

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

**RESPONSE TO QUESTIONS FROM SHAREHOLDERS
FOR ANNUAL GENERAL MEETING ON 27 NOVEMBER 2020**

The Board of Directors (“**Directors**” or the “**Board**”) of Datapulse Technology Limited (“**Company**” together with its subsidiaries, “**Group**”) refers to the announcement dated 9 November 2020 in relation to the Notice of Annual General Meeting to be held by electronic means on Friday, 27 November 2020, at 3.00 p.m. (“**AGM**”).

The Company would like to express its appreciation to its shareholders for submitting their questions in advance of the AGM. The Company would also like to inform shareholders that the substantial and relevant questions received by the Company by the deadline, i.e. 3.00 p.m. on 24 November 2020, have been responded to and are published in this announcement.

Please refer to the Appendix A of this announcement for details of the questions and responses of the Company.

BY ORDER OF THE BOARD

Lee Changwei, Eugene
Financial Controller
25 November 2020

Appendix A

Question 1: How badly has the company been impacted by COVID 19? Similar to Wayco, can we sell back the hotel and distribute cash back to shareholders? Is there a buyback undertaking? If not, why was there not a buyback undertaking in place to protect the interest of shareholders? Who was involved in the purchase and negotiation of the hotels?

Rather than buying loss making business (such as Wayco and the hotels) and draining our previous monies away, further exacerbated by not distributing any dividend this year to shareholders, should we not be distributing the money from the sale of the property to shareholders as dividend?

Company's Response:

- Our hotel operations segment incurred a loss of \$4.3 million for the financial year ended 31 July 2020, which included an impairment loss on our hotel property, Travelodge Myeongdong City Hall ("TLMC") of \$1.9 million.
- In line with market practice, there was no option to sell back the hotel. Extensive due diligence (including legal, financial and operational) was carried out prior to completion of the acquisition of TLMC.
- The purchase of the hotel was a decision made by the Management, the Board and the shareholders of the Company pursuant to the extraordinary general meeting held in March 2019.
- The Company did not and will not buy a loss-making business(es) without reason. The Company bought the hotels to derive income and generate profits. The unprecedented COVID-19 pandemic was unexpected.
- There are no plans to sell the properties.

Question 2: My question is in relation to Resolution 6: Re-appointment of auditors of the Company.

- **What are the reasons for the large increase in audit fees from \$120,000 for 2019 to \$196,000 for 2020?**
- **This is an increase of \$76,000 which is shockingly high of about 63% jump from 2019 to 2020.**
- **Based on the annual report, the audit fees are disproportionately high.**
- **I was previously informed the reason the audit fees were high for 2019 was due to the additional audit work on the discontinued operations. This matter has been completed in 2019 and consequently I expected there will instead be a reduction in the audit fees but was unpleasantly surprised of an increase.**
- **In addition, I expected a reduction in the audit fees in view of the Covid-19 impact on profitability of business.**
- **I strongly suggest to the Board and the Audit Committee to look into this matter and consider suitable alternatives to reduce audit fees in the interest of the company and shareholders.**

Company's Response:

The increase in audit fees for FY2020 was mainly due to the additional fees in respect of work performed in relation to the impairment assessment on properties and the fair value assessment on investments in unquoted equities. The Group will review the audit fees for the coming financial year and make efforts to contain such costs in light of the challenging business environment.