



Securities Investors Association (Singapore)

7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111

Tel: (65) 6227 2683 Fax: (65) 6220 6614

Email: admin@sias.org.sg www.sias.org.sg

UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Tye Soon Limited

Stock code: BFU

Meeting details:

Date: 23 April 2021

Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. On 19 March 2021, the controlling shareholder informed that, subject to the satisfaction of the conditions precedent in the conditional sale and purchase agreement, it will sell Bapcor Asia Pte. Ltd. 25% of the issued capital of the company for an aggregate consideration of \$12.5 million. Completion under the SPA is expected to take place by end April 2021.

OBG & Sons Pte Ltd will retain 26.64% of the issued capital of the company.

As disclosed in the announcement, the Purchaser is a wholly-owned subsidiary of Bapcor Limited (“Bapcor”), which is listed on the Australian Securities Exchange. Bapcor is the leading vehicle parts and accessories provider in the Asia Pacific with over 1,100 business locations in Australia, New Zealand and Thailand. Bapcor’s turnover amounted to AUD1.46 billion for the year ended 30 June 2020.

The chairman has stated that, post-completion, he expects the group management team to work closely with Bapcor Limited to achieve the potential that such a transaction can bring including enhanced shareholder value.

- (i) **Has the board/management analysed the potential synergies that can be realised with Bapcor on board as a strategic investor? If so, what are the synergies?**
- (ii) **Does management see a significant overlap in the group’s Australia business with Bapcor’s?**
- (iii) **Based on management’s understanding of Bapcor, how similar or dissimilar are the business models of Bapcor and the group?**
- (iv) **Can the board elaborate further on the expected board changes?**
- (v) **Has the board clarified with OBG on their long-term commitment to the group following the sale of the 25% stake?**

Q2. The coronavirus pandemic accelerated the pace of digitalisation for many companies. Big technology companies experienced 2 years of digital transformation in 2 months. However, in the annual report, management has not mentioned how it has carried out the digitalisation of its business, either as a strategy or as a response to the pandemic.

The last major IT investment in the group appears to be the upgrade of the ERP system in 2015.

- (i) **Can the board help shareholders understand the group’s digitalisation strategy?**

- (ii) **What are the risks to the group's business model in a highly digitalised world? Can the group be bypassed as the intermediary between manufacturers and consumers?**
- (iii) **In addition, what are the opportunities and threats as car manufacturers commit to electric vehicles and phase out internal combustion engines?**

Q3. As noted in the chairman's statement, the company's board is undergoing a progressive renewal to right-size and to adjust the composition of the board. Following the changes, the board consists of two executive directors, three non-executive and non-independent directors and three independent directors.

The board size has decreased from 13 to 8.

At the annual general meeting, shareholders are asked to approve directors' fees of \$498,500 for the financial year ended 31 December 2020 (2019: \$384,000). Director fees appear to have increased for FY2020 even though director fees were \$603,000 prior to FY2019.

- (i) **Would the board help shareholders understand the year-on-year increase, especially as the board size has been reduced?**
- (ii) **Would the board consider disclosing the fees received by the non-executive directors individually?**

In addition, Mr Ong Hock Siang @ Ong Huat Seong and Mr Ong Huat Yew, Peter stepped down as executive directors with effect from 23 June 2020 and were appointed as advisers of the company with effect from 23 June 2020. Their remuneration, as advisers, along with the remuneration of a key management personnel, was presented in aggregate as \$497,235 (page 111). The sum includes fees for their services rendered from 23 June 2020 to 31 December 2020.

- (iii) **Would the board help shareholders understand the roles and responsibilities of the advisers?**
- (iv) **What are the deliverables for the advisers?**
- (v) **Are these short-term contracts that would be reviewed for renewal every year?**

^{1^}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.

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](#)

Join our mailing list [here](#) to receive latest news and upcoming events.

CONNECT WITH US



^{1^} 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>)