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Meeting details:

Date: 22 Nov 2024

Time: 3.00 p.m.

Venue: Metropolitan YMCA, 60 Stevens Road, Singapore 257854

Q1. Would the board/management provide shareholders greater clarity on the following operational and financial matters? Specifically:

- (i) **Travelodge Myeongdong City-Hall (TLMC):** What were the occupancy rate, average daily rate (ADR) and revenue per available room (RevPar) for TLMC in FY2024? Given the current market conditions, what is the potential for further growth at TLMC? What is the profile of the hotel guests, including key segments and demographics?
- (ii) **Travelodge Harbourfront Singapore (TLHS):** Can management elaborate on the reasons for the non-renewal of the asset management agreement for TLHS? What is the current working relationship with the TLHS entities, Pamela Prop Pte Ltd and Hasselhoff Op Pte Ltd? What impact does the expiration of the asset management agreement have on the group's 5% stake in TLHS? Can management clarify if it is looking to monetise its 5% stake in TLHS? Is the group subject to any drag-along clause?
- (iii) **Travelodge Myeongdong Euljiro (TLME):** With just a 15% stake in TLME, can management clarify its role in adding value to this investment? Does the group have any operational influence, or is this considered a purely passive investment with no/limited control?
- (iv) **Diversification:** Could the board provide more details on its stated strategy of exploring opportunities beyond the hospitality sector? What safeguards are in place to ensure that any diversification aligns with the group's core competencies and long-term strategy? Has the board appointed a reputable investment bank to assist in sourcing and evaluating potential investments? What are the specific criteria used by the board in identifying suitable diversification targets? What is the board's track record in executing mergers and acquisitions and creating value, and how will it ensure that any diversification efforts are value accretive?

Q2. The company was placed on SGX's financial watch-list with effect from 6 June 2023¹. Under Rule 1314 of the SGX-ST Listing Manual, the company must meet specific criteria to exit the watch-list within 36 months. Failure to do so could result in a delisting or suspension of its shares by the SGX-ST.

Currently, the company has a market capitalisation of approximately \$30 million, while total equity amounts to \$61.9 million.

- (i) **Has the inclusion on the SGX financial watch-list affected the group's operations or strategic initiatives?**

¹ <https://links.sgx.com/FileOpen/DTL%20-%20Inclusion%20on%20the%20SGX%20Watch-List.ashx?App=Announcement&FileID=761633>

- (ii) **Could the board, particularly the independent directors, detail the specific actions taken to help the company meet the requirements for removal from the watch-list? What corporate initiatives have been executed since the company was placed on the watch-list, and what is the current progress towards achieving compliance with Rule 1314?**
- (iii) **With regard to the equal access offer (EAO) for share buyback and cancellation, did the board consider the potential negative impact on the company's market capitalisation, especially given the importance of having a market capitalisation greater than \$40 million? How was this risk assessed?**

The company repurchased 2,794,339 shares, representing 11.7% of the total shares under the EAO, for a total consideration of \$279,434.

- (iv) **What were the total professional fees incurred to carry out the EAO? Given the relatively low participation rate, does the board consider the EAO to have been a success? What were the key learnings from this exercise?**
- (v) **What specific guidance has the board provided to management to fulfil the requirements of Rule 1314 and exit the watch-list as soon as possible? What are the immediate priorities and targeted milestones set by the board?**

Q3. The former chief executive officer (CEO) resigned on 4 December 2023, just four months after his appointment on 31 July 2023. The former CEO joined the company as an executive director on 1 August 2022 and was redesignated as CEO. The chief financial officer (CFO) also tendered her resignation after only six months in the role.

- (i) **Did the nominating committee (NC) conduct a thorough review of the circumstances surrounding the resignations of both the CEO and CFO, given their short tenures? What were the key findings, and has the board identified any underlying issues that need to be addressed?**
- (ii) **What is the progress made in appointing a new CFO and what specific criteria and experience is the board prioritising in the search for the new CFO?**

Mr Ang Kong Meng, the then-non-independent non-executive chairman of the company, was redesignated as the executive chairman and chief executive officer with effect from 1 February 2024.

- (iii) **Would the redesignation of Mr Ang Kong Meng as the executive chairman and chief executive officer lead to a concentration of power and influence in the company and on the board, especially given his 77.27% shareholding?**

- (iv) **How does the board plan to address potential shareholder concerns over governance and checks and balances?**
- (v) **How does the board and the NC justify this move in the context of corporate governance best practices? Has the board assessed key-man risk and the depth of the senior management team? What succession planning measures are in place to mitigate these risks?**

Mr Ang Kong Meng currently serves on 26 boards (page 58).

- (vi) **Could the company clarify how many of these are external, non-group directorships?**
- (vii) **Given the breadth of his portfolio, spanning diverse sectors such as manufacturing, cosmetics, property, and engineering across Singapore and Malaysia, how does Mr Ang allocate sufficient time, energy and focus to the affairs of this company and its subsidiaries?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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