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UEN No: S99SS0111B

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**Issuer:** TrickleStar Limited

**Stock code:** CYW

**Meeting details:**

Date: 29 March 2023

Time: 10.30 a.m.

Venue: <<live webcast>>



**Q1.** On 1 November 2022, the company announced the resignation of Mr Bernard Christopher Emby as the chief executive officer of the company. Mr Emby also resigned as the executive chairman a month later, on 7 December 2022.

Mr Gunananthan Nithyanantham has been designated as the acting CEO of the company, on top of his roles as executive director and chief operating officer, with effect from 1 November 2022.

In the announcement of cessation, it was stated that the company has chosen to pursue a business strategy that is less capital intensive and that prioritises risk reduction versus growth in uncertain market conditions whereas Mr Emby wishes to pursue opportunities which align more with his skills in new product development and growth in cleantech and renewable energy solutions.

In the annual report, it was further disclosed that the board undertook a review of the connected products portfolio in mid-2022 and decided to stop the development of Smart Thermostat due to large investment needed. The group will continue to commercialise the Water Heater Controller.

Revenue for the financial year increased by 22.4% to US\$13.82 million, boosted by strong demand for the group's core Advanced Powerstrips (APS) products.

- (i) **What are the underlying challenges faced by its customers in the key market (USA)? How strong is the consumer confidence given that inflation has been running high in 2022? Also, do high energy costs improve the adoption rate of APS?**
- (ii) **Can the board/management help shareholders better understand the working capital needs for the APS business?**
- (iii) **Did management look into securing external financing to fund the working capital needs of the APS business?**
- (iv) **For FY2022, the group continued to report a loss before tax of \$(156,782) (2021: \$(1,723,225)). Has the group been able to maintain or increase its gross profit margin? Going forward, what are management's priorities to improve the profitability of the group?**
- (v) **Separately, how much capital is needed to commercialise the Water Heater Controller business?**
- (vi) **What was the initial feedback on the Smart Thermostat? Are there plans to revisit the commercialisation of the Smart Thermostat in the near future? Has management considered monetising Smart Thermostat via third-party licensing/royalty arrangement(s)?**

**Q2.** Jeremy John Figgins was appointed as non-executive independent chairman on 7 December 2022 and resigned on 8 December 2022. Ling Hee Keat was appointed as non-executive independent chairman on 8 December 2022 in place of Jeremy John Figgins.

- (i) **Can the nomination committee (NC) help shareholders better understand the selection process and the circumstances leading to the appointment<sup>1</sup> and resignation<sup>2</sup> of Mr. Jeremy John Figgins as chairman in December 2022?**

In addition, the company is seeking shareholders' approval to re-elect Mr. Bernard Christopher Emby who is retiring pursuant to Regulation 89 of the Constitution. Additional information required pursuant to Rule 720(5) of the Catalist rules on directors seeking re-election can be found on pages 69 to 74. Mr Emby's biography can be found on page 12.

Mr. Emby will, upon re-election as a director, remain as executive director and the CEO. He is currently serving his notice period until 28 April 2023, following which he will become a non-executive non-independent director.

- (ii) **Can the board help shareholders better understand Mr Emby's role in the group after his cessation as executive director and CEO?**

In the past year, CircleBright Limited significantly reduced its shareholding in the company from 28.3% to 11.1%. Mr Emby is deemed interested in the shares held by CircleBright as he is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting ordinary shares in CircleBright.

- (iii) **Even though Mr Emby remains the largest shareholder with direct and deemed interest of 42.1% as at 13 February 2023, can Mr Emby clarify his long-term commitment to the group given that he has sold substantial shares in the company and is stepping down from his executive role?**
- (iv) **Given that Mr Emby has stated his intention to pursue opportunities in new product development and in cleantech/renewable energy solutions, would there be a conflict of interest with the group? Is there a non-compete clause?**

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<sup>1</sup> <https://links.sgx.com/1.0.0/corporate-announcements/B2KP1D60T3PYV4XQ/fe2fbdc58d9fb22d49449454b1f5d3d155c8551d73347705335589a647398798>

<sup>2</sup> <https://links.sgx.com/1.0.0/corporate-announcements/WQJSDQ3YK8W00D26/8e250282520c07196f0a73edde422131d61d65b66802a365601a5e9426484a2a>

**Q3.** As disclosed in the corporate governance report, the internal audit function of the group is outsourced to GovernAce Advisory & Solutions Pte. Ltd. (IA) (page 64). The IA is adequately resourced and staffed with persons with the relevant qualifications and experience and complies with the standards set by the International Professional Practices Framework (“IPPF”) issued by the Institute of Internal Auditors, an internationally recognised professional body.

- (i) **What were the scope, key findings and recommendations by the internal auditor for FY2022?**
- (ii) **Can the audit committee (AC) confirm that the major foreign subsidiaries in Hong Kong, Malaysia and United States of America were included in the internal audit? How was the internal audit carried out for these foreign subsidiaries?**
- (iii) **What is the level of oversight by the AC on the actions taken by management to follow up on the recommendations?**

Separately, it was disclosed that the external auditor, Paul Wan & Co, had expressed their intention not to seek re-appointment at this AGM.

- (iv) **Has the AC met with the external auditor to understand their reasons not to seek re-appointment as the external auditor?**
- (v) **How is the AC carrying out the search for the new external auditor? What progress has been made?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority (“ACRA”), the Monetary Authority of Singapore (“MAS”) and Singapore Exchange Regulation (“SGX RegCo”) published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings (“Meetings Order”) would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

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

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](#)

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