

Tye Soon Limited

Unaudited Condensed interim financial statements

For the six months and full year ended 31 December 2024

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group			
		6 months ended 31 December		Year ended 31 December	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue	4	128,712	128,686	257,164	254,400
Other income		109	(18)	429	67
Changes in inventories of finished goods		8,602	9,454	9,149	6,099
Cost of purchases		(108,125)	(110,322)	(208,419)	(204,533)
Staff costs		(14,391)	(13,791)	(28,689)	(26,952)
Depreciation expenses		(2,464)	(2,340)	(4,844)	(4,656)
Other operating expenses	7	(7,777)	(6,725)	(14,845)	(14,128)
Finance costs	7	(2,100)	(2,402)	(4,249)	(4,427)
Profit before tax		2,566	2,542	5,696	5,870
Tax expense	6	(667)	(554)	(1,416)	(1,550)
Profit for the period/year	7	1,899	1,988	4,280	4,320
Profit attributable to:					
Owners of the Company		1,886	1,970	4,235	4,253
Non-controlling interests		13	18	45	67
Profit for the period/year		1,899	1,988	4,280	4,320
Earnings per share					
Basic and diluted earnings per share (cents)	9	2.16	2.26	4.85	4.87

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

	Group			
	6 months ended		Year ended	
	31 December		31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Profit for the period/year	1,899	1,988	4,280	4,320
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligation of a subsidiary	–	(34)	–	(34)
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences of net assets/liabilities of foreign branch and subsidiaries	(967)	(332)	(1,615)	(1,860)
Other comprehensive income for the period/year, net of tax	(967)	(366)	(1,615)	(1,894)
Total other comprehensive income for the period/year	932	1,622	2,665	2,426

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

	Group			
	6 months ended		Year ended	
	31 December		31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Total comprehensive income attributable to:				
Owners of the Company	877	1,612	2,576	2,399
Non-controlling interests	55	10	89	27
Total comprehensive income for the period/year	932	1,622	2,665	2,426

B. Condensed interim statements of financial position

	Note	Group		Company	
		31 December 2024 \$'000	31 December 2023 \$'000	31 December 2024 \$'000	31 December 2023 \$'000
Assets					
Plant and equipment	11	1,399	1,290	436	399
Right-of-use assets	12	6,452	7,846	626	1,283
Goodwill		85	91	–	–
Subsidiaries		–	–	23,181	21,691
Other investments		1,018	1,018	1,018	1,018
Deferred tax assets		1,615	1,831	–	–
Loan receivables		–	–	–	–
Non-current assets		10,569	12,076	25,261	24,391
Current tax assets		507	549	–	–
Inventories	13	125,230	118,857	38,819	40,698
Trade and other receivables	14	37,403	35,348	57,658	51,613
Cash and cash equivalents		14,728	13,211	3,100	3,897
Current assets		177,868	167,965	99,577	96,208
Total assets		188,437	180,041	124,838	120,599
Equity					
Share capital	16	38,057	38,057	38,057	38,057
Reserves		24,263	22,985	3,822	3,627
Equity attributable to owners of the Company		62,320	61,042	41,879	41,684
Non-controlling interests		738	649	–	–
Total equity		63,058	61,691	41,879	41,684
Liabilities					
Loans and borrowings	15	–	926	–	926
Lease liabilities		3,230	4,150	195	628
Employee benefits		133	110	–	–
Deferred tax liabilities		12	11	–	–
Non-current liabilities		3,375	5,197	195	1,554

B. Condensed interim statements of financial position (cont'd)

	Note	Group		Company	
		31 December 2024 \$'000	31 December 2023 \$'000	31 December 2024 \$'000	31 December 2023 \$'000
Loans and borrowings	15	78,896	72,184	64,761	59,229
Lease liabilities		3,496	4,016	473	716
Trade and other payables		37,164	35,130	15,522	16,036
Contract liabilities		2,018	1,443	2,008	1,380
Current tax liabilities		430	380	–	–
Current liabilities		122,004	113,153	82,764	77,361
Total liabilities		125,379	118,350	82,959	78,915
Total equity and liabilities		188,437	180,041	124,838	120,599

C. Condensed interim statements of changes in equity

Group	← Attributable to owners of the Company →					Total \$'000	Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Other capital reserves \$'000	Fair value reserve \$'000	Translation reserve \$'000	Retained earnings \$'000			
At 1 January 2023	38,057	3,501	(105)	(9,974)	28,277	59,756	622	60,378
Total comprehensive income for the year								
Profit for the year	–	–	–	–	4,253	4,253	67	4,320
Other comprehensive income								
Foreign currency translation differences of net assets/liabilities of foreign branch and subsidiaries	–	–	–	(1,820)	–	(1,820)	(40)	(1,860)
Remeasurement of defined benefit obligation of a subsidiary	–	–	–	–	(34)	(34)	–	(34)
Total other comprehensive loss	–	–	–	(1,820)	(34)	(1,854)	(40)	(1,894)
Total comprehensive income for the year	–	–	–	(1,820)	4,219	2,399	27	2,426
Transactions with owners, recognised directly in equity								
Dividend paid	–	–	–	–	(1,113)	(1,113)	–	(1,113)
At 31 December 2023	38,057	3,501	(105)	(11,794)	31,383	61,042	649	61,691

C. Condensed interim statements of changes in equity (cont'd)

Group	← Attributable to owners of the Company →					Total \$'000	Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Other capital reserves \$'000	Fair value reserve \$'000	Translation reserve \$'000	Retained earnings \$'000			
At 1 January 2024	38,057	3,501	(105)	(11,794)	31,383	61,042	649	61,691
Total comprehensive income for the year								
Profit for the year	–	–	–	–	4,235	4,235	45	4,280
Other comprehensive income								
Foreign currency translation differences of net assets/liabilities of foreign branch and subsidiaries	–	–	–	(1,659)	–	(1,659)	44	(1,615)
Total other comprehensive loss	–	–	–	(1,659)	–	(1,659)	44	(1,615)
Total comprehensive income for the year	–	–	–	(1,659)	4,235	2,576	89	2,665
Transactions with owners, recognised directly in equity								
Dividend paid	–	–	–	–	(1,298)	(1,298)	–	(1,298)
At 31 December 2024	38,057	3,501	(105)	(13,453)	34,320	62,320	738	63,058

C. Condensed interim statements of changes in equity (cont'd)

Company	Share capital \$'000	Fair value reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 January 2023	38,057	(105)	680	3,878	42,510
Total comprehensive income for the year					
Profit for the year	–	–	–	210	210
Other comprehensive income					
Foreign currency translation differences of net assets/liabilities of foreign branch	–	–	77	–	77
Total other comprehensive income	–	–	77	–	77
Total comprehensive income for the year	–	–	77	210	287
Transactions with owners, recognised directly in equity					
Dividend paid	–	–	–	(1,113)	(1,113)
At 31 December 2023	38,057	(105)	757	2,975	41,684
At 1 January 2024	38,057	(105)	757	2,975	41,684
Total comprehensive income for the year					
Profit for the year	–	–	–	1,561	1,561
Other comprehensive income					
Foreign currency translation differences of net assets/liabilities of foreign branch	–	–	(68)	–	(68)
Total other comprehensive income	–	–	(68)	–	(68)
Total comprehensive income for the year	–	–	(68)	1,561	1,493
Transactions with owners, recognised directly in equity					
Dividend paid	–	–	–	(1,298)	(1,298)
At 31 December 2024	38,057	(105)	689	3,238	41,879

D. Condensed interim consolidated statement of cash flows

	Group	
	31 December 2024	31 December 2023
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	5,696	5,870
Adjustments for:		
Depreciation of plant and equipment and right-of-use assets	4,844	4,656
Gain on sale of plant and equipment	(6)	(5)
Impairment losses on trade receivables	11	24
Write-down of inventories	597	496
Interest income	(106)	(12)
Finance costs	4,249	4,427
Unrealised foreign exchange loss on bank loans	(22)	(71)
Gain on derecognition of right-of-use assets	—	(6)
	15,263	15,379
Changes in working capital		
Changes in inventories	(8,674)	(7,782)
Changes in trade and other receivables	(2,127)	(1,848)
Changes in trade and other payables	3,075	(4,114)
Changes in contract liabilities	103	(573)
Changes in bills payable and trust receipts	(3,541)	2,612
Interest paid for bills payable and trust receipts	(2,074)	(2,158)
Cash generated from operating activities	2,025	1,516
Tax paid	(1,188)	(2,117)
Net cash from/(used) operating activities	837	(601)
Cash flows from investing activities		
Interest received	106	12
Proceeds from sale of plant and equipment	11	6
Acquisition of plant and equipment	(550)	(466)
Net cash used in investing activities	(433)	(448)
Cash flows from financing activities		
Proceeds from borrowings	84,469	45,392
Repayment of borrowings	(74,788)	(41,520)
Payment of lease liabilities	(4,481)	(4,153)
Interest paid for lease liabilities and bank loans	(2,226)	(1,698)
Dividend paid	(1,298)	(1,113)
Net cash from/(used in) financing activities	1,676	(3,092)

D. Condensed interim consolidated statement of cash flows (cont'd)

	Group	
	31 December 2024 \$'000	31 December 2023 \$'000
Net increase/(decrease) in cash and cash equivalents	2,080	(4,141)
Cash and cash equivalents at the beginning of the year	13,211	18,283
Effect of exchange rate changes on the balance of cash held in foreign currencies	(563)	(931)
Cash and cash equivalents at the end of the year	14,728	13,211

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Tye Soon Limited (the “Company”) is a company incorporated in Singapore. The address of the Company’s registered office and principal place of business is 9 Toh Guan Road East #02-01 Singapore 608604.

These condensed interim consolidated financial statements of the Group as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The Group is primarily involved in the import and export, and distribution of automotive parts.

2. Basis of Preparation

The condensed interim financial statements for the year ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the below standards.

- *Lease Liability in a Sale and Leaseback (Amendments to SFRS(I) 16)*
- *Non-current Liabilities with Covenants - Amendments to SFRS(I) 1-1 and Classification of Liabilities as Current or Non-current – Amendments to SFRS (I) 1-1*
- *Supplier Finance Arrangements (Amendments to SFRS(I) 1-7 and SFRS(I) 7)*
- *Lack of exchangeability (Amendments to SFRS(I) 1-21)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures)*

2. Basis of Preparation (cont'd)

2.1 New and amended standards adopted by the Group (cont'd)

The adoption of the above amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the year ended 31 December 2024. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

- Note 13 – Valuation of inventories
- Note 14 – Valuation of trade receivables

Measurement of fair values

A number of the Group's accounting policies and disclosures requires the measurement of fair values for financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has an overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Group Financial Controller.

2. Basis of Preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

Measurement of fair values (Cont'd)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that is regularly reviewed by the Executive Directors' Committee for the purpose of allocating resources to the respective segments and performance assessment.

The Group is principally engaged in a single business line which relates to the distribution of automotive parts.

4.1. Reportable segments

Geographical information

In presenting information on the basis of geographical segment, segment revenue is based on geographical location of the customers which the sales are made to regardless of where the sales originate. Segment assets are based on the geographical location of the assets.

4. Segment and revenue information (cont'd)

4.1. Reportable segments (cont'd)

Geographical information (cont'd)

	← Group →						
	Singapore \$'000	Malaysia \$'000	Australia \$'000	Thailand \$'000	South Korea \$'000	Others \$'000	Total \$'000
6 months ended 31 December 2024							

Total revenue from external customers	10,901	27,575	19,927	7,949	40,247	22,113	128,712
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6 months ended 31 December 2023

Total revenue from external customers	12,522	26,708	20,204	7,020	37,798	24,434	128,686
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	← Group →						
	Singapore \$'000	Malaysia \$'000	Australia \$'000	Thailand \$'000	South Korea \$'000	Others \$'000	Total \$'000
Year ended 31 December 2024							

Total revenue from external customers	22,640	55,219	41,603	14,940	78,753	44,009	257,164
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Year ended 31 December 2023

Total revenue from external customers	25,446	54,906	41,975	15,814	73,010	43,249	254,400
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4. Segment and revenue information (cont'd)

4.1. Reportable segments (cont'd)

Geographical information (cont'd)

	← Group →						
	Singapore	Malaysia	Australia	Thailand	South Korea	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2024							
Non-current assets ⁽ⁱ⁾	1,062	712	2,780	–	3,064	318	7,936
31 December 2023							
Non-current assets ⁽ⁱ⁾	1,682	465	3,895	–	3,035	150	9,227

⁽ⁱ⁾ Non-current assets presented consist of plant and equipment, right-of-use assets and goodwill.

Major Customer

For the years ended 31 December 2024 and 2023, there was no single customer that contributed to 10% or more of the Group's revenue.

4.2. Disaggregation of Revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets.

Primary geographical markets	Group			
	6 months ended		Year ended	
	31 December		31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Singapore	10,901	12,522	22,640	25,446
Malaysia	27,575	26,708	55,219	54,906
Australia	19,927	20,204	41,603	41,975
Thailand	7,949	7,020	14,940	15,814
South Korea	40,247	37,798	78,753	73,010
Others	22,113	24,434	44,009	43,249
	128,712	128,686	257,164	254,400

5. Financial assets and financial liabilities

Fair value versus carrying amounts

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Carrying amount				Fair value			
	Amortised cost \$'000	Equity investment at FVOCI \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2024								
Financial assets not measured at fair value								
Trade and other receivables #	36,929	–	–	36,929				
Cash and cash equivalents	14,728	–	–	14,728				
	<u>51,657</u>	<u>–</u>	<u>–</u>	<u>51,657</u>				
Financial asset measured at fair value								
Equity investment – at FVOCI	–	1,018	–	1,018	–	–	1,018	1,018
Financial liabilities not measured at fair value								
Terms loans	–	–	926	926				
Unsecured bank loans	–	–	38,422	38,422				
Bills payable and trust receipts	–	–	39,548	39,548				
Trade and other payables *	–	–	36,946	36,946				
	<u>–</u>	<u>–</u>	<u>115,842</u>	<u>115,842</u>				

Excludes prepayments

* Excludes provision for site restoration

5. Financial assets and financial liabilities (cont'd)

Group	Carrying amount				Fair value			
	Amortised cost \$'000	Equity investment at FVOCI \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2023								
Financial assets not measured at fair value								
Trade and other receivables #	34,941	–	–	34,941				
Cash and cash equivalents	13,211	–	–	13,211				
	<u>48,152</u>	<u>–</u>	<u>–</u>	<u>48,152</u>				
Financial asset measured at fair value								
Equity investment – at FVOCI	–	1,018	–	1,018	–	–	1,018	1,018
Financial liabilities not measured at fair value								
Terms loans	–	–	2,099	2,099				
Unsecured bank loans	–	–	27,731	27,731				
Bills payable and trust receipts	–	–	43,280	43,280				
Trade and other payables *	–	–	34,907	34,907				
	<u>–</u>	<u>–</u>	<u>108,017</u>	<u>108,017</u>				

Excludes prepayments

* Excludes provision for site restoration

5. Financial assets and financial liabilities (cont'd)

	Carrying amount				Fair value			
	Amortised cost \$'000	Equity investment at FVOCI \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company								
31 December 2024								
Financial assets not measured at fair value								
Trade and other receivables #	57,575	–	–	57,575				
Cash and cash equivalents	3,100	–	–	3,100				
	<u>60,675</u>	<u>–</u>	<u>–</u>	<u>60,675</u>				
Financial asset measured at fair value								
Equity investment – at FVOCI	–	1,018	–	1,018	–	–	1,018	1,018
Financial liabilities not measured at fair value								
Term loans	–	–	926	926				
Unsecured bank loans	–	–	31,001	31,001				
Bills payable and trust receipts	–	–	32,834	32,834				
Trade and other payables *	–	–	15,426	15,426				
			<u>80,187</u>	<u>80,187</u>				

Excludes prepayments

* Excludes provision for site restoration

5. Financial assets and financial liabilities (cont'd)

	Carrying amount				Fair value			
	Amortised cost \$'000	Equity investment at FVOCI \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company								
31 December 2023								
Financial assets not measured at fair value								
Trade and other receivables #	51,562	–	–	51,562				
Cash and cash equivalents	3,897	–	–	3,897				
	<u>55,459</u>	<u>–</u>	<u>–</u>	<u>55,459</u>				
Financial asset measured at fair value								
Equity investment – at FVOCI	–	1,018	–	1,018	–	–	1,018	1,018
Financial liabilities not measured at fair value								
Term loans	–	–	2,099	2,099				
Unsecured bank loans	–	–	22,383	22,383				
Bills payable and trust receipts	–	–	35,673	35,673				
Trade and other payables *	–	–	15,939	15,939				
			<u>76,094</u>	<u>76,094</u>				

Excludes prepayments

* Excludes provision for site restoration

5. Financial assets and financial liabilities (cont'd)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Equity investment at FVOCI	Adjusted net asset method	Net asset value of the investee	The estimated fair value would increase/ (decrease) if net asset value for unquoted equity security was higher/(lower).

(ii) Transfer between Level 1, Level 2 and Level 3

There were no transfers of financial instruments between Level 1, Level 2 and Level 3.

(iii) Level 3 fair value

There were no changes on the opening balance and closing balance for Level 3 fair value.

Financial instruments not measured at fair value

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, bills payable, term loans, unsecured bank loans and trust receipts and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

6. Tax expense

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss and other comprehensive income are:

	Group			
	6 months ended		Year ended	
	31 December		31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current income tax expense	581	479	1,286	1,436
Deferred income tax expense relating to origination and reversal of temporary differences	72	54	102	86
Withholding tax	14	21	28	28
	667	554	1,416	1,550
	667	554	1,416	1,550

7. Profit for the period/year

7.1 The following items have been included in arriving at the profit for the period/year:

	Group			
	6 months ended		Year ended	
	31 December		31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest income	(75)	(7)	(106)	(12)
Government grants and supports	(2)	(11)	(18)	(21)
Gain on sale of plant and equipment	(4)	–	(6)	(5)
Impairment losses on trade receivables	11	24	11	24
Gain on derecognition of right-of-use assets	–	(4)	–	(10)
Finance cost – interest expense	2,100	2,402	4,249	4,427
Write-down of inventories	426	286	597	496
Foreign exchange loss/(gain), net	397	(69)	530	528
	397	(69)	530	528

7. Profit for the period/year (cont'd)

7.2 Other operating expenses

	Group			
	6 months ended 31 December		Year ended 31 December	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Operating lease expenses	774	757	1,626	1,482
Transportation expenses	2,471	2,088	4,605	4,067
Impairment losses on trade receivables	11	24	11	24
Write-down of inventories	426	286	597	496
Loss on disposal of plant and equipment	–	1	–	–
Sales commission expenses	818	872	1,711	1,787
Utilities expenses	916	927	1,830	1,831
Foreign exchange loss/(gain), net	397	(69)	530	528
Others	1,964	1,839	3,935	3,913
Total	7,777	6,725	14,845	14,128

7.3 Related party transactions

Transactions with key management personnel

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The directors, advisers and senior managers of the Company are considered as key management personnel of the Group.

7. Profit for the period/year (cont'd)

Key management personnel compensation comprised:

	Group			
	6 months ended		Year ended	
	31 December		31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Directors' fees	108	110	221	271
Short-term employee benefits	699	698	1,195	1,142
Post-employment benefits	28	33	50	52
	835	841	1,466	1,465

Other related party transactions

During the period, the following related party transactions are carried out on terms agreed between the parties:

	Group			
	6 months ended 31		Year ended	
	December		31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Related party #				
- Sales	79	118	167	216

A shareholder company of the Group

8. Dividends

	Group			
	6 months ended		Year ended	
	31 December		31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Ordinary dividends paid:				
Final tax exempt 2023 dividend of \$0.0085 per share (2023: Final tax exempt 2022 dividend of \$0.0085 per share)	–	–	742	742
Interim tax exempt 2024 dividend of \$0.00638 per share (2023: Interim tax exempt 2023 dividend of \$0.00425 per share)	556	371	556	371
	<u>556</u>	<u>371</u>	<u>1,298</u>	<u>1,113</u>

After the respective reporting dates, the following final tax-exempt (one-tier) dividends were proposed by the directors. These proposed final tax-exempt (one-tier) dividends have not been provided for in the respective years.

	Group and Company	
	Final – Proposed	
	2024	2023
	\$'000	\$'000
\$0.01275 (2023: \$0.0085) per qualifying share	<u>1,113</u>	<u>742</u>

The proposed final tax-exempt dividend will be submitted for shareholder's approval at the forthcoming Annual General Meeting of the Company in April 2025. The dividend payable will be announced at a later date.

9. Earnings per share

	Group			
	6 months ended		Year ended	
	31 December		31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Profit attributable to owners of the Company	1,886	1,970	4,235	4,253
	2024	2023	2024	2023
	'000	'000	'000	'000
Weighted average number of ordinary shares	87,265	87,265	87,265	87,265
Earnings per share (cents)				
- Basic	2.16	2.26	4.85	4.87
- Diluted	2.16	2.26	4.85	4.87

The basic and diluted earnings per share are the same for 2024 and 2023 as there were no dilutive instruments in issue as at 31 December 2024 and 31 December 2023.

10. Net asset value

	Group		Company	
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
Net asset value per ordinary share (cents)	71.4	70.0	48.0	47.8

Net asset value per ordinary share as at 31 December 2024 was computed based on equity attributable to owners of the Company of \$62,320,000 (31 December 2023: \$61,042,000) for the Group and \$41,879,000 (31 December 2023: \$41,684,000) for the Company and existing ordinary shares of 87,265,029 (31 December 2023: 87,265,029).

11. Plant and equipment

During the year ended 31 December 2024, the Group and Company acquired assets amounting to \$550,000 (31 December 2023: \$466,000) and \$161,000 (31 December 2023: \$103,000) respectively.

12. Right-of-use assets and lease liabilities

During the year ended 31 December 2024, the Group acquired right-of-use asset with an aggregate cost of \$3,479,000 (31 December 2023: \$3,367,000), of which \$3,479,000 (31 December 2023: \$3,356,000) was acquired via lease liabilities and \$nil (31 December 2023: \$11,000) pertains to provision for site restoration.

13. Inventories

	Group		Company	
	31 December 2024 \$'000	31 December 2023 \$'000	31 December 2024 \$'000	31 December 2023 \$'000
Finished goods	112,081	109,100	34,847	36,669
Goods-in-transit	13,149	9,757	3,972	4,030
	125,230	118,857	38,819	40,699

The net realisable value represents management's best estimate of the recoverable amount which involves significant management judgement. Management considers the age of these inventories, prevailing market conditions in the automotive parts industry, expected demand and historical inventory utilisation experience as part of its inventory obsolescence assessment process. The write-down required could change significantly if business and market conditions deviate from management's expectations.

The Group's cost of inventories amounted to \$199,270,000 (2023: \$198,434,000) and was recognised as expense and included in cost of purchases and changes in inventories of finished goods.

Included in the Group's other operating expenses is the write-down of inventories to net realisable value amounting to \$728,000 (2023: \$753,000) offset by a reversal of \$131,000 (2023: \$257,000).

14. Trade and other receivables

	Group		Company	
	31 December 2024 \$'000	31 December 2023 \$'000	31 December 2024 \$'000	31 December 2023 \$'000
Trade receivables	32,309	31,352	10,992	10,656
Trade amounts due from subsidiaries	–	–	14,171	12,077
Non-trade amounts due from subsidiaries	–	–	31,364	27,852
Other receivables	4,620	3,589	1,048	977
	<u>36,929</u>	<u>34,941</u>	<u>57,575</u>	<u>51,562</u>
Prepayments	474	407	83	51
	<u>37,403</u>	<u>35,348</u>	<u>57,658</u>	<u>51,613</u>

Expected credit loss (ECL) assessment for third party trade receivables

The Group identified trade receivables that are credit-impaired to be those where default event(s) has occurred. For such receivables, the Group assessed specifically the probability of recovery to the trade receivables and recognised the difference as impairment loss.

The Group uses an allowance matrix to measure the ECLs for the remaining trade receivables which comprises a large customer base with small balances and which are not credit impaired. The loss rates applied to the allowance matrix are calculated based on historical credit loss experience in the past 5 years adjusted for current conditions and the Group's view of economic conditions over the expected lives of the receivables only if these factors have a significant impact to the credit loss.

15. Loans and borrowings

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current liabilities				
Term loans	–	926	–	926
Current liabilities				
Term loans	926	1,173	926	1,173
Unsecured bank loans	38,422	27,731	31,001	22,383
Bills payable and trust receipts	39,548	43,280	32,834	35,673
	<u>78,896</u>	<u>72,184</u>	<u>64,761</u>	<u>59,229</u>
	<u>78,896</u>	<u>73,110</u>	<u>64,761</u>	<u>60,155</u>

The loans and borrowings of the Group and Company are unsecured.

16. Share capital

	The Group and the Company			
	31 December 2024		31 December 2023	
	Number of shares	\$'000	Number of shares	\$'000
Beginning of the year	87,265,029	38,057	87,265,029	38,057
Issue of ordinary shares	–	–	–	–
End of the year	87,265,029	38,057	87,265,029	38,057

The Company did not hold any treasury shares as at 31 December 2024 and 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 31 December 2023.

Other Information Required by Listing Rule Appendix 7.2

1. Review

The interim condensed consolidated statement of financial position of Tye Soon Limited and its subsidiaries as at 31 December 2024 and the related condensed consolidated profit or loss and other comprehensive income and condensed consolidated statement of cash flows for the six-month and full year then ended, condensed consolidated statement of changes in equity for the full year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Review of Performance

	Group	
	Financial year ended 31 December	
Note	2024 \$'000	2023 \$'000
Revenue		
First half	128,452	125,714
Second half	128,712	128,686
	257,164	254,400
Profit before tax		
First half	3,130	3,328
Second half	2,566	2,542
	5,696	5,870
Profit attributable to Owners of the Company		
First half	2,349	2,283
Second half	1,886	1,970
	4,235	4,253

Group turnover increased by 1.1% to \$257.2 million.

The SGD continued to appreciate on a weighted average against the currencies of each of the Group's main overseas operations in South Korea (KRW), Australia (AUD) and Malaysia (MYR) during FY24. Group turnover would have increased by 2.8%, \$7.1 million in absolute terms, had the average exchange rates for the above currencies remained the same against the SGD as in FY23.

2. Review of performance of the Group (cont'd)

Review of Performance (cont'd)

Group turnover increased by 2.2% in 1H24 and remained at approximately the same level in 2H24 in comparison with the corresponding periods in FY23. Customer demand remained resilient despite a sluggish economic environment globally, including many of the Group's main markets, weighed down by the effects of higher for longer interest rates for most of the year. Although inflationary pressures have softened somewhat since last year, such pressures have had an adverse impact on cost of living for consumers which in turn has led to more cautious spending.

Following on from the latter part of 2023, an increased and sustained level of competitive intensity ensued in many markets in 2024. Of the Group's main businesses, Australia and Malaysia faced the most pressure and the markets where the drop in gross margin rates was most keenly felt in 1H24. Efforts made to protect the Group's customer base in these markets in the face of continued competition continued to have a dampening effect on gross margins. Balancing against this, the Group responded by taking steps towards recalibrating its product and brand mix as well as aiming to get better margins from certain markets and customer segments where this is possible. A good part of the latter initiatives was directed at the Group's global export markets handled by the Singapore business. Although this had a negative impact on revenue, these initiatives contributed to a 0.5 percentage point improvement in the gross margin rate for the Group in FY24.

Supply issues mentioned last year have not dissipated and have broadened this year to include longer shipping lead times caused by continuing geopolitical tensions.

Underlying market demand in Singapore and many overseas export markets remained resilient amidst a subdued global economic environment weighed down by elevated interest rate levels. The business in Singapore focused on attaining better margins despite a buildup in the level of competitive intensity in both the domestic as well as the global export markets. Although a notable increase in gross margin rates was achieved in 2H24 following a modest improvement in 1H24, revenue declined in 2H24 against the corresponding period last year by 6.4% or \$3.2 million after largely maintaining revenue in 1H24. This impacted the year's revenue leading to an overall decline by 3.1% for FY24.

Customer demand in South Korea remained firm in FY24 but the strength of the momentum experienced in FY23 was affected due to a weak economic backdrop for most of 2024 as the economy narrowly avoided a technical recession in Q3 following a contraction in Q2. Helped by a small uptick in Q4, revenue for the business increased by 13.2% in 2H24 over 2H23 in KRW terms. For the year, revenue increased by 13.1% in KRW terms but at a lower rate of 7.9% in SGD terms as the KRW weakened further against the SGD during the year.

The business in Australia held a steady course during the year within a tepid growth environment. The competitive intensity experienced in 2H23 carried over to FY24. Although the general inflationary environment and tight labour market conditions have abated somewhat since last year, rental premises-related costs and wage expectations remain high. Revenue increased by 0.4% in AUD terms in 2H24 after an improvement of 0.1% in 1H24, resulting in growth for the year by 0.2% in AUD terms. As the AUD weakened further in 2024, revenue measured in SGD terms declined by 0.9% in FY24.

2. Review of performance of the Group (cont'd)

Review of Performance (cont'd)

Following the Group's efforts in Malaysia last year in responding to higher competitive intensity, the Group continued with initiatives to consolidate its market presence in FY24. Although the level of competition remained firm, the Group continued to make progress, improving further by 2.6% in 1H24 and 0.2% in 2H24 in MYR terms over the corresponding periods in FY23. For the year, revenue increased by 1.4% in MYR terms but at a lower rate of 1.1% in SGD terms. The MYR regained some strength in the latter half of the year but remained weaker on a weighted average in comparison with the previous year.

Total margins for the Group increased by \$1.8 million for the year mainly due to the improvement in the gross margin rate as well as an increase in turnover. The gross margin rate remained steady in 1H24 but improved notably in 2H24.

Operating expenses increased by \$2.5 million for the year: \$1.4 million in 1H24 and \$1.1 million in 2H24. For the year, staff and logistics costs increased by \$1.7 million and \$0.5 million respectively. South Korea registered the biggest portion of the increase in each category, at \$1.4 million for staff costs and \$0.3 million for logistics, as the size of the team expanded and logistics activities increased in line with the increase in the level of business. Rental premises-related costs increased by \$0.3 million. Other operating costs in aggregate were well contained and registered a small decline. The increases measured in SGD terms would have been higher had the amount not been moderated by the weakening of the AUD and KRW during the year. Had exchange rates in FY24 remained the same as in FY23, especially the AUD and KRW in terms of impact on the Group, the increases in staff and logistics costs would have been higher at \$2.4 million and \$1.0 million respectively.

Profit from operations before foreign exchange gain/loss (EBIT before FX) amounted to \$5.4 million in 1H24 and \$5.1 million in 2H24. For the year, EBIT before FX declined by 3% from \$10.8 million to \$10.5 million.

Foreign exchange loss amounted to \$0.53 million for the year; a loss of \$0.13 million in 1H24 and a loss of \$0.40 million in 2H24. The foreign exchange loss arose mainly from unrealised translation losses of intercompany receivable balances with overseas subsidiaries due to the appreciation of SGD as well as transactions from normal operational activities.

Profit from operations (EBIT) amounted to \$5.2 million in 1H24 and \$4.7 million in 2H24. For the year, EBIT declined by 3.4% from \$10.3 million to \$9.9 million.

Finance cost, excluding the portion relating to ROU, amounted to \$2.0 million in 1H24 and \$1.9 million in 2H24. Finance cost for the year decreased by \$0.1 million from \$4.0 million to \$3.9 million.

Profit before tax (PBT) declined by 3.0% for the year. PBT amounted to \$3.1 million for 1H24 and \$2.6 million for 2H24, totaling \$5.7 million for the year. The corresponding figures in FY23 were \$3.4 million for 1H23 and \$2.5 million for 2H23, totaling \$5.9 million.

2. Review of performance of the Group (cont'd)

Review of Performance (cont'd)

Profit after tax (PAT) declined by 0.9% for the year. PAT amounted to \$2.4 million for 1H24 and \$1.9 million for 2H24, totaling \$4.3 million for the year. The corresponding figures in FY23 were \$2.3 million for 1H23 and \$2.0 million for 2H23, totaling \$4.3 million.

After accounting for foreign currency translation differences of net assets at overseas subsidiaries and branch, total comprehensive income amounted to \$2.7 million for the year.

Balance Sheet Review

Right-of-use (ROU) assets decreased by \$1.4 million from \$7.9 million as at 31 December 2023 to \$6.5 million as at 31 December 2024 mainly due to depreciation of ROU assets.

Group inventory was at 7.5 months as at 31 December 2024 compared to 7.2 months as at 31 December 2023. Inventory levels increased by \$6.3 million from \$118.9 million as at 31 December 2023 to \$125.2 million as at 31 December 2024 due to a higher level of goods-in transit as well as the introduction and relaunch of certain brands in 2024.

Group trade receivable level was at about 1.5 months as at 31 December 2023 and 31 December 2024. In absolute terms, trade receivable increased by \$1.0 million from \$31.3 million as at 31 December 2023 to \$32.3 million as at 31 December 2024.

Loans and borrowings, a large proportion of which consisted of trade-related bills, increased by \$5.8 million from \$73.1 million as at 31 December 2023 to \$78.9 million as at 31 December 2024.

Group payable increased by \$2.1 million from \$35.1 million as at 31 December 2023 to \$37.2 million as at 31 December 2024.

Cash balances increased by \$1.5 million from \$13.2 million as at 31 December 2023 to \$14.7 million as at 31 December 2024.

The Group's Current Ratio remained relatively steady at 1.5 times as at 31 December 2023 and 31 December 2024.

The Group's net gearing level increased to 1.03 times as at 31 December 2024 from 0.98 times as at 31 December 2023.

Cash Flow Statement Review

Cash generated from operations before accounting for changes in working capital amounted to \$15.3 million for the year. After accounting for changes in working capital, cash flows generated from operating activities amounted to \$2.0 million. Cash flows generated from operating activities after accounting for tax paid amounted to \$0.8 million. Net cash used in investing activities amounted to \$0.4 million. Net cash from financing activities amounted to \$1.7 million. Cash balances as at 31 December 2024 amounted to \$14.7 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The actual results are consistent with the commentary in the interim results announcement dated 8 August 2024.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months.

The Group experienced varying degrees of competitive intensity in different markets from 2H23 and through much of 2024. Consumers faced cost-of-living issues discussed in the results commentary last year triggering a chain reaction in progressively keener prices along the supply/distribution chain. In addition, smaller competitors in the Group's markets became more inclined to destock in a higher-for-longer interest rate environment in 2024 after what was observed to be an inventory buildup in 2023. The Group is finding medium-term solutions and navigating through this environment by reviewing and recalibrating where necessary its product and brand mix whilst at the same time making greater efforts to increase its presence in export markets beyond ASEAN where the level of competitive intensity is more moderate.

The Group aims to further enhance its product and brand portfolio to widen and strengthen its reach to more customer segments by offering customers more product/brand choices and a wider range of price points. New and relaunched brands put in place in 2024 and planned for 2025 will progressively help the Group to regain some sales momentum.

Aside from retaking the competitive initiative, the Group continues to recognize the significance of slowing down the upward trend in operating costs whilst expanding its activities. To this extent, decisions made in the past 2 years to be more selective on the criteria to grow business capacity in situations where wage and landlord expectations were high have helped to flatten the upward trajectory. The Group continues to make every effort to restrain costs.

Moving forward, the renewed emphasis on enhancing product/brand choices with a wider range of price points will complement the Group's continuing efforts over the medium-term to grow its location network towards the 100-location milestone and beyond. The Group remains on track for another year of profitable growth.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? Yes

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. The exempt (one-tier) dividends have not been provided for.

Name of dividend	Proposed final dividend in respect for the year ended 31 December 2024
Dividend type	Cash
Dividend per share	\$0.01275
Tax rate	Tax exempt

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of dividend	Proposed final dividend in respect for the year ended 31 December 2023
Dividend type	Cash
Dividend per share	\$0.0085
Tax rate	Tax exempt

5c. Date payable

The Directors have proposed a final exempt (one-tier) dividend of S\$0.01275 per ordinary share to be paid in May 2025, subject to shareholders' approval at the forthcoming annual general meeting to be convened in April 2025. Details on payment of dividends will be announced in due course.

5d. Record date

Details on closure of books will be announced in due course.

5e. Dividends paid

During the financial year, a final exempt (one-tier) dividend of S\$0.0085 per ordinary share totalling \$742,000 was paid in respect of the previous financial year ended 31 December 2023. In addition, an interim exempt (one-tier) dividend of \$0.00638 per ordinary share totalling \$556,000 was paid in respect of the current financial year ended 31 December 2024.

6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured signed undertakings from all of its directors and executive officers based on Appendix 7.7 of the SGX-ST Listing Manual.

8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with a director or chief executive officer or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ong Huat Yew Peter	78	Father to Kelvin Ong Eng Chian (Executive Director / Deputy Managing Director)	Appointed as an adviser to the Company's management	N.A.

9. Confirmation by the Board

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the six-month and full year ended 31 December 2024 to be false or misleading in any material respects.

On behalf of the Board of Directors

David Chong Tek Yew
 Managing Director

Kelvin Ong Eng Chian
 Deputy Managing Director

26 February 2025