquisition Transaction, when aggregated with the purchase consideration of all acquisition transactions in the 12 month period immediately prior to the date of the Relevant Consumer Business Acquisition Transaction, results in the relative figure as computed based on the purchase consideration set out in Rule 1006 exceeding 20% ("**First Aggregated Major Consumer Business Acquisition**"); or
- (d) if the Company enters into a series of smaller acquisition transactions under the Proposed Investment Business, for the acquisition transaction ("**Relevant Investment Business Acquisition Transaction**") where the purchase consideration of the Relevant Investment Business Acquisition Transaction, when aggregated with the purchase consideration of all acquisition transactions in the 12 month period immediately prior to the date of the Relevant Investment Business Acquisition Transaction, results in the relative figure as computed based on the purchase consideration set out in Rule 1006 exceeding 20% ("**First Aggregated Major Investment Business Acquisition**").

For the avoidance of doubt, the Company shall be free to conduct the Proposed Consumer Business, including the making of acquisitions in connection therewith as part of its ordinary course of business, without seeking further Shareholders' approval, after having obtained Shareholders' approval for either the First Major Consumer Business Acquisition or the First Aggregated Consumer Business Acquisition.

For the avoidance of doubt, the Company shall be free to conduct the Proposed Investment Business, including the making of acquisitions in connection therewith as part of its ordinary course of business, without seeking further Shareholders' approval, after having obtained Shareholders' approval for either the First Major Investment Business Acquisition or the First Aggregated Investment Business Acquisition.

In addition to the above, as previously announced by the Company on 1 February 2018, the Company will notify SGX-ST in advance of any possible acquisitions involving Mr. Ang Kong Meng.

BY ORDER OF THE BOARD

Lee Kam Seng
Interim Chief Executive Officer

16 September 2018