



DATAPULSE TECHNOLOGY
(Company Reg. No.: 198002677D)

FOR IMMEDIATE RELEASE

SGX-Listed Datapulse's Executive Director Unveils Proposed Expansion Plans To Diversify Into Personal Care Products

- **Plan is subject to shareholder vote on April 20 to retain current board and approve diversification from loss-making media storage business**
- **Executive Director Wilson Teng plans 100-day business plan to kick-start new acquisition**

Singapore, 12 April 2018 – Ahead of an important shareholder vote next week, the newly appointed Executive Director of **Datapulse Technology Limited** (“Datapulse” or the “Company”), Mr Wilson Teng, unveiled today a proposed strategy to transform its newly acquired hair care subsidiary as part of a diversification from the loss-making media storage business.

Mr Teng, appointed on 19 March 2018, said that he had assessed an independent review by Ernst & Young Solutions LLP (“EY”) on Wayco Manufacturing (M) Sdn Bhd (“Wayco”) which was acquired by SGX Mainboard-listed Datapulse on 15 December 2017 for S\$3.43 million. He said Wayco is a profitable hair care, personal care and household chemical business which can be nurtured into a regional brand for the fast-growing personal grooming sector.

To enhance shareholder value and diversify from the media storage business which had deteriorated in recent years, Datapulse can grow the Wayco business by a combination of organic growth of sales and distribution channels, mergers and acquisitions, revamping the supply chain and capital expenditure investments to upgrade old equipment at its existing wholly-owned manufacturing facilities in Johor, Malaysia.

As Wayco was historically the manufacturing arm of Wayco group of companies, it did not own or operate sales channels or distribution networks, whether in Singapore or Malaysia. Wayco currently manufactures six core brands for products that are distributed mainly by Way Company Pte Ltd in Singapore and Way Trading (M) Sdn Bhd in Malaysia. Under its flagship GOOD LOOK “Leaf” logo, the brands cover beauty care, body care, hair colour, hair styling, hair wax, hand wash and hair gel across 71 different products (www.waycobeauty.com).

The Asia Pacific hair care market is projected to post a compounded annual growth rate (“CAGR”) of 2.5% from 2001-2020 to close to US\$25 billion. Based on forecast of retail sales value for the period 2015 – 2020, the fastest growth rates will occur in India (+9.3% or +US\$1,341 million), Indonesia (+7.6% or +US\$407 million), Philippines (+5.9% or +US\$171 million) and Vietnam (+7.7% or +US\$80 million). *

The hair care market in Malaysia is expected to grow at a CAGR of 6% from 2016 to reach RM1.7 billion in 2021. Over the same period, the hair care market in Singapore is expected to grow at a CAGR of 4.1% to reach S\$230 million in 2021.*



DATAPULSE TECHNOLOGY

(Company Reg. No.: 198002677D)

Taking into consideration the strategic options reviewed by EY, the Board intends to transform Wayco into a value chain play in the hair care market, *inter alia*, through a multi-product, multi-brand strategy and expanding into a manufacturing and distribution business, instead of focusing on manufacturing business alone so as to capture higher gross margins.

“Assuming shareholders support the current four directors and the proposed diversification, our first step will be to implement a 100-day action plan immediately after the EGM. I intend to review the existing product portfolio to maintain only the strongest products and consider adding new products,” Mr Teng said.

“Datapulse also needs to review the entire trademark and brand portfolio and add more economically priced hair care products for the mass market including refill packs and larger packaging. It must adopt direct distribution for key markets and foster strong partnerships for other growth markets. Wayco needs to continue product innovation/development and expansion based on current trends such as ageing and healthy living. We will also draw up a roadmap for some form of e-commerce related sales. China’s online sales of hair products grew 68.6% between 2010 – 2015.*”

“Wayco will need to restructure the supply chain, review the manufacturing capability and explore how we can grow Wayco into a platform for the broader fast-moving consumer goods (“FMCG”) sector”, he said.

Datapulse has the right, exercisable by 14 December 2018, to require the vendor to buy back Wayco at the same consideration if it discovers any material adverse matters.

Datapulse shareholders will vote on 10 resolutions on April 20 – eight relating to proposed board changes, one on business diversification and one on the payment of a 1.0 cent special dividend following the sale of a building completed on 31 January 2018. The sale of the Tai Seng Drive property, used previously for the media storage business, resulted in a gain on disposal of S\$44.6 million.

“Wilson Teng has presented the first broad brush of a business transformation which can grow Wayco into a regional personal grooming brand with a clear portfolio of products, a good supply chain and strategy to strengthen distribution. Clearly, there is strong potential to enhance shareholder value after the weak financial performance in recent years. Following the EGM, and assuming shareholder support of the current board, we will study this turnaround plan and see what will best enhance shareholder value,” Mr Low Beng Tin, non-Executive Chairman of Datapulse, said.

The Company also announced that it has appointed the law firm Lee & Lee to undertake the Internal Controls Review as referred to its earlier announcements on 11 March 2018 and 4 April 2018.

**Source: “Hair care in Asia Pacific” dated February 2017 by Euromonitor International, EY Analysis*

END OF RELEASE



DATAPULSE TECHNOLOGY
(Company Reg. No.: 198002677D)

About Datapulse Technology Limited (www.datapulse.com.sg)

Incorporated in 1980 and listed on the SGX Mainboard, Datapulse Technology Limited (“Datapulse”) is a leading provider of digital storage media in the Asia-Pacific region. Its current core business is relating to the manufacture and sale of media storage products used in content distribution, including compact discs, digital versatile discs and blu-ray discs.

On 15 December 2017, Datapulse completed the acquisition of Wayco Manufacturing (M) Sdn Bhd (“Wayco”) as part of its strategic diversification into the haircare, cosmetics and other household chemical products industry.

Media and Investor Relations Contact

Email: ir@datapulse.com.sg

Tel: (65) 9061 6720