

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

**RESPONSE TO QUESTIONS FROM SHAREHOLDERS
FOR EXTRAORDINARY GENERAL MEETING ON 18 JUNE 2021**

The Board of Directors (“**Directors**” or the “**Board**”) of Datapulse Technology Limited (“**Company**” together with its subsidiaries, “**Group**”) refers to the announcement dated 2 June 2021 in relation to the Notice of Extraordinary General Meeting to be held by electronic means on Friday, 18 June 2021, at 3.00 p.m. (“**EGM**”).

The Company would like to express its appreciation to its shareholders for submitting their questions in advance of the EGM. 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 15 June 2021, 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
16 June 2021

Appendix A

Question 1: Datapulse had just changed Auditors from KPMG to EY in 2019. What is the reason for the Company to change Auditors again so soon?

Company's Response:

The Company as a matter of practice regularly reviews its operating costs. The COVID 19 pandemic severely impacted the Group's performance for both the financial year ended 31 July 2020 ("FY2020") and financial year ending 31 July 2021 ("FY2021"), increasing the Company's focus on trimming its operating costs. The change of auditors would result in significant cost savings for the Group for FY2021 and beyond. In addition, a timely reminder from shareholders to the Company at the last Annual General Meeting held on 27 November 2020 was taken into consideration by the Directors.

Question 2: The next AGM is coming up soon why the rush to just convene a special EGM and incurring unnecessary costs.

Company's Response:

As of the date of this announcement, EY has not commenced the audit for FY2021. The cost savings in audit fees for FY2021 from the change of auditors far outweighs the costs of convening the EGM.

Question 3: What is so good about the proposed new auditors when we now have a more renowned firm of auditors in EY whose term has not reached the 5 years for a call to review and possibly change.

Company's Response:

There is no rule that auditors must serve 5 years before a call to review and possibly change. It is in fact done every year. The Company is of the view that the Group's current size and complexity of operations can be adequately addressed by an international mid-tier accounting firm without any compromise on the quality of the deliverables, at a reduced cost.

Question 4: In 2021, did the company also seek a fee quotation from three international accounting firms and did Mazars quote the lowest fees?

Company's Response:

Yes, the Company did obtain fee quotations from three international mid-sized accounting firms for the Board's evaluation. Mazars' fee quote was very competitive.

Question 5: Would the cost savings of 50% be in comparison to the 2019 figure (\$120,000) OR the 2020 figure (\$196,000) which included the additional fees?

Company's Response:

The 50% cost savings in audit fees is in relation to the 2020 figure (\$196,000). The Mazars fees for FY2021 would include services relating to the 'additional fees' charged by EY in FY2020.

Question 6: Does Mazars have a Korean desk and do they have the requisite expertise, resources and qualified manpower to audit our operations in South Korea?

Company's Response:

Yes, Mazars has a Korea office. The group audit for FY2021 would be led by Mazars Singapore Office, and supported by the Mazars Korea office to audit the group's business operations in South Korea. Mazars has confirmed that they have the requisite expertise, resources and manpower to audit the operations in South Korea.

Question 7: Have the Board considered the track record of Mazars and the reported scrutiny of the firm by the Accounting and Corporate Regulatory Authority (ACRA)?

Company's Response:

The Board has discussed Mazars' audit portfolio in Singapore with both the proposed audit partner-in-charge and her Managing Partner. Mazars has also informed the Company that in respect of one assignment, ACRA's investigation was on the engagement partner of the audit assignment. Mazars as a firm is not being investigated. Neither has Mazars been fined or sanctioned by ACRA.

Question 8: Is the Board aware that Mazars faces criticism and disciplinary actions by regulators in Europe?

Company's Response:

The Company is aware through news reports of actions taken in Europe by the regulator in France against Mazars. Mazars has informed the Company that there was a disciplinary proceeding instituted in this case but the adverse conclusions reached are still subject to an appeal procedure.

Question 9: Please confirm if Datapulse would be the first SGX listed company whereby Ms Quek Siew Eng would be partner in charge? Please provide the list of SGX listed companies that Ms Quek Siew Eng was partner in charge, if applicable.

Company's Response:

We understand that notwithstanding the Company may be the first SGX listed Company that Ms. Quek will be the partner-in-charge of, Ms. Quek is the Head of Quality & Risk Management (Q&RM) in Mazars Singapore. As Head of Q&RM, Ms. Quek has been actively involved in the audits of all listed companies and higher risks engagements since 2018 in Mazars Singapore. While not having performed as engagement partner, Ms. Quek does have experience in handling listed companies' audits and she will be also supported by another senior partner in Mazars who will be the engagement quality control partner.