

Date: 20 February 2018

To: **The Board of Directors**
Datapulse Technology Limited
150 Beach Road
The Gateway West #35-00
Singapore 189720

Cc: **Ms June Sim**
Head, Listing Compliance
SGX
(by email)

Dear Sirs

- (1) **REQUISITION TO CONVENE EXTRAORDINARY GENERAL MEETING OF DATAPULSE TECHNOLOGY LIMITED (THE "COMPANY") PURSUANT TO SECTION 176 OF THE COMPANIES ACT (THE "ACT")**
- (2) **SPECIAL NOTICE PURSUANT TO SECTION 152(2) READ WITH SECTION 182 OF THE ACT**

Introduction

1. We, Uniseraya Holdings Pte Ltd ("**Uniseraya**") and Ng Bie Tjin @ Djuniarti Intan ("**Intan Ng**"), refer to our requisition notice which was deposited with the Company on 26 December 2017 (the "**26 December Requisition Notice**"). Pursuant to the 26 December Requisition Notice and Section 176 of the Act, the board of directors of the Company (the "**Board**") is obliged to convene an EGM by 26 February 2018.
2. Initially, upon receipt of the 26 December Requisition Notice and after obtaining legal advice, the Board announced, on 8 January 2018, that it would be convening the EGM pursuant to the 26 December Requisition Notice, and that the EGM would be held by 26 February 2018 (as it was obliged to do pursuant to s 176(3) of the Act).
3. However, the Board, in its announcement of 1 February 2018, has now taken the position that the 26 December Requisition Notice was "*technically not validly issued*" as a result of "*the irregularities between the persons signing the Requisition Notice and the number of shares in the capital which they hold as members.*" The Board has reiterated this position in its announcement of 7 February 2018; in the same announcement the Board further confirmed that it will **not** be convening an EGM by 26 February 2018. In other words, the Board has refused to comply with our 26 December Requisition Notice, on the basis of this alleged invalidity.
4. We do not agree with the position taken by the Board regarding the validity of the 26 December Requisition Notice. Our position, that the 26 December Requisition Notice is in full compliance with Section 176 of the Act, has already been set out in our letters to the Board dated 29 January 2018 and 2 February 2018. Nevertheless, to avoid any further technical arguments by the Board to delay matters, we are now submitting a new requisition notice (the "**20 February Requisition Notice**"), as set out below.

Requisition Notice

5. Pursuant to Section 176 of the Act, we, the undersigned, being the holders in aggregate of 33,743,333 ordinary shares of the Company and being holders of not less than 10% (approximately 15.4%) of the total number of paid-up shares of the Company carrying the right of voting at general meetings as at the date of this requisition, require you, the Board, to immediately proceed to convene an extraordinary general meeting of the Company ("**EGM**"), to be held as soon as practicable, but in any case no later than two (2) months after the receipt by the Company of this requisition, for the purposes of considering and if deemed fit, passing with or without any modifications, the following ordinary resolutions:

Ordinary Resolution 1

That **LOW BENG TIN** be removed as Non-Executive Chairman and director of the Company with effect from the date of this EGM, and for all necessary steps to be taken to remove him from all appointments with the Company, its subsidiaries and its associated and investee companies.

Ordinary Resolution 2

That **THOMAS NG DER SIAN** be removed as director of the Company with effect from the date of this EGM, and for all necessary steps to be taken to remove him from all appointments with the Company, its subsidiaries and its associated and investee companies.

Ordinary Resolution 3

That **RAINER TEO JIA KAI** be removed as director of the Company with effect from the date of this EGM, and for all necessary steps to be taken to remove him from all appointments with the Company, its subsidiaries and its associated and investee companies.

Ordinary Resolution 4

That **NG BOON YEW** be appointed as a director of the Company with effect from the date of this EGM.

Ordinary Resolution 5

That **LOO CHENG GUAN** be appointed as a director of the Company with effect from the date of this EGM.

Ordinary Resolution 6

That **NG BIE TJIN @ DJUNIARTI INTAN** be appointed as a director of the Company with effect from the date of this EGM.

Ordinary Resolution 7

That **KOH WEE SENG** be appointed as a director of the Company with effect from the date of this EGM.

Ordinary Resolution 8

That any directors of the Company who may have been appointed between the date of this requisition notice and the date of this EGM be removed.

Ordinary Resolution 9

That the Company shall not carry out any diversification beyond its businesses as at 10 December 2017, until such time that a complete feasibility study of any proposed diversification has been carried out, and that any proposed diversification be put before shareholders of the Company for their prior approval, and that the directors be directed to take such steps and do all such acts and things as may be necessary or expedient to put into effect the matters set out in this Resolution and in the best interests of the Company and all the shareholders and stakeholders.

6. We have proposed the above resolutions in the interests of the Company and its shareholders and stakeholders. Further elaboration on these resolutions can be found in Schedule 1 to our 26 December Requisition Notice, as well as in our correspondence with the Board following the submission of the 26 December Requisition Notice. The brief *curricula vitae* of the proposed directors can also be found in Schedule 2 to our 26 December Requisition Notice. The original Schedules 1 and 2 to our 26 December Requisition Notice, in their original form, are re-appended below, for reference.
7. The 26 December Requisition Notice contained 10 proposed resolutions. The 9 resolutions proposed above are identical to those submitted in the 26 December Requisition Notice, save for the original Resolution 4 of the 26 December Requisition Notice, which we have removed. The original Resolution 4 called for the removal of Mr Kee Swee Ann. Mr Kee resigned from the Board on 2 February 2018; as such, the original Resolution 4 is no longer required.
8. Given our extensive correspondence with the Board since 26 December 2017, we see no need to engage with the Board in respect of this requisition notice any further. We ask that in the best interests of the Company and its shareholders and stakeholders, the Board immediately proceed to duly convene the EGM, as it is required to do so under Section 176(1) of the Act, and in any event 21 days from the date which this Requisition Notice is deposited at the registered office of the Company.
9. Further, while the Companies Act gives the Board a certain timeframe in which to hold the EGM pursuant to this Requisition Notice, the Board must recognise that it still has an overarching duty to act in the best interests of the Company and its shareholders and stakeholders. Given the important concerns that are going to be raised at this EGM, it would undeniably be in the Company's and all of the shareholders' and stakeholders' best interests for the Board to hold the EGM at a period when a significant proportion of the Company's shareholders – and not just its majority shareholders – are able to attend.
10. Based on its 14 February announcement, the Board has indicated that it intends to hold an EGM on 27 April 2018. Leaving aside whether this EGM complies with the Board's obligations under the Act, it has been highlighted that this is the busiest time of the year for companies to hold general meetings, given that it is the second last business day for companies with December year-ends to hold their general meetings (see Professor Mak Yuen Teen's article dated 15 February 2018, on www.governanceforstakeholders.com). This will result in significantly lower

attendance for an EGM that is being convened to address critical matters, which is not ideal at all.

11. In view of this, it is important that the Board must refrain from holding the EGM at a time which clashes with other companies' general meetings, and try to ensure that more shareholders are able to attend the EGM to consider these issues. We also reiterate that the EGM should be held at a location which is easily accessible and at a time of day when the Company's shareholders (in particular, the more than 9,000 minority shareholders) are able to attend.
12. Finally, we note that based on the Board's announcements thus far, it appears that the Board's actions are supported by the new controlling shareholder with a 29% shareholding in the Company. We requisitionists on the other hand only have an approximate 15% shareholding. While we are far outnumbered in terms of voting rights, we are prepared to face all of the shareholders at the EGM and to put forward our case for why we have requisitioned this EGM. The Board should be prepared to do the same, and to justify its actions. Hence, we ask that the Board hold the EGM as soon as practicable (keeping in mind the issues set out at paragraphs 9 to 11 above), and to come prepared to answer the shareholders' questions with a view to acting in the best interests of the Company and its shareholders and stakeholders.

Clarification of our shareholding

13. As stated above, Uniseraya and Ms Intan Ng hold in aggregate 33,743,333 shares in the Company as at the date of this letter, comprising (i) 33,733,333 shares held directly by Uniseraya and (ii) 10,000 shares held directly by Ms Intan Ng, amounting to a total of approximately 15.4% shares in the Company. The number of shares held by Uniseraya and Ms Intan Ng in the Company is reflected in the Depository Register maintained by the Central Depository (Pte) Limited as of the date of this letter.
14. We note that the 26 December Requisition Notice states that Uniseraya and Ms Intan Ng held 35,035,933 shares in the Company as of 26 December 2017, comprising (i) 33,733,333 shares held by Uniseraya and (ii) 1,302,600 held by Ms Intan Ng. The difference in the shareholdings of Uniseraya and Ms Intan Ng between the 26 December Requisition Notice and this 20 February Requisition Notice is due to the following:

Uniseraya

- a. As at 26 December 2017, Singapore Nominees Private Limited held 10,000,000 shares in the Company on behalf of Uniseraya, while the remaining 23,733,333 shares were held directly by Uniseraya. Since then, these 10,000,000 shares have been transferred from Singapore Nominees Private Limited to Uniseraya. **Accordingly, Uniseraya is, as of the date of this Requisition Notice, the legal and direct holder of 33,733,333 shares in the Company.**

Intan Ng


- a. As at 26 December 2017, the Bank of Singapore ("BOS") held 1,302,600 shares in the Company on behalf of Ms Intan Ng. On 27 December 2017, BOS, on behalf of Ms Intan Ng, completed its purchase of a further 12,200 shares in the Company. As a result, as of 27 December 2017, BOS held 1,314,800 shares in the Company on behalf of Ms Intan Ng.

- b. As of the date of this Requisition Notice, Ms Intan Ng is the legal and direct holder of 10,000 shares in the Company, as a result of a transfer of 10,000 shares from BOS to the Depository Register maintained by the Central Depository (Pte) Limited. Additionally, Ms Intan Ng continues to hold 1,304,800 shares in the Company through BOS.

15. This is summarised in the following table:

	<i>Amount of Shares Stated in 26 December Requisition Notice</i>	<i>Manner of Holding of Shares as at 26 December</i>	<i>Amount of Shares Stated in 20 February Requisition Notice</i>	<i>Manner of Holding of Shares as at 20 February</i>
Uniseraya	33,733,333	Direct: 23,733,333 Indirect: 10,000,000 Total: 33,733,333	Direct: 33,733,333 Indirect: - Total: 33,733,333	Direct: 33,733,333 Indirect: - Total: 33,733,333
Ms Intan Ng	1,302,600	Direct: - Indirect: 1,302,600 Total: 1,302,600	Direct: 10,000 Indirect: 1,304,800 Total: 1,314,800	Direct: 10,000 Indirect: 1,304,800 Total: 1,314,800

16. We trust that the facts as set out above will be sufficient to clarify the number of shares held directly by Uniseraya and Ms Intan Ng in the Company.




Signed for and on behalf of
UNISERAYA HOLDINGS PTE LTD

NG BIE TJIN @ DJUNIARTI INTAN

Note: Schedules 1 and 2 to the 26 December Requisition Notice, in their original form, are appended below.

SCHEDULE 1

A. INTRODUCTION

Pursuant to Section 176 of the Companies Act (Cap. 50), we, the undersigned, being the holders of aggregate 35,035,933 ordinary shares of **DATAPULSE TECHNOLOGY LIMITED** (the "**Company**") and being holders of not less than 10% (approximately 16%) of the total number of paid-up shares of the Company carrying the right of voting at general meetings as at the date of this requisition, have requested the directors of the Company to convene an extraordinary general meeting of the Company ("**EGM**").

The purpose of this EGM is for the shareholders to consider the removal of **LOW BENG TIN, THOMAS NG DER SIAN, RAINER TEO JIA KAI** and **KEE SWEE ANN** (collectively the "**December Board**"; reference to the "**New Board**" would be to the December Board and Mr Ng Cheow Chye, Executive Director) as directors of the Company, as well as from any appointments that they may hold within the Company, its subsidiaries and its associated and investee companies, to appoint new directors to replace the December Board, and for the Company to properly evaluate its diversification and investment strategy and to consolidate its business in the meantime.

The first transaction approved by the New Board was carried out one day after the December Board was appointed on 11 December 2017 – to acquire Wayco Manufacturing (M) Sdn Bhd ("**Wayco**") for a cash consideration of S\$3.5 million and enter into an entirely new business of manufacturing hair care, cosmetics and other homecare chemical products through the acquisition. This transaction was announced on 12 December 2017, and completed 3 days later on 15 December 2017.

That, coupled with the sale of its property situated at 15A Tai Seng Drive Singapore 535225 (the "**Tai Seng Property**") where the Company's core business of manufacturing of media storage products was carried out and the failure to acquire alternative premises for such business and the resignations of all three independent directors (namely, Mr Hee Theng Fong, Mr Guok Chin Huat Samuel, and Mr Hilary Quah Lam Seng) and two long-standing executive directors (namely, Mr Ng Cheow Leng and Mr Si Yok Fong @ Chin Yok Fong) from the Board on 10 and 11 December 2017 respectively, raise issues about whether the interests of the Company and all shareholders and stakeholders will be served.

In the circumstances, we have decided to call for the removal of the December Board, and for their replacement by directors who can, in our view, better represent the interests of the Company and all shareholders and stakeholders.

A summary of the chronology of events and issues that have arisen is set out below.

B. CHRONOLOGY OF EVENTS

The Property Transactions

1. On 13 July 2017, the Company applied to the Singapore Exchange ("**SGX**") for a waiver to seek prior shareholders' approval for the grant of an option (the "**TS Option**") to an independent third party for the sale of the Tai Seng Property for S\$53.5 million. On 21 July 2017, the waiver was granted by SGX.

2. 10 days later on 31 July 2017, the Company announced the grant of the TS Option on 26 July 2017 and the waiver by SGX. Completion of the sale of the Tai Seng Property was expected to be by 30 November 2017, with vacant possession to be delivered no later than 31 December 2017.
3. On 7 August 2017, the Company announced that it had, on 4 August 2017, been granted an option (the "TP Option") by an unrelated party to purchase an industrial property at Toa Payoh (the "Toa Payoh Property") valid up to 3 September 2017 for S\$10.5 million, subject to JTC granting approval for the sale and assignment to the Company of the unexpired terms of the lease and the use of the Toa Payoh Property for the manufacture of media storage products.
4. On 8 August 2017, the Company announced that the TS Option had been exercised by the purchaser.
5. On 4 September 2017, the Company announced that the TP Option had been extended to 18 September 2017.
6. On 12 September 2017, the Company issued a circular to convene an EGM on 28 September 2017 to seek shareholders' approval for the disposal of the Tai Seng Property. The EGM circular disclosed that the Tai Seng Property was currently used for the Group's manufacturing activities and that it was concurrently looking to relocate to a building which is more appropriate for its current manufacturing activities.
7. On 18 September 2017, the Company announced that it had exercised the TP Option.

EGM on 28 September 2017

8. On 28 September 2017, the Company held its EGM and obtained shareholders' approval for the disposal of the Tai Seng Property.

AGM on 9 November 2017

9. On 24 October 2017, the Company issued a notice to convene its AGM on 9 November 2017.
10. At the AGM held on 9 November 2017, all resolutions were duly passed, including the resolution to re-elect Mr Ng Cheow Chye, the Company's Deputy Chairman and CEO, and Mr Hilary Quah Lam Seng, an independent director, as directors.

Disposal of Mr Ng Cheow Chye's entire stake in the Company to Ms Ng Siew Hong

11. Based on the announcement made by the Company on 23 November 2017, on 10 November 2017, Mr Ng Cheow Chye, who is also a controlling shareholder of the Company holding 48,947,366 shares (about 22.343% of the total number of paid up shares of the Company), entered into a sale agreement to sell his entire stake *via* an off-market transaction, at a price of S\$0.55 per share, a 52.8% premium over the closing price of \$0.36 per share on 9 November 2017. Based on the Company's full-year financial statements for the financial year ended 31 July 2016, its net book value per share was 22.07 cents. The *pro forma* net tangible asset per share after the proposed disposal of the Tai Seng Property as disclosed in its circular to shareholders dated 12 September 2017 was 41.24 cents.
12. In accordance with his obligations under the Securities and Futures Act (Cap. 289) (the "SFA"), Mr Ng Cheow Chye disclosed his change of interest within 2 business days from the signing of

the agreement on 14 November 2017. A change of interest notification was submitted by Ms Ng Siew Hong on 23 November 2017, relating to her acquisition of a total of 63,531,705 shares in the Company (amounting to about 29% of the total issued share capital of the Company) via an off-market transaction. Ms Ng Siew Hong's total interest in the Company was just below the 30% threshold required for a mandatory general offer.

13. On 25 November 2017, 15 days later after the sale agreement was entered into by Mr Ng Cheow Chye to sell his entire stake in the Company, it was announced by the Company that the purchaser of Mr Ng Cheow Chye's stake was Ms Ng Siew Hong.

Termination of TP Option

14. On 14 November 2017, approximately 1½ months after the EGM approving the disposal of the Tai Seng Property on 28 September 2017 and 5 days after the AGM on 9 November 2017, the Company announced that the TP Option had been terminated. For the first time, the Company disclosed that it had, on 4 and 22 September 2017, received letters from the National Environment Agency ("**NEA**"), rejecting its application for change of use for the Toa Payoh Property. The letters from the NEA were received before the EGM on 28 September 2017 and the AGM on 9 November 2017.
15. On 15 November 2017, the Company received a query from the SGX regarding the termination of the TP Option. The SGX's queries were as follows: (1) "*What are the implications, including any financial implications, to the termination of the Option to purchase of the Toa Payoh property?*" and (2) "*In view that the option to sell the Company's existing property was exercised, how will your manufacturing activities be impacted and what are the Company's plans?*"
16. On 18 November 2017, the former board of directors of the Company ("**Former Board**") (comprising Mr Ng Cheow Chye, Mr Ng Cheow Leng, Mr Si Yok Fong @ Chin Yok Fong, Mr Hee Theng Fong, Mr Guok Chin Huat Samuel and Mr Hilary Quah Lam Seng,) responded to SGX's two queries. The following is the Company's response to query (2): "*The Management is currently considering ceasing its manufacturing activities and exploring other business and investment opportunities. The Company does not expect a material impact to the Company's financial position if it ceases the Company's manufacturing activities as that part of the business is currently loss-making. In the event that the Management decides to continue the Company's manufacturing activities and alternative premises cannot be secured prior to the completion of the proposed disposal, there will be some disruption to the Company's manufacturing activities. However, the financial and business implications will not be material.*"

Ms Ng Siew Hong's intention to have Board representation

17. In an announcement by the Company dated 25 November 2017, the Company noted that "*[Mr Ng Cheow Chye] understands that [Ms Ng Siew Hong] would like to have board representation and expects that she will be communicating directly with the [Former] Board on this matter. On the issue of board control, the [Former] Board will have to await [Ms Ng Siew Hong's] proposal*". It was also stated in the announcement that Mr Ng Cheow Chye clarified that he is not related to or personally acquainted with Ms Ng Siew Hong, and "*does not have any background information of [Ms Ng Siew Hong] in terms of business activities*".

Ms Ng Siew Hong's notice on diversification of the Company's business

18. In a letter dated 29 November 2017 to the Former Board, Ms Ng Siew Hong stated that "*Given that the core business of the Company is no longer profitable and the Company will be ceasing*

its manufacturing business soon, it will be detrimental to shareholders if efforts are not made to diversify the core business of the Company. It would be in the interests of the Company and its shareholders to diversify the business of the Company to include multi-industry investments as part of the core business of the Company".

19. The letter from Ms Ng Siew Hong dated 29 November 2017 was disclosed by the Company in an announcement dated 8 December 2017.

Failure of Ms Ng Siew Hong to attend 8 December 2017 Board meeting of Former Board

20. A Board meeting was held by the Former Board on Friday, 8 December 2017, from 3:30 pm to 7 pm, which Ms Ng Siew Hong was invited to attend; she did not do so. The Former Board thus did not have the opportunity to meet with Ms Ng Siew Hong to obtain further information on her business plans for the Company.

Board changes

21. On Sunday, 10 December 2017, all 3 independent directors, being Mr Hee Theng Fong, Chairman who had been on the Board since 1994, Mr Guok Chin Huat Samuel who had been on the Board since 2012, and Mr Hilary Quah Lam Seng who had been on the Board since 1999 and who stood for re-election at the AGM on 9 November 2017, resigned as directors of the Company, with the reason being stated as "*Change in controlling shareholder*".
22. On Monday, 11 December 2017, 2 out of the 3 executive directors of the Former Board, being Mr Ng Cheow Leng who had been on the Board since 1994, and Mr Si Yok Fong @ Chin Yok Fong who had been on the Board since 1994, also resigned as directors of the Company with the reason being stated "*Change in controlling shareholder and Board renewal*".
23. On the same day (i.e. 11 December 2017), the New Board was constituted with the appointment of the December Board comprising three independent directors and one executive director, Mr Kee Swee Ann, who was also appointed the CEO. The Audit Committee, Nominating Committee, and Remuneration Committee were accordingly reconstituted with various members of the December Board.
24. In an announcement dated 14 December 2017 (in response to an article by Professor Mak Yuen Teen dated 13 December 2017 published in the Business Times), it was disclosed (for the first time) that the December Board had been proposed by Ms Ng Siew Hong to the Former Board for consideration after she had become a controlling shareholder on 22 November 2017. In the prior announcements on 25 November, 8 and 11 December 2017 relating to Ms Ng Siew Hong and/or the appointment of the December Board, no mention was made of this, and it was unclear when Ms Ng Siew Hong wrote to or contacted the Former Board to make the nomination.
25. In an announcement dated 23 December 2017 (in response to an article by Professor Mak Yuen Teen dated 19 December 2017 published in the Business Times), it was further clarified that the three independent directors of the Former Board were not involved in the appointment of the new independent directors of the December Board, and that the latter were appointed by the then remaining directors of the Former Board. It is not clear who the remaining directors of the Former Board were, as two executive directors of the Former Board resigned the same day as the appointment of the new independent directors of the December Board took place. It was further stated that the original intention was for the appointment of the new independent directors to the December Board to be considered by the Former Board but such matter was not eventually

considered as Ms Ng Siew Hong did not attend the 8 December Board meeting to present her plans to the Former Board.

Acquisition of Wayco by the Company

26. On 12 December 2017, the New Board (comprised primarily of the December Board who had been appointed only *one day prior*) announced that it would be "*re-evaluating the feasibility of continuing the Group's manufacturing activities in view of certain recent developments*", including the sale of the Tai Seng Property, which may complete in January 2018 (but is uncertain) and the termination of the TP Option.
27. The New Board further announced that it had, on the same day (12 December 2017), entered into an agreement to acquire 100% of the issued share capital of Wayco, a Malaysian company for S\$3.5 million. Based on the management accounts of Wayco as at 30 June 2017, it has an unaudited net profit after tax of RM160,632 (equivalent to S\$53,201, assuming an exchange rate of RM1:S\$0.3312) for the six month period ended 30 June 2017 and an unaudited net tangible asset value of RM7,626,248 (equivalent to approximately S\$2,525,813 assuming an exchange rate of RM1:S\$0.3312).
28. This acquisition would cause the Company to enter into an entirely new business of manufacturing hair care, cosmetics and other homecare chemical products. It was also disclosed that one of the directors of the December Board and current CEO, Mr Kee Swee Ann, was formerly the General Manager of the vendor, Way Company Pte Ltd, from 2008 to 2010 and was part of the management team of Wayco.
29. 3 days later, on 15 December 2017, it was announced that the Company and the vendor of Wayco had entered into a Supplemental Agreement where the vendor had agreed that during the period of one year from the date of completion, if the Company reasonably ascertains that there are any material adverse events or matters affecting or relating to the assets, liabilities and/or business of Wayco which, if known to the Company as at the date of the SPA, would have reasonably affected the Company's decision to enter into the SPA, the Company shall have a right to require the vendor to buy back 100% of Wayco.
30. On the same day (i.e. 15 December 2017), the acquisition of Wayco was completed. This was announced 2 days later on 17 December 2017.
31. In an announcement dated 23 December 2017 (in response to an article by Professor Mak Yuen Teen dated 19 December 2017 published in the Business Times), the New Board stated that it would convene an EGM to seek shareholders' approval for a proposed diversification of the core businesses of the Company, and that shareholders would have the opportunity to raise matters concerning the business plans or direction of the Company to the New Board and management.

C. ISSUES AND CONCERNS

The chronology of events has given rise to several issues and concerns, some of which are summarised below:

1. The constitution of the December Board by the directors who were nominated by Ms Ng Siew Hong after she became a controlling shareholder of the Company.
 - a. The Company has announced that the assessment and appointment of the directors nominated by Ms Ng Siew Hong to the December Board was carried out by the Former

Board. No information is however provided as to *when* Ms Ng Siew Hong presented her nominees to the Former Board for assessment, *what information* she provided to the Former Board, if any, on the background of the directors comprised in the December Board and their suitability for appointment, and *what criteria* was applied in the assessment.

- b. The Former Board did not at any time release an announcement stating that Ms Ng Siew Hong had proposed these nominees to them, or that the Former Board was assessing their suitability – not even in the final announcement made by the Former Board on Friday 8 December 2017 before their resignation. This was also not mentioned in the announcements released on 10 and 11 December 2017 regarding the resignation of 5 out of 6 of the Former Board members and the appointment of the December Board.
 - c. Ms Ng Siew Hong was invited to attend the 8 December Board meeting by the Former Board to clarify her plans for the Company. She did not do so. By Monday (11 December 2017, 3 days later), 5 out of the 6 Former Board members, including all the independent directors, had resigned, and the December Board members, who had been put up for nomination by Ms Ng Siew Hong, were appointed to the Board. Given that Ms Ng Siew Hong did not attend the 8 December Board meeting, and there is no prior mention of her having attended / met the Former Board on any other occasion, it is not apparent how the nomination of the December Board members was put forward to the Former Board. It has been recently clarified that the independent directors of the Former Board did not approve the appointment of the independent directors of the December Board, but it remains unclear who from the Former Board had approved this.
 - d. While three of the December Board members (Mr Low Beng Tin, Mr Thomas Ng Der Sian, and Mr Rainer Teo Jia Kai) have been put forward as independent directors, the fact remains that they were nominated by Ms Ng Siew Hong, and it is unclear whether their independence has been properly assessed.
 - e. Mr Thomas Ng Der Sian and Mr Rainer Teo Jia Kai have since disclosed that they are “business acquaintances” of Ms Ng Siew Hong. Neither of them has any experience as a board member of a listed company, although their other business experience have been disclosed.
 - f. Mr Low Beng Tin was announced as being introduced to Ms Ng Siew Hong by a third party. Prior to his appointment as a director of the Company, Mr Low held 979,006 shares in the Company as at 9 October 2017; on the date of his appointment, Mr Low Beng Tin held 278,859 shares in the Company. Based on an announcement made by the Company on 23 December 2017, part of Mr Low’s shares in the Company were sold to Ms Ng Siew Hong on 22 November 2017. According to the 23 December 2017 announcement, Mr Low sold his shares to Ms Ng through the introduction of Mr Ng Cheow Chye, and Mr Low did not get to meet or speak to Ms Ng in the process of the sale. Mr Ng Cheow Chye was also the person who introduced Mr Low to Ms Ng as a possible candidate for the New Board, subsequent to her becoming a new shareholder of the Company.
2. The completion of the acquisition of Wayco in just 3 days raises questions of whether the acquisition was properly assessed and considered by the December Board, which was appointed just one day before the signing of the share purchase agreement relating to the acquisition.
 - a. While Wayco is in the manufacturing business, the goods being manufactured are entirely different from the goods which the Company manufactures. Were any feasibility studies done to assess whether Wayco’s business would be compatible with the Company’s

businesses or whether this was an appropriate business for the Company to diversify into? Did the New Board carry out an independent valuation of Wayco (note that in an announcement dated 15 December 2017, it was disclosed that the valuation report was sourced by the Vendor of Wayco's shares) to determine the fairness of the purchase consideration? There was no explanation as to why the Company did not seek to undertake the valuation of Wayco's properties by its own appointed valuer. It is also unclear whether any due diligence was done on the acquisition, given the short timeframe in which the acquisition was completed – the December Board was appointed on **11 December 2017**, the acquisition of Wayco was made on **12 December 2017** via entry into a sale and purchase agreement on the same day, and which was completed on **15 December 2017**. This was a mere **1 day** and **4 days** respectively, after the appointment of the December Board on 11 December 2017. If the decision to acquire Wayco was made by the New Board which comprised primarily of the December Board, the December Board only had one day to familiarise themselves with the Company's business or strategy when they made the decision.

- b. In an announcement dated 15 December 2017, the New Board noted that it has taken the view that shareholders' approval is not necessary for the acquisition of Wayco, pursuant to the relevant rules under the Listing Manual; hence, it does not intend to seek shareholders' approval for the acquisition, although it "*will in due course be seeking Shareholders' approval for the proposed diversification of the Company's core businesses to include, inter alia, manufacturing of hair care, cosmetics and other homecare chemical products, which is the business that the Target Company is engaged in.*" Obtaining approval for the diversification of the Company's core business **after** the acquisition of Wayco appears to undermine the purpose of seeking such approval in the first place.
- c. In the 15 December 2017 announcement, it was also disclosed that the Company paid S\$3.5 million for Wayco, which, based on Wayco's annualised profits of S\$106,404 (based on unaudited financial statements), represents a price-earnings ratio of approximately **32.9 times**. This raises questions on, amongst other things, whether the acquisition of Wayco, was properly considered and evaluated.

D. CVS OF PROPOSED NEW DIRECTORS

The CVs of the proposed new directors referred to in Ordinary Resolutions 5 to 8 are attached in Schedule 2 for shareholders' attention and information.

E. CONCLUSION

There are significant questions that have arisen since the appointment of the December Board which affect the interests of the Company and of all its shareholders and stakeholders, and we intend to further elaborate on these issues at the requisitioned EGM. In the meantime, shareholders should also consider the recent articles by Professor Mak Yuen Teen and Anita Gabriel which raise several important questions on the Company and the December Board (Professor Mak's articles were published in the Business Times on 8, 13, and 19 December 2017, and were reproduced on the website <http://governanceforstakeholders.com/>; Anita Gabriel's article was published in the Business Times on 12 December 2017).

SCHEDULE 2 – BRIEF CURRICULA VITAE OF PROPOSED DIRECTORS**Ng Boon Yew**

Mr Ng is a Chartered Accountant who was in KPMG for 25 years. He became a Partner of the firm in 1984 until his retirement in 2000. He also served as KPMG's Chairman of the Professional Practice Committee, headed its Banking Practice and was the partner in charge of Corporate Finance Services.

Since Mr Ng's retirement, he has served as Adviser to the Singapore Technologies Group. He then came out of retirement to be the Group Chief Financial Officer of Singapore Technologies Pte Ltd from July 2002 to December 2004. He is currently Chairman of Raffles Campus Group.

Mr Ng was a member of the Corporate Finance Committee under the Financial Sector Review Group, chaired by then Deputy Prime Minister Lee Hsien Loong. He was also appointed Chairman of the Disclosure and Accounting Standards Committee, established by the Ministry of Finance, Monetary Authority of Singapore and the Attorney-General's Chamber.

Mr Ng was a member of the Council on Governance of Institutions of a Public Character (IPCs), which establishes rules and regulations for IPCs in Singapore. He served as a Board Member of the National Kidney Foundation (NKF) and Chairman of its Audit Committee; he also served as Chairman of its Finance Committee. He was reappointed to the Board of NKF on 1 July 2017 and currently also serves as Chairman of its Finance Committee. He was awarded the Public Service Star in the 2004 National Day Award.

Mr Ng holds various directorships in companies listed on the Stock Exchanges of Singapore and Taiwan, and serves on boards of numerous non-profit organisations, foundations, charities and public and statutory institutions. He was formerly an independent director of Datapulse Technology Limited from 3 September 2001 to 31 July 2013. He was Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee from 3 September 2001 to 5 January 2012, and subsequently from 6 January 2012 to 31 July 2013, he was the Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee.

Loo Cheng Guan

Mr Loo founded Vermilion Gate in 2014 and formally launched it in 2016 as an advisory firm to focus on cross-border M&As.

He has been non-executive Chairman of 1 Rockstead GIP Fund II Pte Ltd., a private equity fund approved by the Singapore Government under its Global Investors Programme, since 2013. He is also chairman of Precursor Group, a Singapore-based accounting firm and honorary director of Pantheon Assets, a leading multi-family office in China.

In addition, he sits on the boards of Valuetronics Holdings Ltd., a SGX-listed EMS company, as an independent director, and of several other private companies including Fortrec Chemicals & Petroleum Pte Ltd, Amalgam Capital Partners Pte Ltd and Brash Asia Pte Ltd.

Cheng Guan had previously sat on a number of listed companies in Singapore, China and Canada, including Advance SCT Ltd as independent director and Chairman, Audit Committee and MAP Technology Holdings Ltd as independent director, Grandblue Environment Holdings Ltd and Blackbird Energy Ltd both as non-executive director.

Ng Bie Tjin @ Djuniarti Intan

Ms Ng was with Datapulse Technology Limited for over 22 years and was the Finance Director from January 1994 to November 2014. Apart from overseeing the daily operations of the finance functions including accounting, finance, treasury and capital management, Ms Ng was responsible for administration and implementation of the Group's corporate finance strategies and policies, corporate governance and internal control policies and procedures, investor relations, and identification and evaluation of new business opportunities. She was the key person who pushed for the company to obtain a shareholders' mandate to diversify into property development.

Ms Ng was a director of Datapulse Technology Limited from 7 January 1994 to 30 November 2014, and during that time, was a member of the Nominating Committee.

She is also an independent director of Aspial Corporation Limited from 20 January 2014 and SunMoon Food Company Limited from 31 August 2017. She is also a director of Uniseraya Holdings Pte Ltd from January 2015.

Ms Ng holds a Masters in Business Administration from the University of Southern California.

Koh Wee Seng

Mr Koh is Aspial's Chief Executive Officer and Executive Director and is responsible for the strategic planning, overall management and business development of the Aspial Group.

Since late 1994, when the new management team, led by Mr Koh, took over the reins, Aspial Group has overcome the challenges posed by changing consumer demand by implementing wide-ranging and fundamental changes in its jewellery business. Mr Koh has also successfully led Aspial Group's diversification into the property business in Singapore, Australia and other countries and financial service business. Mr Koh is also the Non-executive Chairman of Maxi-Cash Financial Services Corporation Ltd, AF Global Limited and World Class Global Limited, which are listed on the SGX-ST.

Mr Koh holds a Bachelor's degree in Business Administration from the National University of Singapore.