

19 July 2019

Board of Directors

Datapulse Technology Ltd
8 Shenton Way
AXA Tower #09-01
Singapore 068811

Dear Sirs

**DATAPULSE TECHNOLOGY LTD (THE "COMPANY")
NOTICE OF COMPLIANCE (THE "NOTICE")**

1. The Exchange refers to the following announcements:
 - (a) The Company's announcement dated 24 April 2019 (Announcement Reference No.: SG190424OTHRWVY9) titled "Proposed Investment in a Hotel in Seoul"; and
 - (b) The Company's announcement dated 8 July 2019 (Announcement Reference No.: SG190708OTHR0JJM) titled "Proposed Investment in a Hotel in Singapore"; and
 - (c) The Company's announcement dated 17 July 2019 (Announcement Reference No.: SG190717OTHR4M5) titled "Response to SGX Queries".

2. On 24 April 2019, the Company announced its proposed acquisition of a 15% interest in a hotel named "Holiday Inn Express Euljiro" located in Seoul, South Korea ("**Holiday Inn Euljiro**"), through its indirect wholly-owned subsidiary, KPH Top Pte Ltd ("**KPH Top**"). Specifically, KPH Top and Bizcentre Capital Pte Ltd ("**JV Partner**"), a subsidiary of Plentitude Berhad, have incorporated a joint venture company ("**BTA Transferee**") in connection with the proposed acquisition, where KPH Top and the JV Partner will each hold 15% and 85% interest in Holiday Inn Euljiro respectively. The announcement stated that the hotel "*is sold with vacant possession*" and it was intended that "*the BTA Transferee will enter into a full hotel management arrangement with a hotel management company*". Under the terms of the joint venture agreement, the appointment of a hotel management company "*will be subject to majority vote*" of the BTA Transferee. The Company further disclosed that "*none of the Company's Directors and controlling shareholders (other than in their*

respective capacities as a Director and/or shareholder of the Company) has any interest, direct or indirect, in the Proposed Investment”.

3. On 21 June 2019, the Company announced the completion of its acquisition of Holiday Inn Euljiro.
4. In response to the Exchange’s queries, the Company announced on 17 July 2019 that Travelodge Hotels Asia Pte Ltd (“**TLA**”), a wholly-owned subsidiary of ICP Ltd, is the hotel management company appointed to provide hotel management services to Holiday Inn Euljiro. It further informed that the *“negotiations and finalization of the terms of the [hotel management agreement] was done by representatives of the holding company of the JV Partner, being the majority shareholder of the BTA Transferee”*. Nevertheless, the *“management of the Company (comprising of senior full time executives) has reviewed the [hotel management agreement], and confirms that the terms in the [hotel management agreement] are in line with market parameters”*. The Company also confirmed that the agreement with the JV Partner for the joint purchase of the hotel was separately negotiated from the hotel management agreement, and that *“negotiations on the [hotel management agreement] commenced only after the definitive agreements under the Proposed Investment were executed”*.
5. The Company had earlier disclosed on 24 April 2019 that none of its directors and controlling shareholders has any interest in its proposed acquisition of a 15% interest in Holiday Inn Euljiro. The Company did not give any update regarding the appointment of TLA to manage Holiday Inn Euljiro, until it was queried by the Exchange. TLA is a wholly-owned subsidiary of ICP Ltd. Mr Aw Cheok Huat, the Company’s Non-Executive Chairman and substantial shareholder, is also ICP Ltd’s Non-Executive Chairman and controlling shareholder.
6. The Company announced a second acquisition of a minority interest in another hotel on 8 July 2019. This relates to the proposed acquisition of a 5% interest in a hotel named “Bay Hotel Singapore” (“**Bay Hotel SG**”), through the Company’s wholly-owned subsidiary, Datapulse Investment Pte Ltd (“**DIPL**”). In connection with the proposed acquisition, DIPL and PAM Holdings I (BVI) Ltd (“**Capital Partner**”) have formed a consortium company to purchase Bay Hotel SG. DIPL and Capital Partner will each hold 5% and 95% of the share capital of the consortium company. The Company stated that the hotel *“is sold with vacant possession”* and it is intended that the hotel *“will be managed by an international hotel manager appointed by the Purchaser”*. Similarly, the appointment of the hotel management company will be *“subject to majority vote”* of the consortium company.
7. Earlier on 14 March 2019, the Company obtained approval from independent shareholders to enter into interested person transactions relating to the provision of hospitality-related services by ICP Ltd and its subsidiaries and associated companies (the “**ICP Group**”) to the Company (the “**IPT General Mandate**”). The IPT General Mandate sets out guidelines and review

procedures proposed by the Company for determining the transaction prices and terms of the hospitality-related transactions entered into by the Company with the ICP Group, to ensure that the hospitality-related transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

8. In view of the way the hotel acquisitions are undertaken by the Company (through holding minority stakes), the Exchange notes that the Listing Rules governing Interested Person Transactions and the Company's IPT General Mandate do not apply to services provided by the ICP Group to these hotels.
9. The award of the hotel management agreement to ICP Group means that the statement "*none of the Company's Directors and controlling shareholders (other than in their respective capacities as a Director and/or shareholder of the Company) has any interest, direct or indirect, in the Proposed Investment*" is no longer true. To address concerns that the terms of hospitality-related transactions provided by the ICP Group may not be on normal commercial terms, the Exchange requires the Company's Audit Committee to review the terms of such transactions. The review by the Company's Audit Committee ensures that these transactions do not fall outside their purview because the Company owns a minority stake in the hotels.
10. Listing Rule 1405(1)(b) provides that the Exchange may, for the purposes of ensuring that the market is fair, orderly and transparent, require an issuer to make specified disclosures. Listing Rule 1405(1)(k) further provides that the Exchange may impose on an issuer any other requirements which it considers appropriate.
11. Pursuant to Listing Rules 1405(1)(b) and (k), the Exchange requires:
 - (a) The Company to disclose via SGXNet:
 - (i) Its basis for determining that its investment of a minority stake in any hotel is in the interest of its minority shareholders; and
 - (ii) Its justifications for acquiring the hotels with vacant possession when decisions regarding the appointment of the hotel management company and the terms of such appointment have not been executed or are made solely by its joint venture partner.
 - (b) The Company's Audit Committee to review the terms of any hospitality-related agreement (including any hotel management agreement) to be entered into with the ICP Group in respect of any hotel in which the Company has an interest, and to be satisfied that such agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders; and

- (c) The Company to provide an update via SGXNet whenever there is any change in the interest of any of its directors or controlling shareholders in any transaction announced by the Company.
12. Pursuant to Listing Rule 1405(4), failure to comply with the requirements imposed by the Exchange shall be deemed to be a contravention of the Listing Rules.

Yours faithfully,



June Sim
Senior Vice President
Head, Listing Compliance
Regulation