

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

PROPOSED CHANGE OF AUDITORS

1. INTRODUCTION

The board of directors (the "**Directors**" or "**Board**") of Datapulse Technology Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") wishes to announce the Company's intention to undertake a change of auditors of the Company from Ernst & Young LLP ("**EY**") to Mazars LLP ("**Mazars**") for the current financial year ending 31 July 2021 ("**FY2021**") ("**Proposed Change of Auditors**").

The Company's current auditors, EY, have served as auditors since the financial year ended 31 July 2019 and was last re-appointed to act as auditors in FY2021. The Company is proposing to appoint Mazars to replace EY as the auditors for the Company and the Group for FY2021. As part of the Group's ongoing efforts to manage its business costs and expenses in challenging times, the Board is of the view that it would be an opportune time to review the appointment of auditors.

Having reviewed and deliberated on the suitability of candidates by evaluating proposals from various audit firms, the Board has, in consultation with the Audit Committee, nominated and recommended Mazars to replace EY as auditors of the Company and the Group. The Board has taken into consideration the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") and other factors such as, *inter alia*, the adequacy of resources and experiences of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm's other engagements, the size and complexity of the Group, the number and experience of supervisory and professional staff to be assigned to the audit, the proposed fee structure and the resulting significant cost savings in audit fees for the Group.

After such evaluation, the Board is of the opinion that Mazars will be able to meet the audit requirements of the Group and that there will be no change to the quality and scope of the audit.

2. THE PROPOSED CHANGE OF AUDITORS

In connection with the Proposed Change of Auditors, EY applied to ACRA on 26 April 2021 to seek its consent to resign as auditors of the Company and its Singapore-incorporated subsidiaries of which they were auditors.

On 11 May 2021, ACRA approved its resignation as auditors and EY thereafter provided the Company with its notice of resignation as auditors on the same date. The resignation of EY as auditors will take effect on 11 May 2021 as fixed by ACRA in accordance with Section 205AB(5) of the Companies Act (Chapter 50) of Singapore ("**Companies Act**").

Mazars had on 23 April 2021 given its written consent to act as auditors of the Company and its Singapore-incorporated subsidiaries, subject to the approval of Shareholders being obtained at the extraordinary general meeting ("**EGM**") to be convened by the Company.

3. EXTRAORDINARY GENERAL MEETING

Pursuant to Rule 712(3) of the Mainboard Listing Manual of the SGX-ST ("**Listing Manual**") and Section 205AF of the Companies Act, the Proposed Change of Auditors must be approved by Shareholders at an EGM to be held. Accordingly, the Board is convening an EGM to be held by way of electronic means to seek Shareholders' approval for the Proposed Change of Auditors as an ordinary resolution. The appointment of Mazars as new auditors will therefore take effect upon obtaining the approval of Shareholders at the EGM, and if so appointed, Mazars will hold office until the conclusion of the next AGM of the Company.

In accordance with Rule 1203(5) of the Listing Manual:-

- (a) the outgoing auditor, EY has confirmed to Mazars, via its professional clearance letter dated 23 April 2021, that it is not aware of any professional reasons why the new auditors, Mazars, should not accept the appointment as auditors;
- (b) the Company confirms that there were no disagreements with EY on accounting treatments within the last 12 months up to the date of their resignation, being 11 May 2021;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this announcement;
- (d) the Company confirms that there are no specific reasons for the Proposed Change of Auditors, save as otherwise set out in this announcement. The reasons for the Proposed Change of Auditors is neither due to the dismissal of EY nor EY declining to stand for election; and
- (e) the Company confirms that it is in compliance with Rules 712 and 715 of the Listing Manual in relation to the proposed appointment of Mazars as the new auditors.

The Board wishes to express their appreciation for the past services rendered by EY.

A circular to Shareholders of the Company together with a notice of the EGM will be published in due course.

BY ORDER OF THE BOARD

Lee Changwei, Eugene
Financial Controller
1 June 2021