

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

RESPONSE TO SGX QUERIES

The Board of Directors (“**Directors**” or the “**Board**”) of Datapulse Technology Limited (“**Company**” together with its subsidiaries, “**Group**”) has received certain queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 5 November 2019 in relation of the Company’s Annual Report for the financial year ended 31 July 2019 (“**FY2019 AR**”) and reproduce below, such queries, and the Company’s responses thereto.

Query 1:

With reference to FY2019 AR Note 11 Subsidiaries, is IGIS Private Placement Real Estate Investment Trust No. 247 a significant subsidiary? Why is its financial statements not audited by the same auditor (a member firm of EY Global) as RK One Management LLC which is also incorporated in Korea? (Note: significance is defined in Rule 718 of the Listing Manual)

Response:

IGIS Private Placement Real Estate Investment Trust No. 247 (the “**REF Trust**”) is a significant wholly owned subsidiary of the Group. The appointment of auditors for REF Trust was made taking into account the cost differential between two alternatives. The approach of not using a member firm of EY Global was premised on the following:

- REF Trust’s principal activity is an investment holding company which holds Hotel Aropa. The acquisition of Hotel Aropa was audited directly by Ernst & Young LLP (“**EY**”) as described in the key audit matters section of the independent auditor’s report.
- REF Trust’s source of income is primarily rental income received from a fellow subsidiary, through a master lease agreement signed between both parties. The rental transaction is eliminated at Group level and has no impact to the Group’s financial statements for the year ended 31 July 2019.
- REF Trust expenses are primarily fixed interest expenses arising from the loan secured for the acquisition of Hotel Aropa, asset management fees and property tax. EY has audited expenses which they considered material to the Group’s financial statements for the year ended 31 July 2019.

In addition, EY also performed certain audit procedures on the REF Trust’s accounts that they considered material to the Group’s financial statements as at 31 July 2019, as a basis for providing their audit opinion for the Group.

Query 2:

FY2019 AR Note 24 Related Parties states that, “Other than disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out on terms agreed between the parties...”. Please indicate where are the disclosures on the other significant related party transactions found?

Response:

Disclosures on the other significant related parties transactions can be found in the following notes to accounts:

- FY2019 AR Note 11: Subsidiaries, where we disclosed “the amounts due from subsidiaries were non-trade in nature, unsecured and bear interest of 3.85% p.a.”

- FY2019 AR Note 13: Trade and Other Receivables, where we disclosed “The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.”
- FY2019 AR Note 18: Trade and Other Payables, where we disclosed “The non-trade amounts due to subsidiaries, amount due to Way Company Pte Ltd, and amount due to Way Trading (M) Sdn Bhd are unsecured, interest-free and repayable on demand.”

BY ORDER OF THE BOARD

Lee Kam Seng
Executive Director

6 November 2019