



## **TYE SOON LIMITED**

Company Registration No. 195700114W

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### **RESPONSE TO QUERIES IN RELATION TO THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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The Board of Directors of Tye Soon Limited (**Company**) wishes to announce the following in response to the queries raised by the Singapore Exchange Securities Trading Limited (**SGX-ST**) to the Company on 22 April 2020.

#### SGX-ST's Query 1

Provision 2.4 of the 2018 Code of Corporate Governance (the "Code") states that "the Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report." (emphasis added)

Please disclose whether and how Provision 2.4 has been complied with.

#### Company's response

As disclosed in the Annual Report, the NC considers and make recommendations to the Board concerning the Board's diversity policy, including the diversity and balance of skills, knowledge and experience on the Board and other aspects such as gender, age and personal qualities with the objectives of providing diversity of perspectives, avoiding group think and fostering constructive debate and contributing to the overall effective performance of the Board. The Board is responsible for the implementation of the policy in an effective and practical manner. In recommending candidates to be appointed to the Board, the NC takes into account the Board's diversity policy

Currently, the Board comprises suitably qualified directors who provide the Company with a good balance of accounting, finance, legal and management's expertise and experience, complemented by sound industry knowledge. There are two female directors on the Board, and three directors have recent and relevant accounting or related financial management expertise or experience. Information on their respective fields of specialities is provided on page 104 of the Annual Report. The Board acknowledges that improvements to Board diversity are an ongoing process. As disclosed in the Annual Report, having considered the scope and nature of the Group's operations and in light of the changes in the Code and SGX Listing Manual, changes to the size and composition of the Board are being planned.

Provision 2.4 has been complied with.

#### SGX-ST's Query 2

Provision 8.1 of the Code states that "The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel." (emphasis added)

In this regard, please disclose the total remuneration paid in aggregate to these key management personnel. We note that the Company has disclosed the remuneration of the directors and key executives in bands of S\$250,000. Where the Company's practices vary from the provisions of the Code, please explicitly state the provision from which it has varied, explain the reason for variation, and explain how the practices adopted are consistent with the intent of the relevant principle in the Code as required by Listing Rule 710.

#### Company's response

To comply with the requirement in Provision 8.1, the Company would like to disclose the total remuneration paid to the two key management personnel in FY2019 amounted to \$365,774. The total remuneration paid to the four executive directors and the nine non-executive directors (comprising director's fees) in FY2019 amounted to \$1,067,090 and \$384,000 respectively.

The Company has disclosed in the Annual Report the breakdown of the remuneration of each director and key executive into types of compensation in percentage terms and in bands of \$250,000. While this practice varies from Provision 8.1 of the Code which requires companies to disclose the specific remuneration of each director and key executive, as disclosed in the Annual Report, the Board is of the view that full disclosure of the specific remuneration of each director and key executive is not in the best interest of the Company as this disclosure may adversely affect the Company's talent retention efforts, given the sensitive nature of the subject and the competition in the industry for key talent. The disclosure of the total remuneration paid to the executive directors, non-executive directors and key executives provides further information consistent with the intent of Principle 8 of the Code.

#### SGX-ST's Query 2

Provision 8.2 of the Code states that "the company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder." (emphasis added)

#### Company's response

As disclosed in the Annual Report, OBG & Sons Pte Ltd is the only substantial shareholder of the Company and none of the directors have any immediate family members who is an employee of the Group for the financial year ended 31 December 2019. This does not include certain executive directors of the Board, in particular, Mr Ong Hock Siang @ Ong Huat Seong (Executive Director) and Mr Ong Huat Yew Peter (President) are the brothers of the non-executive and non-independent directors, Mr Ong Huat Kee (Deputy Chairman) and Mr Ong Huat Choo. Mr Ong Eng Chian, Kelvin (Deputy Managing Director) is the son of Mr Ong Huat Yew Peter and Mr Ong Hock Siang @ Ong Huat Seong is the father of Mr Ong Eng Mien Malcolm, a non-executive and non-independent director. The remuneration of the directors (including the managing director and other executive directors) has also been disclosed in the Annual Report. The Company confirms that save as disclosed above, there are no employees who are substantial shareholders or are immediate family members of a director, the CEO or a substantial shareholder and whose remuneration exceeded S\$100,000 during the financial year ended 31 December 2019.

Provision 8.2 has been complied with.

BY ORDER OF THE BOARD

David Chong  
Managing Director  
24 April 2020