

## For presentation at Datapulse EGM on 20 April 2018

Good afternoon, Mr Chairman, Board members and Shareholders of Datapulse.

I am Ng Boon Yew and I am one of the proposed directors whom you would be voting for at this meeting.

It has been almost 4 months since the first requisition was made to convene an EGM for the purpose of, inter alia, voting on the replacement of the current board with the 4 proposed directors of whom I am one of them.

In the next few minutes, I shall be responding to some of the allegations made by the board against me during these couple of months. I shall use the announcement made by the company on 16 April 2018 (the "**Announcement**") (titled "Board's Response to Mak Yuen Teen" (being the latest and perhaps one of the longest – it runs into 6 pages single spacing!) where the company attempted to respond to the various articles written by Prof Mak, many of which resulted from the various announcements and responses from the board itself.

I must confess that I have great difficulty catching up with all these announcements, many of which were either "clarifying", "changing" or sometimes "adding further" information to previous announcements. In many instances, the board introduced numerous distractions which were totally irrelevant to the issues that caused this EGM to be requisitioned in the first instance. What is extremely troubling to all shareholders is that all these clearly demonstrated the manner and the governance process (including exercising due care and diligence) in which the current board went about addressing the critical issues confronting the company. Interestingly, the final paragraphs of the company's latest announcement on 16 April 2018 contained the following:

*"Much hullabaloo, and much ink has been spilled, since the Company set on its path of selling off its property and winding down its existing business and (on the back on that), the current Board has come in, made the Wayco acquisition, and proposed the proposed business diversification as the way forward for the Company.*

It is unfortunate that so much time and resources has been expended on the part of various stakeholders, including regulators, during this period but from another perspective, this may not be a bad thing if Shareholders are now armed with a clearer understanding of the plans which the current Board and proposed new Board has for the Company, and to exercise their votes judiciously to decide which plan to support, at the forthcoming EGM."

I couldn't have agreed more with these statements! But I must reiterate that this is probably one of the very few paragraphs in the Announcement that I could agree with.

Now, back to what I wanted to share with you this afternoon. I do not intend to go back to all the earlier announcements (many of which were mere repetitions of the issues anyway) where questions were rather mischievously raised about my suitability (both in terms of my ability and of my independence) to be elected as an independent director pursuant to the requisition. I fully agree that the company is perfectly entitled to, and should, evaluate my suitability. The key question, however, is how the company (and hence the board) went about undertaking the evaluation? I would like to ask: Has the board done the evaluation in a fair, objective and professional manner? In this respect, it is also important to ask ourselves on how all the current board members were evaluated before they were appointed and whether they have themselves been evaluated in the same manner that I and the other proposed directors are being evaluated. I will leave this matter as it is since this issue has been more than adequately aired over the past few months.

### **Independence**

On my independence, the board had, on more than one occasion, publicly announced that I have been, (and I quote): "conspicuously silent on the potential conflict of interest which may be involved in Datapulse's investment in and subsequent disposal of Raffles Campus" (unquote). The Board further announced and, (I quote): "While the current board is not aware of the full details of the terms or the process for those transactions, the fact that Datapulse made a paltry gain of \$100,000 on its investment of \$2m in Raffles Campus and Mr Ng Boon Yew apparently managed to make a significantly higher gain of close to \$2m on his own personal investment of less than \$2m, in the same disposal to a third party, gives food for

thought, and one would have thought that Mr Ng Boon Yew should come out to clarify and dispel any perception of potential conflicts of interest that may be involved". (Unquote)

On the one hand, the board said that it was not aware of the full details of the terms or the process for those transactions, and yet, on the other hand was able to hold the view that there was a potential conflict of interest. The board has therefore made these claims without having conducted the necessary due diligence to ascertain the full facts and yet expects me to clarify and dispel any perception of conflicts of interest. How ridiculous can this be? It is like, for example, I found out, after more than 10 years, that my laptop is missing from my office and that you were seen in my office around then, I decided to announce to the world that you may have taken my laptop and that I expect you to then clarify and dispel any perception of you having taken my laptop? Isn't this making a mockery out of the whole matter?

Take a moment to reflect on what I have just said. Look at the manner in which the board had gone about this matter. I guess it came as no surprise to us considering how the board had gone about making the various announcements in the past few months and on the manner and process in which the Wayco acquisition was made.

It is for this reason that I had decided not to entertain these innuendos, and twisted pictures painted by the board.

The key question therefore is this: Shouldn't the board have reviewed and looked into the full details and undertake such due diligence as is appropriate before putting pen to paper and making such statements? The fact that it did not begs the question as to what was the board's objective or motive for doing so and, more importantly, taking all the recent events into account, its ability to exercise due care and diligence in the affairs of the company.

In spite of all this, the board, in its 16 April announcement commented, and I quote, "much hullabaloo and much ink has been spilled...." and "it is unfortunate that so much time and resources have been expended.....". Again, shouldn't the board have asked, who started this hullabaloo in the first instance and who caused so much time and resources to be expended

(or perhaps I should say, wasted) before making these unverified comments in the various announcements?

The terms for Datapulse's investment in Raffles Campus and its subsequent disposal were fully furnished to Datapulse's board then and appropriate due diligence was carried out by the then management. As a declared interested party, I was very clear not to be involved in the discussion and approval of the investment, other than addressing any questions that the management and board may have put to me on the information furnished and on the operations of Raffles Campus to enable them to properly undertake its due diligence, evaluation and decision making.

To put this matter in perspective, full details were disclosed, appropriately considered and approved by the then board (with myself having been recused from the process). At that time, the board (excluding myself) consisted of 3 other independent directors (2 very prominent professionals - a lawyer and a practising accountant, and 1 senior corporate executive) and 6 non-independent directors (of whom 5 were executive and 1 non-executive). By making these allegations, is the current board insinuating that these 9 directors were incompetent and have failed in their duty when evaluating and deciding on the investment and disposal of Datapulse's interest in Raffles Campus? If not, shouldn't the current board have asked: Would the transactions have taken place if these directors were to object? I would also like to highlight that these directors were not appointed by me nor were they related to me in any way. Although this may be a moot point, I would raise it to clearly demonstrate the difference between the board which approved the Raffles Campus transactions and the board which approved the acquisition of Wayco.

Although the transactions took place more than 10 years ago, full and proper corporate governance process had been applied with the appropriate approval by the then board of directors with myself being recused from the investment discussion and approval process. In the interest of transparency, let me share briefly the pertinent information of this transaction:

- Datapulse's investment in Raffles Campus in 2004 was in the form of Convertible Preference Shares and NOT ordinary shares;

- 2 other venture capital funds (Green Dot and OWW) had also invested in Convertible Preference Shares in 2002, two years earlier;
- Raffles Campus made a Renounceable Rights offer at the par value of \$0.01 per share in September 2004 to all shareholders including Datapulse to raise S\$1million to partly fund a proposed acquisition. The Rights offer was fully underwritten by me. As none of the other shareholders accepted the offer, I had to subscribe to the full 100,000,000 rights shares at the offer price of S\$0.01.
- In 2006, Emaar proposed to acquire the whole of the shares of Raffles Campus. The consideration for Emaar's acquisition was established and proposed by Emaar and this was presented to all the shareholders (including Datapulse) for their consideration and agreement. In arriving at the consideration for the shares, I understand that Emaar had valued the Convertible Preference Shares on a basis similar to a loan because, firstly, these were preference shares and, secondly, the invested periods by each shareholder were relatively short and varied. Hence, the preference shares were valued based on the length of time the preference shares had been issued and held by the respective preference shareholders. Emaar also took into account the degree and extent of contribution by each of the preference shareholders in supporting and furthering the operations and strategy of Raffles Campus. These were all determined by Emaar and were in any event fully presented, in the case of Datapulse, to Datapulse board for consideration and approval. All the shareholders, including Green Dot and OWW (the venture capital funds) and Datapulse agreed to the basis and accepted the Emaar offer.

The current board, in raising this matter in the manner that it had done so is a mischievous attempt to question my independence on grounds of potential conflict of interest when this was clearly disclosed and taken into account by the then board and the approval of the then board was given. The approvals would have been minuted in the company's records.

The current board, in another attempt to question my independence drew attention to the fact that I had served "for more than 10 years (from 3 September 2001 to 31 July 2013)" and

that “under the 2012 Code of Corporate Governance, the independence of any director who has served for more than 9 years has to be subject to vigorous review”. Before making this comment, is the board insinuating that the then Nomination Committee had not undertaken a proper review? Had the board undertaken the review to establish this? In any event, it is important that I should highlight that I resigned from the board in July 2013 soon after the 2012 Code was issued. Again, did the board consider its relevance before making this statement?

### **Ability**

The current board had also made a mischievous attempt to further discredit my ability by commenting of my track record as Executive Chairman of Raffles Campus. Once again, the current board had failed to adequately verify the facts before putting pen to paper. Not that this is surprising after what we have witnessed over the past few months, there are clear misleading and misrepresented statements made by the board. Let me highlight these.

- (1) Firstly, it mentioned that I am the controlling shareholder of Raffles Campus Pte Ltd. This is clearly erroneous with a clear intent to mislead. If only the board had carried out a simple ACRA search, it would have been able to establish that this is absolutely untrue. I do not hold any shares in Raffles Campus Pte Ltd.
- (2) Secondly, it mentioned that Raffles Campus Pte Ltd “ran into multi-million losses since incorporation” and that “the public records of Raffles Campus reveal this”. I would like to ask the board whether it did honestly verify the public records of Raffles Campus before making these statements. Did the board honestly believe that it was not making another untrue statement? I put it to the board that if it had done the verification, it would have been very clear to them that the statements were made without due regard to their truth or otherwise. Again, just for information, I would advise that ever since the financial period ended 31 July 2010, after Raffles Campus was disposed of by Emaar, Raffles Campus had generated profit in all but 2 of the 8 years to 31 July 2017. In the year ended 31 July 2017, it declared a dividend of \$1.25m. Would this have been possible if Raffles Campus Pte Ltd had “ran into multi-million losses since incorporation”?

(3) Thirdly, the board also represented that I had "caused a Middle East fund to take a massive write off". Again, pardon me for sounding like a broken record, I would like to ask the board whether it had done the necessary verification before making this statement? I am not sure what information the board had in its possession for it to justify making such a statement because, if it had done so, it would have been clear to them that:

(a) There was no "Middle East fund" involved that had to take the massive write off; and

(b) The board had failed to look at the write off by Emaar in the proper overall context. The so called write off by Emaar was the goodwill that it had paid upon the acquisition of Raffles Campus in 2006 which Emaar had to do so upon its disposal of Raffles Campus. Again, just for information, if the board had done sufficient verification work, it would have realised that Raffles Campus was just a component within the Emaar Education Group and which itself was part of the overall Emaar Properties Group. Emaar had acquired Raffles Campus in the first instance in order that it may leverage on the reputation of Raffles Campus to kick-start and establish its education business in the MENA region. I can share with you that the education business was very successful. Emaar's disposal of Raffles Campus was necessitated by the global financial crisis when Emaar decided to focus on its business in the MENA region and therefore exited from its various overseas operations and Raffles Campus was one of such overseas operations that Emaar as a group had decided to exit from.

### **Conclusion**

In conclusion, I would like to reiterate the following points:

- (1) It is evident that the board had been mischievous and had made various statements (including statements intending to undermine my suitability) without exercising due care and diligence by failing to undertake even the simplest and basic verification work. Whether this is deliberate or otherwise, I would leave it with all of you as shareholders to make the judgement call.
- (2) It is also evident that it is of no surprise to us that this seems to be the modus operandi of the board in that it continued to make unverified statements which are misleading in an attempt to discredit not only myself but the other proposed directors as well.

(3) Finally, the board, in response to Prof Mak's comments on the questionable past transactions of Mr Low Beng Tin with Lian Beng Group (which took place very recently in 2016 and 2017) impacting on the independence of Mr Low, the board simply brush it off and has this to say:

"Whatever the merits (or otherwise) of such transactions, this was a transaction approved and undertaken before the current Board was appointed, and the board fails to see how it can be relevant in considering the suitability or otherwise of the current board, or at the least, it should have been clarified that it was the former board and management that was responsible for the transaction and nothing to do with the current board".

Yet, interestingly, the board felt that the transactions involving Raffles Campus which took place more than 10 years ago, and which were undertaken and approved by the previous board and management, was relevant in considering my independence. I wonder how could this makes sense. Do I sense some kind of double standards here? What is applicable to me must surely be applicable to Mr Low and the current board, shouldn't it be? What's fit for the goose, must surely be fit for the gander! And to top it off, the transactions involving Raffles Campus took place more than 10 years ago (where the current board had announced that it was not aware of the full details) whereas the transactions cited by Prof Mak took place within the past 2 years (and presumably the board would have full details of).

So, to all shareholders present here today, I have only this one statement to make – I rest my case (and reserve my rights) and the rest is up to all of you here today. Remember, you are not the minority. You are the majority minority, holding in aggregate 71% of the voting rights in Datapulse! Please exercise your rights to protect your interest and the interest of the company as a whole!

Thank you, Mr Chairman and shareholders, for your indulgence.

I would like to request that this presentation, a copy is hereby extended to the board, be posted onto SGXNET.