

Replies to Lim See Yen's letter of 13 April 2018 (the "Letter")

The Board shares Lim See Yen's concerns raised in the Letter, and that is the reason why the Board had prepared "Appendix A", setting out the Board view's on the suitability of the Proposed New Directors for appointment, and shared it with Shareholders during the SIAS Dialogue Session held on 26 March 2018.

Coming to the specific queries in the Letter, the current Board is not in a position to address some of these queries, *inter alia*, as it relates to matters or transactions prior to their appointment, although Shareholders may wish to note that:-

- (i) the Company has written to certain former directors of the Company at the material time to seek further information on the circumstances surrounding the Company's investment in, and subsequent disposal of its interest in Raffles Campus Pte Ltd ("**Raffles Campus**"), and will update Shareholders if there are any material updates or information obtained from such former directors; and
- (ii) the circumstances surrounding the Company's investment in, and subsequent disposal of its interest in Raffles Campus, as well as the circumstances surrounding Ms Intan Ng's departure from the Company in 2014 will be the subject of review by the independent reviewer, Messrs Lee and Lee, under the Internal Controls Review, and the Company will update Shareholders if there are any material updates or information obtained from such review.

Notwithstanding the foregoing, we set out below, answers to some of the queries in the Letter which the Board is able to answer at this juncture based, *inter alia*, statutory and other records of the Company and certain publicly available information which the Company has been able to obtain:

1. Was the (former) board aware of the issue of 105 million preference shares to Mr Ng Boon Yew at S\$0.01 (par value) ("Further Share Issuance") and why did the Company not participate in this issuance?

Based on the statutory records of the Company, there is no record if the then board of directors had knowledge of the Further Share Issuance, and the Board is currently checking with certain former directors of the Company to clarify this.

Based on certain documents filed with ACRA by Raffles Campus, the Company understands that under the constitution or memorandum and articles of association of Raffles Campus, it is prescribed that subject to any direction to the contrary by the shareholders of Raffles Campus, all new shares shall, before issue, be offered to the members of Raffles Campus in proportion, as nearly as the circumstances admit, to the amount of existing shares to which they are entitled.

Based on the statutory records of the Company, there is no record of the Company having agreed to waive its right of pre-emption to subscribe for its pro-rata portion of shares under the Further Share Issuance, nor are there any records of the reasons why the Company did not participate in the Further Share Issuance.

2. Is the Further Share Issuance legal?

The Board does not have sufficient information to conclusively comment on this issue at this juncture, but as noted above, there have been certain issues red-flagged, *inter alia*, as to whether the former board was aware of the Further Share Issuance and whether Datapulse had been given the opportunity to subscribe for its pro-rata portion of shares under the Further Share Issuance, as apparently required under the constitution or memorandum and articles of association of Raffles Campus.

The Board will continue to investigate and seek further legal advice on this issue, and will not hesitate to pursue the fullest extent of the Company's legal rights, should there be any recourse or remedy which it can avail itself of.

3. Who signed the S\$7.5 million sale and purchase agreement? Is the (former) Board aware of the content of the sale and purchase agreement?

The sale and purchase agreement appeared to have been signed by Ms Intan Ng. The Board is currently checking with certain former directors of the Company to clarify if they were aware of the full terms of the February 2006 disposal of 100% Raffles Campus for S\$7.5 million.

4. How much did Ng Boon Yew receive from the February 2006 disposal of 100% Raffles Campus for S\$7.5 million? Datapulse received S\$2.1 million, or 28% of the total consideration while the total amount received by NBY has not been disclosed

Based on the sale and purchase agreement sighted in relation to the disposal, it would appear that NBY received S\$3,752,542.28 from the sale of his shares.

5. Why did Datapulse receive 28% of the sale proceeds when it had earlier contributed 47.0% (S\$2 million out of total equity investment of S\$4.2 million)?

The Board does not know what information was made available to the former board, and what was otherwise the basis upon which the former board agreed to accept the S\$2.1 million sale price.

The Board wishes to add that on the same transaction, NBY received sale proceeds of approximately S\$3.75 million against an investment of less than S\$2 million.

The Board further notes that but for the Further Share Issuance, the Company could potentially have received a larger portion of the \$7.5 million sale proceeds that was paid for the purchase of 100% of Datapulse, instead of the \$2.1 million which it did receive.

6. Has the current board sought explanation from Ms Intan Ng/intend to seek answers from Ms Intan Ng following the announcement of Appendix A/on Ms Intan Ng resignation from the Board/ as Ms Intan Ng has chosen not to answer some important questions?

Based on the statutory records of the Company, it would appear that there may be possible circumstances leading to Ms Intan Ng's departure from the Company which may be inconsistent with her previous disclosure that she resigned "to pursue other personal interests".

This included her having to issue a formal written apology to Mr Ng Cheow Chye on 27 August 2014, with regard to her conduct which may have warranted a dismissal, or removal from office, but for her apology.

As can be seen from the exchange of correspondence as set out in Appendix C of the Circular dated 26 March 2018, the Board had previously sought clarifications from Ms Intan Ng, *inter alia*, on the above, but Ms Intan Ng has chosen not to respond to the same.

Instead, Ms Intan Ng has maintained, through statements to the media, that the apology letter related to a private matter and occurred before the listing of the Company, even though the apology letter was issued well after the Company was listed (on 1 March 1994), and not on a private matter, but on matters related to the Company.

As for the queries raised in the Letter, *inter alia*, with regard to whether SGX has been duly informed of “discrepancies” relating to Raffles Campus, the Board has engaged the SGX whether the past relationship between Ms Intan Ng and Mr Ng Boon Yew calls into question their respective suitability for proposed appointment as directors of Datapulse, or if the Board has provided evidence and sought consultations with SGX in relation to Ms Intan Ng’s resignation from the Board, to the current Board’s knowledge, the SGX is not unaware of the issues that have been raised, *inter alia*, under the Appendix A previously circulated, and may presumably have an opportunity to consider it further, as and when the findings of the independent reviewer, Lee and Lee, on the Internal Controls Review are released.