

**DATAPULSE TECHNOLOGY LIMITED**  
(Incorporated in Singapore)  
(Company Registration No. 198002677D)

---

**RESPONSE TO QUESTIONS FROM SHAREHOLDER AND  
SECURITIES INVESTORS ASSOCIATION (SINGAPORE) (“SIAS”)**

---

The Board of Directors (the “**Board**” or “**Directors**”) of Datapulse Technology Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s Annual Report 2024 that was disseminated to the shareholders via the SGXNet on 7 November 2024.

The Company has received (i) queries from a shareholder; and (ii) queries from the SIAS, both by the stipulated deadline in the Notice of Annual General Meeting dated 7 November 2024.

The Company’s responses to the shareholder’s and SIAS’s queries are set out below:

**Shareholder’s question 1:**

**Ms Yeo Sock Koon was appointed as CFO in Nov 2023, and left the company in Aug 2024 - not even a year. The previous CEO Mr Yee Chia Hsing became CEO in July 2023 and left the position in Jan 2024 - again for less than a year. The rate of turnover amongst key management has been alarmingly high over the past year.**

- a) **Why is the company seeing such high executive turnover?**
- b) **Should shareholders be concerned about the high rate of management turnover?**

**Please explain and elaborate on the above.**

Company’s response:

The Company had announced the resignations of the former CEO and CFO on 4 December 2023 and 7 May 2024 respectively, with the required information including the reasons for their resignations, which were duly disclosed in accordance with SGX’s rules and regulations.

**Shareholder’s Question 2:**

**The company is finally profitable and made a profit of 1.89 cents. However, despite being profitable and having a cash per share of 5.56 cents, the company did not declare any dividend.**

- a) **What is the dividend policy of the company?**
- b) **When will the company reward shareholders, who have not been paid dividends for more than five years?**

**Please explain and elaborate on the above.**

Company’s response:

The Board remains committed to its dividend policy to declare dividend in the best interests of the Group and Shareholders, and that the declarations and/or payment of future dividends are in compliance with all applicable laws and regulations. Please refer to page 53 of the Annual Report 2024 for the Company’s dividend policy.

### **Shareholder's question 3:**

In an announcement dated 15 Jan 2024, the company announced that "Capiti Asset Management Pte. Ltd., a wholly owned subsidiary of Datapulse Technology Limited, has an Asset Management Agreement (the "Agreement") with Pamela Prop Pte Ltd and Hasselhoff Op Pte Ltd (collectively, the "TLHS entities") which expired on 31 December 2023 and was not renewed, despite efforts on the part of the management of the Company to renew the Agreement.

- a) What is the impact of the expiration of this asset management agreement?
- b) Has the company found a replacement?
- c) What is the name of the replacement, and the level of experience of the replacement?
- d) If the company has not found a replacement, when will the company find one?
- e) What is the company doing in the interim to ensure continuity of operations?

Please explain and elaborate on the above.

Company's response:

The Company had announced the expiration of asset management agreement on 15 January 2024. All necessary information has been disclosed in accordance with SGX's rules and regulations. The Company will make further announcement should there be any development, where necessary.

### **Shareholder's question 4:**

A Business Times news article dated 23 May 2024 indicated that "Schroders, TPG put Harbourfront hotel up for sale at S\$320 million"

<https://www.businesstimes.com.sg/property/schroders-tpg-put-harbourfront-hotel-sale-s320-million>

The company later clarified on 9 Sep 2024 that it is still holding its 5% stake in the hotel, and that the "Company has formally written to The Business Times to clarify and correct this erroneous statement to ensure that shareholders and the public are not misinformed.

- a) Why did the company make the clarification so late, more than 3 months after the article was published on Business Times?
- b) The company said that it wrote in to Business Times to correct the error. Till date, the news article has not been amended to reflect it. Why is it so?
- c) Did the company initiate the sale of the hotel?
- c) What is the current status of the hotel?
- d) Are there any bidders for the hotel?
- e) When will the bidding period end?

Please explain and elaborate on the above.

Company's response:

The Company is committed to upholding transparency and believes that all necessary information has been communicated to shareholders through the clarification announcement issued on 9 September 2024. Additionally, the Company cannot control the actions of the media to correct the erroneous statement. We will continue to provide updates should any further developments occur.

**Shareholder's question 5:**

The company share price is undervalued, and trading at less than half of its NAV of 26.12 cents.

- a) Why is the company still proposing to issue shares, a move that would dilute existing shareholders and destroy shareholder value?

Please explain and elaborate.

Company's response:

The share prices are influenced by a wide range of factors beyond our control. The Company has proposed under Resolution 5, the authority to allot and issue shares to allow flexibility to manage its capital structure given the right opportunity and in the best interests of the company and its shareholders. The Company will regularly review its capital-raising strategies and remains committed to safeguarding the interests of our shareholders.

**Shareholder's question 6:**

I noted that the company said previously in Nov 2023 that "*There was a reported bed bugs incident in TLME 3 weeks ago and so far, there has been no incident of bed bugs outbreak in TLMC. The incident was detected through daily housekeeping inspection. The hotels will maintain the necessary pest control measures and remain vigilant.*"

- a) Are there still reported cases of bedbugs in our hotels?  
b) What is the company doing to completely eradicate bed bugs in our hotels?

Please detail and elaborate on the above.

Company's response:

Since our last update, there have been no incident of bed bugs outbreak in TLMC. We continue to closely monitor the situation to ensure the safety and comfort of our guests.

**SIAS's question 1:**

Would the board/management provide shareholders greater clarity on the following operational and financial matters? Specifically:

- (i) **Travelodge Myeongdong City-Hall (TLMC):** What were the occupancy rate, average daily rate (ADR) and revenue per available room (RevPar) for TLMC in FY2024? Given the current market conditions, what is the potential for further growth at TLMC? What is the profile of the hotel guests, including key segments and demographics?

Company's response:

The Company considers this information to be commercially sensitive. We have included key financial information in our Annual Report 2024, which provided information in accordance to regulatory requirements. We are committed to maintaining transparency and will continue to disclose relevant information as required.

- (ii) **Travelodge Harbourfront Singapore (TLHS):** Can management elaborate on the reasons for the non-renewal of the asset management agreement for TLHS? What is the current working relationship with the TLHS entities, Pamela Prop Pte Ltd and Hasselhoff Op Pte Ltd? What impact does the expiration of the asset management agreement have on the group's 5% stake in TLHS? Can management clarify if it is looking to monetise its 5% stake in TLHS? Is the group subject to any drag-along clause?

**SIAS's question 1 (continued):**

Company's response:

The non-renewal of the asset management agreement was a commercial decision made by the parties involved. The Company has already made the announcement regarding the expiration of asset management agreement on 15 January 2024. All necessary information has been disclosed in accordance with SGX's rules and regulations.

- (iii) **Travelodge Myeongdong Euljiro (TLME): With just a 15% stake in TLME, can management clarify its role in adding value to this investment? Does the group have any operational influence, or is this considered a purely passive investment with no/limited control?**

Company's response:

We consider the details related to the investment to be commercially sensitive as they involved counterparties and disclosing them are not in the interest of the Company. We are committed to maintaining transparency and will continue to disclose relevant information as required by authorities. For details, please refer to NTA 11 Investment Securities on page 105 of the Annual Report 2024.

- (iv) **Diversification: Could the board provide more details on its stated strategy of exploring opportunities beyond the hospitality sector? What safeguards are in place to ensure that any diversification aligns with the group's core competencies and long-term strategy? Has the board appointed a reputable investment bank to assist in sourcing and evaluating potential investments? What are the specific criteria used by the board in identifying suitable diversification targets? What is the board's track record in executing mergers and acquisitions and creating value, and how will it ensure that any diversification efforts are value accretive?**

Company's response:

The company has made disclosures in accordance with SGX's rules and regulations. The Board is committed to safeguarding and enhancing shareholders' value. In this regard, the Board works with management to explore the right opportunities. Should there be any developments that require further disclosure, we will do so accordingly.

**SIAS's question 2:**

**The company was placed on SGX's financial watch-list with effect from 6 June 2023. Under Rule 1314 of the SGX-ST Listing Manual, the company must meet specific criteria to exit the watch-list within 36 months. Failure to do so could result in a delisting or suspension of its shares by the SGX-ST.**

**Currently, the company has a market capitalisation of approximately \$30 million, while total equity amounts to \$61.9 million.**

- (i) **Has the inclusion on the SGX financial watch-list affected the group's operations or strategic initiatives?**

Company's response:

We remain focused on safeguarding and enhancing the interests and value of our shareholders, and ensuring the sustainability of the Company, notwithstanding being on the SGX financial watchlist.

**SIAS's question 2 (continued):**

- (ii) **Could the board, particularly the independent directors, detail the specific actions taken to help the company meet the requirements for removal from the watch-list? What corporate initiatives have been executed since the company was placed on the watch-list, and what is the current progress towards achieving compliance with Rule 1314?**

Company's response:

The Group has been providing quarterly updates on our ongoing efforts to meet the exit criteria for the SGX Watch-List. We are pleased to return to profitability in FY2024. For FY2024, the Group achieved a significant improvement in financial performance:

- Revenue increased to \$6.2 million, up from \$4.5 million in the previous year.
- Profit attributable to owners of the Company was \$4.5 million in FY2024, compared to a loss of \$1.2 million in FY2023.
- Net asset value (NAV) per share Increased to 26.12 cents in FY2024, up from 25.01 cents in FY2023.

- (iii) **With regard to the equal access offer (EAO) for share buyback and cancellation, did the board consider the potential negative impact on the company's market capitalisation, especially given the importance of having a market capitalisation greater than \$40 million? How was this risk assessed?**

Company's response:

Please refer to the Company's announcement dated 15 May 2024 for details of the off-market equal access share buyback offer and the offer letter published on the SGXNET dated 20 June 2024. The Board has always maintained a strong focus on risk management and corporate governance, and will continue to monitor potential risks while taking proactive measures to address them.

**The company repurchased 2,794,339 shares, representing 11.7% of the total shares under the EAO, for a total consideration of \$279,434.**

- (iv) **What were the total professional fees incurred to carry out the EAO? Given the relatively low participation rate, does the board consider the EAO to have been a success? What were the key learnings from this exercise?**

Company's response:

The professional fees paid to various reputable professional firms were in accordance with market rates.

The Company is not able to control shareholders' actions for this exercise.

- (v) **What specific guidance has the board provided to management to fulfil the requirements of Rule 1314 and exit the watch-list as soon as possible? What are the immediate priorities and targeted milestones set by the board?**

Company's response:

The Board is focused on improving profitability, ensuring sustainable cash flow, and maintaining a strong balance sheet, while prioritizing full compliance with SGX regulations. This includes the timely submission of all required reports, as well as providing transparent updates to shareholders on quarterly basis in accordance with SGX's requirements to demonstrate progress toward meeting the criteria for removal from the Watch-List.

**SIAS's question 3:**

**The former chief executive officer (CEO) resigned on 4 December 2023, just four months after his appointment on 31 July 2023. The former CEO joined the company as an executive director on 1 August 2022 and was redesignated as CEO. The chief financial officer (CFO) also tendered her resignation after only six months in the role.**

- (i) **Did the nominating committee (NC) conduct a thorough review of the circumstances surrounding the resignations of both the CEO and CFO, given their short tenures? What were the key findings, and has the board identified any underlying issues that need to be addressed?**

Company's response:

The company has made disclosures in accordance with SGX's rules and regulations. Please refer to the SGX announcements released on the following dates:

- Announcement of Appointment on 2 Jan 2024 and 1 July 2024
- Announcement of Cessation on 4 Dec 2023 and 7 May 2024.

Please also refer to the Company's reply to a shareholder's query above.

- (ii) **What is the progress made in appointing a new CFO and what specific criteria and experience is the board prioritising in the search for the new CFO?**

Company's response:

Ms. Tan Hong Ean has been appointed as the Company's financial controller with effect from 1 July 2024. Please refer to the SGX announcement released on 1 July 2024. All necessary information has been disclosed in accordance with SGX's rules and regulations.

**Mr Ang Kong Meng, the then-non-independent non-executive chairman of the company, was redesignated as the executive chairman and chief executive officer with effect from 1 February 2024.**

- (iii) **Would the redesignation of Mr Ang Kong Meng as the executive chairman and chief executive officer lead to a concentration of power and influence in the company and on the board, especially given his 77.27% shareholding?**

Company's response:

The board comprises 1 executive director and 3 independent directors, which complies with the Code of Corporate Governance. The board remains committed to maintaining effective governance structures, with appropriate checks and balances in place to ensure decisions are made in the best interest of the company and its shareholders.

**How does the board plan to address potential shareholder concerns over governance and checks and balances?**

Company's response:

As stated above, the board remains committed to maintaining effective governance structures, with appropriate checks and balances in place to ensure decisions are made in the best interest of the company and its shareholders.

For further details, please refer to the Board Composition and Guidance section in the Corporate Governance Report on pages 35 to 37 of the Annual Report 2024.

**SIAS's question 3 (continued):**

- (iv) **How does the board and the NC justify this move in the context of corporate governance best practices? Has the board assessed key-man risk and the depth of the senior management team? What succession planning measures are in place to mitigate these risks?**

Company's response:

The NC is fully committed to upholding the highest standards of corporate governance. The NC, having considered the declaration made by the IDs in respect of their independence, is of the view that the current Board has an appropriate level of independence to enable decisions are made in the best interests of the Company.

Shareholders are fully updated and aware of the recent corporate changes, including the change in controlling shareholder, changes in the board of directors, and changes in key management team. The primary goals of the current board and management are to stabilise the Company, improve financial performance, safeguard shareholders' value, while remain focused on assessing and mitigating risks, including reviewing and enhancing succession planning measures.

For further details, please refer to the Board Membership section in the Corporate Governance Report on pages 38 to 39 of the Annual Report 2024.

**Mr Ang Kong Meng currently serves on 26 boards (page 58).**

- (v) **Could the company clarify how many of these are external, non-group directorships?**

Company's response:

We would like to clarify that 17 out of the 26 directorships held by Mr. Ang are external, non-group directorships.

- (vi) **Given the breadth of his portfolio, spanning diverse sectors such as manufacturing, cosmetics, property, and engineering across Singapore and Malaysia, how does Mr Ang allocate sufficient time, energy and focus to the affairs of this company and its subsidiaries?**

Company's response:

Mr. Ang is fully committed to the growth and success of the company and has declared to the Board and made it a priority to dedicate his full-time efforts to leading it. While he has investments in other businesses across various sectors, the majority of these are non-executive roles. With his extensive experience and network, Mr. Ang is able to effectively guide the business and helps implement key strategies and remain focus to enhance shareholders' value.

**BY ORDER OF THE BOARD**

Ang Kong Meng  
Executive Chairman and Chief Executive Officer  
15 November 2024