

TYE SOON LIMITED
Registration No. 195700114W
(Incorporated in the Republic of Singapore)
(**Company or TSL**)

MINUTES OF THE 68TH ANNUAL GENERAL MEETING (**AGM OR MEETING**) OF THE COMPANY HELD AT THE CHEVRONS, 48 BOON LAY WAY, SINGAPORE 609961 ON FRIDAY, 26 APRIL 2024, AT 10:00 AM.

PRESENT:

Board of Directors:

Mr Chen Timothy Teck Leng @ Chen Teck Leng	- Chairman and Non-Executive Independent Director
Mr David Chong Tek Yew	- Managing Director
Mr Ong Eng Chian, Kelvin	- Deputy Managing Director
Ms Chua Kwee Huay Genevieve	- Non-Executive Independent Director
Ms Margaret Anne Haseltine	- Non-Executive and Non-Independent Director

In Attendance:

Ms Wee Kim Lin Evelyn	- Company Secretary
Ms Wu Siying (Cynthia)	- Company Secretary

By Invitation:

Ms Ng Yoke Yee	- Group Financial Controller
Ms Sarina Lee	- Auditors, KPMG LLP (KPMG)
Ms Soh Wei Lin	- KPMG
Mr Poon Foo Keong	- Share Registrar, Polling Agent, B.A.C.S. Private Limited
Mr Louis Lee	- Scrutineer, CACS Corporate Advisory Pte. Ltd. (CACS)
Mr Jagen Yap	- CACS
Ms Caryn Lim	- DrewCorp Services Pte Ltd (DrewCorp)
Ms Ely Isa	- DrewCorp

<u>Shareholders:</u>	- As set out in the attendance records maintained by the Company.
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Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders and proxies present at the meeting will not be published in these minutes.

1. WELCOME ADDRESS

- 1.1 At 10:00 am, Mr Chen Timothy Teck Leng @ Chen Teck Leng, the Independent Non-Executive chairman (**Chairman**) of Tye Soon Limited stated that he would be chairing the Meeting and welcomed everyone at the Company's 68th AGM.
- 1.2 The Chairman introduced members of the Board of Directors and Management who were present at the Meeting; Ms Chua Kwee Huay Genevieve (Non-Executive Independent Director), Ms Margaret Haseltine (Non-Executive and Non-Independent Director) who joined on the live webcast, Mr David Chong Tek Yew (Managing Director), Mr Kelvin Ong Eng Chian (Deputy Managing Director) and Ms Ng Yoke Yee (Group Financial Controller).

2. QUORUM

- 2.1 After confirming that a quorum was present, the Chairman called the meeting to order at 10:00 am and proceeded with the formal business of the meeting.

3. NOTICE OF AGM

- 3.1 There being no objection from the shareholders present at the Meeting, the notice of the AGM dated 9 April 2024 (**Notice**) was taken as read.
- 3.2 The Chairman informed the Meeting that the Company had invited shareholders who wished to ask questions related to the resolutions to be tabled for approval at this AGM to submit them in advance of the AGM. The Chairman informed the Meeting that the Company had received questions from a shareholder prior to the Meeting and thanked the shareholder for his questions. The Chairman said that he would invite Mr David Chong, the Managing Director of the Company, to respond to the substantial and relevant questions posted to the Company.
- 3.3 The Chairman informed that all resolutions tabled at this Meeting would be voted by poll in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited (**Exchange**) and the Company's Constitution. Mr Chen in his capacity as the Chairman of the Meeting, demanded that all of the resolutions at the AGM be conducted by poll.
- 3.4 The Chairman informed the Meeting that the Company had appointed CACS Corporate Advisory Pte. Ltd. as the Scrutineer for the poll.
- 3.5 The Chairman informed that in his capacity as Chairman of the Meeting, he had been appointed as proxy by some shareholders who had directed him to vote for and against certain resolutions. Therefore, in the course of this Meeting, he would be voting for and against certain resolutions in accordance with the wishes of shareholders who had appointed him as proxy.
- 3.6 The Chairman further informed the Meeting that the Scrutineer had supervised and verified the counting of the votes of all such valid proxy forms submitted by Shareholders by the submission deadline of 10:00 a.m. on 24 April 2024. The Scrutineer would also verify the votes cast by shareholders during this AGM.
- 3.7 At the invitation of the Chairman, Mr Louis Lee, the Scrutineer, explained the procedure on the conduct of the poll, and that the poll voting slips would be collected from the shareholders at the end of the AGM.

4. QUESTIONS AND ANSWERS

- 4.1. At this juncture, the Chairman invited Mr David Chong to respond to the substantial and relevant questions submitted by the shareholders prior to this AGM as follows:
- 4.2 First Question:
- Would it be possible to shed more light on the nature of supply issues with the principals and suppliers, e.g. due to logistics, production capacity?
- 4.2.1 Mr Chong explained that a vast number of the Group's principals and suppliers do not have ready stocks available for customers. For factories, they typically plan their production schedules only after they receive the orders from customers such as the Group. As orders received based on aftermarket demand is normally volatile, i.e. the quantities involved can vary greatly, the resultant lead times involved can also vary greatly. From the Management's understanding, most of the factories that the Group deals with have fairly tight production capacities.
- 4.2.2 Mr Chong also explained that apart from the capacity issues, shipping and logistics companies have also faced challenges due to geopolitical and other issues, resulting in longer transportation time. Mr Chong shared that the average lead times are usually between 4 and 6 months in situations where there are no shipment delays. Lead times can be more than more than a year when there are delays.

4.3 Second Question:

There were reports earlier this year about job cuts at European auto parts suppliers such as Bosch due to the investment needs for electric vehicle transition. How would this potentially affect Tye Soon?

- 4.3.1 Mr Chong explained that the Group has over the years developed good stable relationships with many European automotive parts manufacturer suppliers. Some of these suppliers have not changed much over the years, whilst some others have evolved more noticeably. The Management is unsure if some of these changes might have involved job losses. However, Management can confirm that the Group's supplies from the above-mentioned suppliers have thus far largely remained stable.

4.4 Third Question:

It is highlighted in the Performance Review section of the Annual Report that lower gross margin was a choice made to maintain or increase market share. Apart from pricing, has the Company used or planned to use more technology to gain competitive advantage over the longer term?

- 4.4.1 Mr Chong explained that the Group has been focused on achieving the following with the help of technology: (1) how customers can get information on the products they need; (2) whether the Group is in a position to supply them; and (3) at what price.
- 4.4.2 Mr Chong added that solutions relating to the above have thus far included the use of web or App-based tools including business to business (B2B) platforms. The Group has rolled out some of these tools but recognised that this is a continuing journey and not a one-off exercise.

4.5 Fourth Question:

Some currencies such as Thai baht and Malaysian ringgit have depreciated against Singapore dollar over the long term. Does the Company repatriate a significant amount of income from these countries such that there is value in hedging those returns?

- 4.5.1 Mr Chong explained that the Group has major overseas business operations in South Korea, Australia, and Malaysia. The SGD has appreciated against the currencies of each of these countries (i.e. KRW, AUD and MYR) in recent years. As such, the translation of turnover denominated in these foreign currencies to SGD has resulted in lower growth in the performances of the Group's overseas operations.
- 4.5.2 Mr Chong added that where relevant, the Group has for many years been hedging mainly the balances outstanding between overseas subsidiaries and the holding company in Singapore. As hedging involves a cost, the level of hedging has ranged from partial to substantially the whole amount of the prevailing balances. The holding company does not normally hedge future income or dividends from overseas subsidiaries.

4.6 Fifth Question:

Finance costs increased by 85% in 2023 and contributed significantly to the drop in net profit. What is the view on the optimal capital structure for Tye Soon if interest rate were to stay higher for longer and what other considerations are being weighed on whether to adjust the capital structure?

- 4.6.1 Mr Chong explained the Group is currently substantially funded by a combination of shareholders' funds, the use of bank facilities and, to a lesser extent, trade creditors. Much of the bank facilities used consists of short-term trade-based lines.

4.6.2 Mr Chong added that the interest rate levels in Singapore have been relatively benign over a long period of time, at least over the past 2 decades. However, interest rates have increased noticeably over the past 18 months and might, as mentioned, “stay higher for longer”. It is noted that it would not be easy for any institution to forecast the interest rate levels with a high level of accuracy, but there is a good consensus that rates will trend lower within the next 18 months, albeit not to the low levels the Group has been accustomed to seeing in recent years. The Group views that scenario as falling “within manageable levels” and hence, is not actively weighing on making any adjustment of note to the capital structure.

4.7 There being no further questions, the Chairman thanked the shareholders for their questions. He then proceeded to introduce the motions tabled for approval at the AGM.

5. ORDINARY BUSINESS

RESOLUTION 1 - DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

5.1 The Chairman informed the Meeting that the first item on the agenda was to receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023, together with the Auditors' Report thereon.

5.2 At the invitation of the Chairman for any questions by the shareholders, a shareholder queried on the interest rate that the Group is currently paying for their loans.

5.3 Mr Chong explained that the Group has a panel of banks amongst which the Management is able to benchmark against each other and negotiate for competitive interest rates. The average interest rate was around 2.5% plus a margin. Mr Chong emphasized that interest rates are expected to trend lower within the next 18 months, albeit not to the low levels the Group has been accustomed to seeing in recent years.

5.4 There being no further question, the Chairman tabled the following motion to the meeting:

“THAT the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023, together with the Auditors' Report thereon, now submitted to this meeting, be received and adopted.”

5.5 The Chairman requested two shareholders to propose and second Resolution 1. The motion was proposed and seconded by two shareholders. The Chairman informed shareholders to vote for or against Resolution 1 by writing the number of shares in the poll voting slip.

6. RESOLUTION 2 - DIRECTORS' FEES

6.1 The Chairman informed the Meeting that the next item on the agenda relates to the payment of directors' fees of S\$271,000/- for the financial year ended 31 December 2023. There being no question, the Chairman requested two shareholders to propose and second the motion for Resolution 2:

“THAT the payment of Directors' fees of S\$271,000/- for the financial year ended 31 December 2023 be approved.”

6.2 The motion was proposed and seconded by two shareholders. The Chairman informed shareholders to vote for or against Resolution 2 by writing the number of shares in the poll voting slip.

7. RESOLUTION 3 - RE-ELECTION OF MS CHUA KWEE HUAY GENEVIEVE

- 7.1 The Chairman moved on to the next item on the agenda relating to the re-election of Ms Chua Kwee Huay Genevieve as a director of the Company. There being no question, the Chairman requested two shareholders to propose and second the motion for Resolution 3:

“THAT Ms Chua Kwee Huay Genevieve be re-elected as a director of the Company.”

- 7.2 The Chairman informed the meeting that if re-elected Ms Chua will remain as a member of the Audit and Risk Committee, and the Nomination and Remuneration Committee and will also remain as the Chairman of the Audit and Risk Committee. Ms Chua is considered an independent director.
- 7.3 Two shareholders proposed and seconded the motion.
- 7.4 The Chairman informed shareholders to vote for or against Resolution 3 by writing the number of shares in the poll voting slip.

8. RESOLUTION 4 - RE-ELECTION OF MR DAVID CHONG TEK YEW

- 8.1 The Chairman moved on to the next item on the agenda relating to the re-election of Mr David Chong Tek Yew as a director of the Company and he proposed the following motion, which was seconded by a shareholder:

“THAT Mr David Chong Tek Yew be re-elected as a director of the Company.”

- 8.2 The Chairman informed the meeting that if re-elected, Mr Chong will remain as a member of the Executive Directors' Committee of the Company.
- 8.3 The Chairman informed shareholders to vote for or against Resolution 4 by writing the number of shares in the poll voting slip.

9. RESOLUTION 5 – FINAL TAX EXEMPT ONE-TIER DIVIDEND

- 9.1 The Chairman informed the Meeting that the next item on the agenda relates to the recommendation of a final tax exempt one-tier dividend of S\$0.0085 per ordinary share for financial year ended 31 December 2023.
- 9.2 The Chairman informed the meeting that the final tax exempt one-tier dividend, if approved, will be paid on 17 May 2024 to the shareholders of the Company whose names appear in the Register of Members of the Company at 5:00 pm on 9 May 2024.
- 9.3 There being no question, the Chairman proposed the following motion, which was seconded by a shareholder:

“That the final tax exempt one-tier dividend of S\$0.0085 per ordinary share for the financial year ended 31 December 2023 be declared.”

- 9.4 The Chairman informed shareholders to vote for or against Resolution 5 by writing the number of shares in the poll voting slip.

10. RESOLUTION 6 - RE-APPOINTMENT OF KPMG LLP AS AUDITORS

- 10.1 The Chairman moved on to the next item on the agenda relating to the re-appointment of KPMG LLP as auditors of the Company and to authorise the directors to fix their remuneration. KPMG LLP had expressed their willingness to continue as auditors of the Company. There being no question, the Chairman proposed the following motion, which was seconded by a shareholder:

“THAT KPMG LLP be re-appointed as auditors of the Company for the ensuing year and that the Directors be authorised to fix their remuneration.”

- 10.2 The Chairman informed shareholders to vote for or against Resolution 6 by writing the number of shares in the poll voting slip.

11. ANY OTHER BUSINESS

- 11.1 As no notice had been received in respect of any other business that may properly be transacted at an AGM, the Chairman proceeded to deal with the special business set out in the Notice.

12. SPECIAL BUSINESS

RESOLUTION 7 - AUTHORITY TO ALLOT AND ISSUE SHARES

- 12.1 Under section 161 of the Companies Act 1967, shareholders are to authorise the directors to issue further shares in the capital of the Company. This ordinary resolution to authorise and empower the directors to allot and issue shares in the capital of the Company and/or instruments, has been set out in the Notice of AGM. With the consent of the shareholders, Resolution 7 as referred to in the Notice convening the meeting was taken as read.

- 12.2 The Chairman proposed the Resolution 7, which was seconded by a shareholder and informed shareholders to vote for or against Resolution 7 by writing the number of shares in the poll voting slip.

13. COUNTING OF VOTES

- 13.1 The shareholders were requested to ensure that the poll voting slips were completed and signed, before handing the same to the officials for the tabulation of the results of the poll.

- 13.2 The meeting was adjourned at 10:36 am in order for the Scrutineer to tabulate the results of the poll and the shareholders were invited to proceed for refreshments. The Chairman informed the Meeting that the meeting will continue in or about 20 minutes' time and he will announce the polling results of the resolutions to be passed at this meeting.

14. POLLING RESULTS

- 14.1 The meeting resumed at 10:59 am and the Chairman informed the Meeting that the Scrutineer had informed that the votes have been counted and verified and he will declare the results of poll on votes casted by the shareholders.

14.2 ORDINARY RESOLUTION 1

The votes cast "For"	:	100.00%
The votes cast "Against"	:	0.00%

Based on the results of the poll, the Chairman declared Ordinary Resolution 1 carried.

14.3 ORDINARY RESOLUTION 2

The votes cast "For"	:	100.00%
The votes cast "Against"	:	0.00%

Based on the results of the poll, the Chairman declared Ordinary Resolution 2 carried.

14.4 ORDINARY RESOLUTION 3

The votes cast "For"	:	100.00%
The votes cast "Against"	:	0.00%

Based on the results of the poll, the Chairman declared Ordinary Resolution 3 carried.

14.5 ORDINARY RESOLUTION 4

The votes cast "For"	:	100.00%
The votes cast "Against"	:	0.00%

Based on the results of the poll, the Chairman declared Ordinary Resolution 4 carried.

14.6 ORDINARY RESOLUTION 5

The votes cast "For"	:	100.00%
The votes cast "Against"	:	0.00%

Based on the results of the poll, the Chairman declared Ordinary Resolution 5 carried.

14.7 ORDINARY RESOLUTION 6

The votes cast "For"	:	100.00%
The votes cast "Against"	:	0.00%

Based on the results of the poll, the Chairman declared Ordinary Resolution 6 carried.

14.8 ORDINARY RESOLUTION 7

The votes cast "For"	:	100.00%
The votes cast "Against"	:	0.00%

Based on the results of the poll, the Chairman declared Ordinary Resolution 7 carried.

15. CONCLUSION OF MEETING

- 15.1 There being no further business, the Chairman declared the meeting closed at 11:01 am and informed the Meeting that the minutes of the Meeting would be made available on the Company's website and on SGXNet within one month from the date of the AGM. He then thanked all for participating in the Meeting.

Confirmed by:

Mr Chen Timothy Teck Leng @ Chen Teck Leng
Chairman of Tye Soon Limited