

Issuer: TSH Corporation Limited

Security: TSH Corporation Limited

Meeting details:

Date: 24 April 2018

Time: 3.15 p.m.

Venue: 1 Irving Place, #05-07, The Commerze@Irving, Singapore 369546

Company Description

TSH Corporation Limited does not have significant operations. Previously, it was engaged in the homeland security services, consumer electronic products, and property businesses. The company was incorporated in 2000 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=574)

1. The group completed the disposal of the Explomo Technical Services Pte Ltd and WoW Technologies (Singapore) Pte Ltd in August 2016.

After a year's search, on 21 August 2017, the company announced that it had entered into a non-binding term sheet with certain vendors for the proposed acquisition of 100% of the rights and interests of four freehold commercial properties located in Brisbane, Australia. The assets will be operating under a chain of properties with a concept that has been created and developed to target business owners in the beauty and wellness industry.

One of the primary beneficial owners of the vendors is Teo Kok Woon who is also a non-executive non-independent director and an existing 28.4% controlling shareholder of the company.

After an extension in November 2017, the term sheet ceased on 28 February 2018 as the parties are unable to finalise and enter into a definitive agreement for the aforesaid proposed acquisition.

On the same day, the company announced that it had entered into a non-binding memorandum of understanding with Teo Kok Woon and two other individuals for the proposed acquisition of a new target group of companies which are in the business of operating pubs and bars and import, export and distribution of spirits, wines and liquors.

- (i) **Would the company explain the process it has gone through to search for a new business that would meet the requirements for a new listing under Rule 1017(2) of the Catalist Rules?**
- (ii) **What roles did the independent directors played in the deal sourcing process?**
- (iii) **Has the company used professional brokers, investment banks and business consultants to help it in its search for a new business?**
- (iv) **Is the company only looking at businesses linked to the controlling shareholder, Mr Teo Kok Woon?**
- (v) **With his experience as a general partner at a worldwide private equity firm, what role did the non-executive chairman play in the company's deal sourcing?**

2. As shown in the company's Report on Corporate Governance, two board meetings were held in FY17 and the attendance of the each board member is shown in the following table (page 9):

Principle 1 : The Board's Conduct of Affairs - continued

The number of Board and Board Committee meetings held in FY17 and the attendance of each Board member at those meetings are as follows:

Attendance Record of the Board and Board Committee Meetings

Directors	Board		Audit Committee		Remuneration Committee		Nominating Committee	
	#No. of meetings held	No. of meetings attended	#No. of meetings held	No. of meetings attended	#No. of meetings held	No. of meetings attended	#No. of meetings held	No. of meetings attended
Lye Chee Fei Anthony*	1	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Teo Kok Woon	2	1	2	1	1	1	1	1
Wong Weng Foo John	2	2	2	2	1	1	1	1
Tan Dah Ching	2	1	2	1	1	0	1	0

No. of meetings held whilst a member

*Mr Lye Chee Fei Anthony ("Mr Lye") had resigned as an Executive Director on 19 May 2017.

(Source: Company annual report)

- (i) **Would the company help shareholders understand which of the two board meetings did the independent director, Mr Tan Dah Ching, miss?**
- (ii) **What were the extenuating circumstances that led the directors to miss the board meetings?**
- (iii) **Can the board explain how robust were the board committee meetings when it only involved just two directors (one independent director and one non-independent director who is also the controlling shareholder, and they mutually have interests in a private investment company)?**
- (iv) **Can the company secretary and the board improve the scheduling of the board meetings and of the board committee meetings?**

3. At the company's Annual General Meeting to be held on 24 April 2018, the company is seeking shareholders' approval to re-elect Mr Wong Weng Foo John who is retiring in accordance with Article 107 of the Company's Constitution.

As Mr Wong has served the board beyond nine years since his appointment, his independence was subject to particularly rigorous review by the nominating committee (NC) pursuant to the 2012 Code of Corporate Governance.

The NC comprises Mr Tan Dah Ching (as chairman), Mr Wong Weng Foo John and Mr Teo Kok Woon.

Mr Teo and Mr Wong share a business relationship outside the company via JKF Capital Pte Ltd which a company of which Mr Wong, Mr Lye (the former executive director) and Mr Teo are directors and shareholders. JKF is a private company incorporated in Singapore to invest in shop houses in Penang, Malaysia.

- (i) **Can the NC explain clearly how the independence of Mr Wong was determined? What were the deliberations? And who were the directors involved in the deliberations?**
- (ii) **Given the existing relationship between Mr Teo and Mr Wong, did Mr Teo as a member of the NC recuse himself in the review of the independence of Mr Wong?**

The company has also stated that “[t]he Board considered that Mr Wong’s familiarity with the Company’s business will continue to contribute positively to the deliberation at the Board and Board Committees meetings”.

- (iii) **As the company no longer has any operating business since the sale of Explomo and Wow in August 2016, is Mr Wong’s familiarity not a valid reason to support his appointment?**