

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

INVESTMENTS IN HOTELS IN SEOUL AND SINGAPORE

1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of Datapulse Technology Limited ("**Company**", and together with its subsidiaries, the "**Group**") refers to the Notice of Compliance issued to the Company by the Singapore Exchange Regulation ("**SGX RegCo**") on 19 July 2019, and the Company's announcements (the "**Previous Announcements**") dated 24 April 2019, 8 July 2019 and 17 July 2019 relating to the proposed investment in a hotel in Seoul and the proposed investment in a hotel in Singapore (collectively, the "**Proposed Investments**"). Unless otherwise defined herein, all capitalized terms used in this announcement shall have the meanings ascribed to them in the Notice of Compliance and the Previous Announcements.

2. BACKGROUND INFORMATION ON THE PROPOSED INVESTMENTS

As disclosed in the Previous Announcements:-

- a. the Group acquired a 15% interest in the "Holiday Inn Express Euljiro", a 224-room midscale hotel located at 61 Supyoro, Myeong-dong, Jung-gu, Seoul, South Korea. The vendor of the interests in the hotel was the Military Mutual Aid Association, a retirement savings fund in South Korea, with over KRW 10 trillion of assets under management in value. The remaining 85% interest in the hotel was acquired by a subsidiary of Plenitude Berhad, a public listed company incorporated in Malaysia in 2000 and listed on the Bursa Malaysia. Plenitude Berhad is an investment holding company engaged in property development, property investment (including investments in various hotels) and hotel operations in prime areas across Malaysia; and
- b. through the Definitive Agreements (as defined in the Previous Announcement dated 8 July 2019), it is contemplated that the Group will indirectly acquire a 5% interest in the "Bay Hotel Singapore", a 319-room hotel located at 50 Telok Blangah Road, Singapore 098828. The vendor of the interests in the hotel was a private limited company incorporated in Singapore whose shareholders are Chin Bay Ching and Tjia Mui Kui. The remaining 95% interest in the hotel is contemplated to be indirectly acquired by a company equally owned by (i) Breezy Path Limited, which is a wholly-owned subsidiary of Trade Dragon Global Limited, an independent and privately-owned real estate investment advisor with assets under management amounting to approximately US\$850 million, and offices in Hong Kong, Singapore and Shanghai; and (ii) Acquisition Pam (BVI) L.P., a limited partnership incorporated in BVI and managed by a privately-held alternative investment firm with assets under management amounting to approximately US\$33 billion, and offices across the U.S., Europe and Asia.

3. **SHAREHOLDERS' MANDATE FOR THE PROPOSED INVESTMENTS**

The Proposed Investments are in furtherance of the Company's property business mandate, the expansion of which was approved by the shareholders of the Company at the Company's extraordinary general meeting on 14 March 2019, where the Company's property business mandate was expanded to include acquisitions and investments in hotels and hospitality assets, whether by way of majority or minority stakes, whether on a stand-alone basis or in joint venture with selected capital partners.

4. **APPOINTMENTS OF HOTEL MANAGERS RELATING TO THE HOTELS**

As disclosed in the Previous Announcements, the relationships between the Group and the respective co-investor are governed by the terms and conditions of the shareholders' agreement entered into with the respective co-investor. Under the terms of the shareholders' agreements, decisions on all matters (including the appointment of a hotel management company) will be subject to majority vote, with the exception of customary reserved matters (including any change to dividend policies) where unanimous approval is required.

5. **APPLICABILITY OF THE RULES RELATING TO INTERESTED PERSON TRANSACTIONS AND REQUIREMENTS OF THE SGX-ST**

The Company notes that SGX RegCo agrees with the Company's view that (i) the Listing Rules governing Interested Person Transactions; and (ii) the Company's IPT General Mandate do not apply to services provided by the ICP Group to these hotels (if any). Notwithstanding the foregoing, SGX RegCo has, pursuant to the exercise of its administrative powers, prescribed the requirements (the "**Relevant Requirements**") set out in paragraph 11 of the Notice of Compliance.

The Board would like to inform Shareholders that the Company will be complying with the Relevant Requirements. In addition, the Board wishes to take this opportunity to explain the following:

- (a) the Board is of the view that certain investments to be made by the Group may be capital-light through the participation of minority stakes in the Proposed Investments. Such investments would enable the Group to enhance shareholders' returns by way of the provision of services to the relevant property as well as the potential appreciation of the relevant property, while leveraging on the expertise of large capital partners in line with the Company's expanded property business mandate;
- (b) the purchase of properties with or without vacant possession is both a function of the business model elected as well as the specific circumstances of the individual properties concerned. The availability of vacant possession properties may offer an opportunity for value enhancement initiatives to enhance returns such as the engagement of international hotel management companies; and
- (c) in relation to the requirement set out in paragraph 11(b) of the Notice of Compliance, the Company wishes to reiterate that as disclosed in the Previous Announcements, where the Group's interest in any proposed investment is limited

to that of a minority shareholder, decisions on all matters (including the appointment of a hotel management company, which is made only after the entry into of the definitive agreements relating to the proposed investments) would as a matter of commercial reality be subject to majority vote with the exception of customary reserved matters (including any change to dividend policies) where unanimous approval is required. The Company is of the view that the interests of the Company and its minority shareholders are aligned to the interests of the co-investors. Additionally, the management of the Company does monitor operations in the companies it has invested in as a matter of course to ensure that its interests are protected, and this includes reviewing the terms of hotel management agreements to ensure that the terms are in line with market parameters.

BY ORDER OF THE BOARD

Lee Kam Seng
Executive Director
Singapore

22 July 2019