TYE SOON LIMITED

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

MINUTES OF THE 66TH ANNUAL GENERAL MEETING OF THE COMPANY HELD BY WAY OF ELECTRONIC MEANS ON TUESDAY, 26 APRIL 2022, AT 10:00 AM.

PRESENT VIA VIDEO CONFERENCE OR LIVE WEBCAST:

Directors:

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

Company Secretary:

Ms Evelyn Wee Kim Lin

By Invitation:

Ms Ng Yoke Yee	-	Group Financial Controller
Ms Serene Eng	-	TSL
Ms Shelley Chan Hoi Yi	-	Auditors, KPMG LLP (***KPMG***)
Mr Liew Kui Feng	-	KPMG
Mr James Cheong	-	Share Registrar, M & C Services Private Limited
Mr Vincent Koh	-	Scrutineer, Cypress Pines Asia Advisory Pte. Ltd.
Ms Tan Ching Ching	-	DrewCorp Services Pte Ltd (***DrewCorp***)
Ms Caryn Lim	-	DrewCorp
Shareholders:	-	As set out in the attendance records maintained by the Company.

The full attendance record (based on list of login credentials issued) is separately maintained by the Company.

1. WELCOME ADDRESS

1.1 At 10:00 am, Ms Ng Yoke Yee, the Group Financial Controller, welcomed the shareholders of the Company to the Company's 66th Annual General Meeting (***AGM or Meeting***) and informed the Meeting that the Company would support seamless voting for virtual shareholders in "real time". Shareholders were informed that they would vote as soon as the AGM commenced. They would continue doing so until 5 minutes after the last question to the last item on the agenda had been addressed. A video clip on how to vote was then presented.

1.2 Mr Timothy Chen Teck Leng, the Independent Non-Executive Chairman (***Chairman***) of Tye Soon Limited chaired the Meeting and welcomed everyone at the Company's 66th AGM.

1.3 The Chairman introduced the members of the Board of Directors who were present via video conference; Ms Genevieve Chua Kwee Huay (Independent Non-Executive Director), Mr Noel Meehan (Non-Executive and Non-Independent Director), Ms Margaret Haseltine ((Non-Executive and Non-Independent Director), Mr David Chong Tek Yew (Managing Director) and Mr Kelvin Ong Eng Chian (Deputy Managing Director) and Ms Ng Yoke Yee (Group Financial Controller).

2. NOTICE OF AGM AND QUORUM

2.1 The notice of Meeting had been published on SGXNet and the Company's website and it was taken as read. As stated in the notice of AGM dated 8 April 2022, this AGM was convened, and held, by way of electronic means pursuant to the COVID-19 alternative arrangements legislation. In accordance with the legislation, a quorum may be formed by 2 members of the Company electronically present.

2.2 After confirming that there were sufficient members electronically present to form a quorum, the Chairman declared the Meeting open.

2.3 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 shareholders prior to the Meeting and thanked the shareholders for their questions. Mr David Chong was then invited to respond to the substantial questions posted to the Company.

2.4 The Chairman informed that all resolutions tabled at this Meeting would be voted by poll in accordance with the Listing Manual of the SGX-ST and the Company's Bye-Laws.

2.5 The Chairman said that in his capacity as Chairman of the Meeting, he had been appointed as proxy by some shareholders. In the course of this Meeting, he would vote for and against certain resolutions in accordance with the wishes of shareholders who had appointed him as proxy.

2.6 Shareholders who had not submitted their proxy form appointing the Chairman as their proxy, could cast their votes during the AGM.

2.7 Cypress Pines Asia Advisory Pte. Ltd. had been appointed as the scrutineer, who had supervised and verified the counting of the votes of all valid proxy forms submitted within the stipulated deadline of 10:00 am on 24 April 2022. The scrutineer would also verify the votes cast by the shareholders during this AGM.

2.8 The Chairman informed that shareholders could start to cast their votes. Voting would end 5 minutes after the last question was answered and the results would be announced shortly after the votes were verified.

QUESTIONS AND ANSWERS

3. At this juncture, the Chairman invited Mr David Chong to respond to the substantial questions submitted by the shareholders prior to this AGM as follows:

3.1 First Question:
Are there any changes to the business environment and outlook since the last update in the annual report?

3.1.1 Mr Chong explained that the annual report was issued in late March 2022 and since then, the notable global event had been the intensifying war in Ukraine. He informed that the situation had brought about a worsening in global supply chains, affecting most industries including automotive parts. He also mentioned that the China Covid-policy, which included the imposition of hard lockdowns, had added complications to the global supply chains. Mr Chong added that the evolving situation had yet to reach the point where the Company's budgets and business outlook required substantial changes.

3.2 Second Question:
After a two-year hiatus, how has the expansion of the physical location network been going so far?

3.2.1 Mr Chong replied that the Company had taken a cautious stance during the pandemic in 2020 and 2021. The Group continued to operate out of roughly 60 locations during the pandemic. Mr Chong added that whilst the Company had yet to come out of the woods, the outlook had improved to some degree (though complicated by the factors mentioned in 3.1.1 above), the Company intended to carry on establishing additional business locations in markets which were assessed to have positive prospects.

3.2.2 Mr Chong explained that 4 locations are in the progress of being set up and depending on how the rest of the year would pan out, the Company was looking at establishing up to around 10 new locations in existing markets this year. The Company had re-started looking at certain new markets but it was too early to make any announcement.

3.3 Third Question:
The level of loans and borrowings (net of cash) relative to profit before interest expense and tax (PBIT) looks high at around six times. Why shouldn't the shareholders be concerned at the high level of net debt to PBIT?

3.3.1 Mr Chong explained that there are many measurements and ratios that touch on the "level of borrowings" and it is worthwhile to emphasize that the Group's loans/borrowings were mostly self-liquidating short term trade lines used. The Group does not have any large term loans or bonds with a bullet-repayment feature. As such, the historical cash conversion cycle, supplemented by available bank lines, had been more than able to handle the Group's working capital requirements.

3.4 Fourth Question:
Following the reinstatement of the dividends, what will the Company's dividend policy be going forward?

3.4.1 Mr Chong explained that the Company understands that shareholders generally invest with an expectation to have a yield and the Board considered various factors in determining whether a dividend should be declared for a particular period. The usual factors would include (i) cashflows, (ii) net gearing level, (iii) the level of profitability, and (iv) the level of retained earnings and distributable reserves. Mr Chong added that the Company had a reasonable record with dividends. The Company had paid dividends every year for the past 10 years or so, with the exception of the time when the Company did not do well profit-wise, and in 2020, which was affected by Covid. Mr Chong added that the Company would endeavour to maintain this trend.

3.5 Fifth and Sixth Questions related to the Company and Bapcor:
One year has passed since the signing of the cooperation agreement with Bapcor. What are some of the collaborations the Company has done with Bapcor over the past years? Also, what cooperation can the Company look forward to with Bapcor over the next couple of years?

Following the acquisition of 25% equity interest in TSL by Bapcor, what kind of collaborative initiatives, if any, are being planned or implemented where we could see benefits materialized for TSL in the next 1 to 3 years?

3.5.1 Mr Chong explained that the agreement with Bapcor was signed in April 2021 and the intension then was to establish a framework for collaboration over a broad range of initiatives over the long term. In line with this thinking, the Board set up was also re-configured to 6 members; with 2 executive directors, 2 non-executive directors from Bapcor (the Chair and the CEO), and 2 independent directors.

3.5.2 Mr Chong further explained that some of the areas for potential collaboration included (i) increasing the business synergies in markets where both TSL and Bapcor operate, eg in Australia, (ii) increasing the level of coordination on engagements with common principals and suppliers; and (iii) increasing the level of coordination in areas of common interests eg TSL/Bapcor private label branding of certain product ranges.

3.6 At this juncture, Ms Ng informed the Chairman that two additional questions were received from the shareholders during the AGM:

First Question:
The net margin of 2% in 2021 is exceptional compared to recent years of less than 1% and that the margin has been a recovery since 2019, despite the pandemic. One factor seemed to be the reduction in operating lease expenses. Are there other factors which the Management would like to highlight on the improved net margin?

Second Question:
What is the plan to expand physical location networks and what is the average annual average CAPEX expected in the next 3 years?

3.6.1 Mr Chong explained that the containment of operating expenses was an important element but the main driver for the improvement in results had been the improvement in yield from businesses the Group had established over the years in overseas markets (Australia, Malaysia, Hong Kong and South Korea).

3.6.2 Mr Chong further explained that the Company's market position as a stockist for automotive parts had also contributed to the improved margin. The Company had leveraged on and benefited from competitors' conservative stance to hold minimal stock during the pandemic However, Mr Chong cautioned shareholders not to expect a continuation of this advantage as competitors have started to stock-up their inventory.

3.6.3 In response to the second question, Mr Chong explained that after the Company had adopted the strategy to lease rather than to purchase premises. The Company's capital expenditure as such would be minimal as the main items would be rackings and office equipment. The main expenditure would be working capital and manpower cost to operate the locations.

3.7 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 before formally proposing all motions.

4. ORDINARY BUSINESS
RESOLUTION 1 - DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

4.1 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 2021, together with the Auditors' Report thereon. There being no question, the Chairman moved on to Resolution 2.

5. RESOLUTION 2 - DIRECTORS' FEES

5.1 The Chairman informed the Meeting that the next item on the agenda relates to the payment of directors' fees of S$349,800 for the financial year ended 31 December 2021. There being no question, the Chairman moved on to Resolution 3.

6. RESOLUTION 3 - RE-ELECTION OF DAVID CHONG TEK YEW

6.1 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. Mr Chong, who retired by rotation under Regulation 104 of the Company's constitution, and being eligible, offered himself for re-election. There being no question, the Chairman moved on to Resolution 4.

7. RESOLUTION 4 - RE-ELECTION OF NOEL ANTHONY MEEHAN

7.1 The Chairman moved on to the next item on the agenda relating to the re-election of Mr Noel Anthony Meehan as a director of the Company. Mr Meehan, who retired under Regulation 108 of the Company's constitution, and being eligible, offered himself for re-election. There being no question, the Chairman moved on to Resolution 5.

8. RESOLUTION 5 - RE-ELECTION OF CHUA KWEE HUAY GENEVIEVE

8.1 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. Ms Chua, who retired under Regulation 108 of the Company's constitution, and being eligible, offered herself for re-election. There being no question, the Chairman moved on to Resolution 6.

9. RESOLUTION 6 - RE-ELECTION OF MARGARET ANNE HASELTINE

9.1 The Chairman moved on to the next item on the agenda relating to the re-election of Ms Margaret Anne Haseltine as a director of the Company. Ms Haseltine, who retired under Regulation 108 of the Company's constitution, and being eligible, offered herself for re-election. There being no question, the Chairman moved on to Resolution 7.

10. RESOLUTION 7 – FINAL DIVIDEND

10.1 The Chairman informed the Meeting that the next item on the agenda relates to the declaration of a final tax exempt one-tier dividend of S$0.0085 per ordinary share for financial year ended 31 December 2021. There being no question, the Chairman moved on to Resolution 8.

11. RESOLUTION 8 - RE-APPOINTMENT OF KPMG LLP AS AUDITORS

11.1 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 for financial year ending 2022. KPMG LLP had expressed their willingness to continue as auditors of the Company. There being no question, the Chairman moved on to Resolution 9.

12. SPECIAL BUSINESS
RESOLUTION 9 - AUTHORITY TO ALLOT AND ISSUE SHARES

12.1 The Chairman proceeded to deal with the special business on the agenda. 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. There being no question, the Chairman proceeded to conduct the poll voting.

13. VOTING

13.1 The Chairman informed the shareholders that they had 5 minutes to cast their votes for the resolutions tabled at the AGM if they had not done so. The Chairman then explained how to retrieve the voting form using various electronic devises.

13.2 At the end of the voting period of 5 minutes from the last item in the agenda, the Chairman declared the voting closed.

14. POLLING RESULTS

14.1 Ms Ng informed that the votes were counted and verified and the results of the AGM would be presented on the screen.

14.2 The Chairman declared the results of the poll on votes casted by the shareholders as follows:

14.3 RESOLUTION 1

The result of the poll was displayed on the screen as set out below.

Votes For	%	Votes Against	%
61,057,831	100.00	0	0.00

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

14.4 RESOLUTION 2

The result of the poll was displayed on the screen as set out below.

Votes For	%	Votes Against	%
61,057,831	100.00	0	0.00

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

14.5 RESOLUTION 3

The result of the poll was displayed on the screen as set out below.

Votes For	%	Votes Against	%
61,057,831	100.00	0	0.00

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

14.6 RESOLUTION 4

The result of the poll was displayed on the screen as set out below.

Votes For	%	Votes Against	%
61,057,831	100.00	0	0.00

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

14.7 RESOLUTION 5

The result of the poll was displayed on the screen as set out below.

Votes For	%	Votes Against	%
61,057,831	100.00	0	0.00

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

14.8 RESOLUTION 6

The result of the poll was displayed on the screen as set out below.

Votes For	%	Votes Against	%
61,057,831	100.00	0	0.00

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

14.9 RESOLUTION 7

The result of the poll was displayed on the screen as set out below.

Votes For	%	Votes Against	%
61,057,831	100.00	0	0.00

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

14.10 RESOLUTION 8

The result of the poll was displayed on the screen as set out below.

Votes For	%	Votes Against	%
61,057,831	100.00	0	0.00

Based on the results of the poll, the Chairman declared Resolution 8 carried.

14.11 RESOLUTION 9

The result of the poll was displayed on the screen as set out below.

Votes For	%	Votes Against	%
61,057,831	100.00	0	0.00

Based on the results of the poll, the Chairman declared Resolution 9 carried.

15. CONCLUSION OF MEETING

There being no further business, the Chairman declared the meeting closed at 10:40 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 form 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