

POWERMATIC DATA SYSTEMS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 198900414E)

UPDATE ON OUTCOME OF INTERNAL INVESTIGATIONS REGARDING THE WHISTLE-BLOWING REPORT

The board of directors (the “**Board**”) of Powermatic Data Systems Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its annual report for the financial year ended 31 March 2022 (“**FY2022 Annual Report**”).

On page 32 of its FY2022 Annual Report, the Company had disclosed that it received a whistle-blowing report (spread over a series of communications) from the same individual via the Company’s whistle-blowing channel.

Since the Company’s receipt of the whistle-blowing report, it has received close attention from the Board. The matter was thoroughly investigated by members of the Audit and Risk Management Committee (“**ARMC**”) (including the ARMC Chairman) who were not directors of the Company at the time the relevant events (as described below) took place, with assistance from external legal counsel.

As disclosed in the FY2022 Annual Report, the whistle-blowing report contained allegations against the Company in connection with events that occurred in 2007/2008 and which involved a former subsidiary of the Company in China which was voluntarily wound up in 2010. These events, along with the allegations contained therein, emanated from a series of disputes involving business transactions conducted prior to 2007 between the whistle-blower, a former non-executive independent director of the Company (who left the Company in 2008) and companies related to each of them.

Based on the ARMC’s investigations and internal inquiries upon receipt of the whistle-blowing report, it was found that neither the Company nor any of its subsidiaries had any prior knowledge of or involvement in the abovementioned dispute(s) and business transactions. The ARMC has since reviewed the relevant available documents, made further inquiries, conducted interviews and held discussions with the current external auditor of the Company (who was copied with the whistle-blowing report). During the course of its investigations, the ARMC had also reached out to the whistle-blower requesting specific information and to seek clarification on the allegations. To-date, the whistle-blower has not responded at all to such request.

Based on the ARMC’s findings to-date, the ARMC has concluded that there is nothing which substantiates the allegations contained in the whistle-blowing report and as such the allegations have no merit.

In addition, the ARMC is of the view that the whistle-blowing report does not have any impact on the Group’s financial statements for the current financial year, and does not impact the Group’s financial statements of any preceding financial years.

For the reasons set out above, the ARMC will no longer pursue the matter in the absence of any new credible information.

BY ORDER OF THE BOARD

Dr Chen Mun
Chairman/Chief Executive Officer
9 February 2023