

Tye Soon Limited

Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2025

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

		Group	
		6 months ended	
		30 June	
	Note	2025	2024
		\$'000	\$'000
Revenue	4	130,872	128,452
Other income		149	320
Changes in inventories of finished goods		1,161	547
Cost of purchases		(103,528)	(100,294)
Staff costs		(13,777)	(14,298)
Depreciation expenses		(2,487)	(2,380)
Other operating expenses		(7,905)	(7,068)
Finance costs		(1,981)	(2,149)
Profit before tax		2,504	3,130
Tax expense	6	(343)	(749)
Profit for the period	7	2,161	2,381
Profit attributable to:			
Owners of the Company		2,120	2,349
Non-controlling interests		41	32
Profit for the period		2,161	2,381
Earnings per share			
Basic and diluted earnings per share (cents)	9	2.43	2.69
Profit for the period		2,161	2,381
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associate		479	(648)
Other comprehensive income for the period, net of tax		479	(648)
Total comprehensive income for the period		2,640	1,733
Total comprehensive income attributable to:			
Owners of the Company		2,604	1,699
Non-controlling interests		36	34
Total comprehensive income for the period		2,640	1,733

B. Condensed interim statements of financial position

		Group		Company	
	Note	30 June 2025 \$'000	31 December 2024 \$'000	30 June 2025 \$'000	31 December 2024 \$'000
Assets					
Plant and equipment	11	1,465	1,399	377	436
Right-of-use assets	12	6,313	6,452	274	626
Goodwill		83	85	—	—
Subsidiaries		—	—	23,181	23,181
Other investments		1,018	1,018	1,018	1,018
Deferred tax assets		1,599	1,615	—	—
Loan receivables		—	—	—	—
Non-current assets		10,478	10,569	24,850	25,261
Current tax assets		703	507	—	—
Inventories	13	126,396	125,230	38,076	38,819
Trade and other receivables	14	39,570	37,403	59,525	57,658
Cash and cash equivalents		12,620	14,728	3,108	3,100
Current assets		179,289	177,868	100,709	99,577
Total assets		189,767	188,437	125,559	124,838
Equity					
Share capital	16	38,057	38,057	38,057	38,057
Reserves		25,754	24,263	2,376	3,822
Equity attributable to owners of the Company		63,811	62,320	40,433	41,879
Non-controlling interests		774	738	—	—
Total equity		64,585	63,058	40,433	41,879
Liabilities					
Lease liabilities	12	3,282	3,230	114	195
Employee benefits		129	133	—	—
Deferred tax liabilities		12	12	—	—
Non-current liabilities		3,423	3,375	114	195
Loans and borrowings	15	83,210	78,896	67,739	64,761
Lease liabilities	12	3,280	3,496	176	473
Trade and other payables		33,819	37,164	15,940	15,522
Contract liabilities		1,167	2,018	1,157	2,008
Current tax liabilities		283	430	—	—
Current liabilities		121,759	122,004	85,012	82,764
Total liabilities		125,182	125,379	85,126	82,959
Total equity and liabilities		189,767	188,437	125,559	124,838

C. Condensed interim statements of changes in equity

Group	Attributable to owners of the Company					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	649	61,691
Total comprehensive income for the period							
Profit for the period	–	–	–	–	2,349	32	2,381
Other comprehensive income							
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associate	–	–	–	(650)	–	2	(648)
Total other comprehensive income	–	–	–	(650)	–	2	(648)
Total comprehensive income for the period	–	–	–	(650)	2,349	34	1,733
Transactions with owners, recognised directly in equity							
Dividend paid	–	–	–	–	(742)	–	(742)
At 30 June 2024	38,057	3,501	(105)	(12,444)	32,990	683	62,682

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

Group	Attributable to owners of the Company					Non-controlling interests \$'000	Total equity \$'000	
	Share capital \$'000	Other capital reserves \$'000	Fair value reserve \$'000	Translation reserve \$'000	Retained earnings \$'000			Total \$'000
At 1 January 2025	38,057	3,501	(105)	(13,453)	34,320	62,320	738	63,058
Total comprehensive income for the period								
Profit for the period	–	–	–	–	2,120	2,120	41	2,161
Other comprehensive income								
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associate	–	–	–	484	–	484	(5)	479
Total other comprehensive income	–	–	–	484	–	484	(5)	479
Total comprehensive income for the period	–	–	–	484	2,120	2,604	36	2,640
Transactions with owners, recognised directly in equity								
Dividend paid	–	–	–	–	(1,113)	(1,113)	–	(1,113)
At 30 June 2025	38,057	3,501	(105)	(12,969)	35,327	63,811	774	64,585

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 equity \$'000
At 1 January 2024	38,057	(105)	757	2,975	41,684
Total comprehensive income for the period					
Loss for the period	—	—	—	(600)	(600)
Other comprehensive income					
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associate	—	—	(53)	—	(53)
Total other comprehensive income	—	—	(53)	—	(53)
Total comprehensive income for the period	—	—	(53)	(600)	(653)
Transactions with owners, recognised directly in equity					
Dividend paid	—	—	—	(742)	(742)
At 30 June 2024	38,057	(105)	704	1,633	40,289

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 equity \$'000
At 1 January 2025	38,057	(105)	689	3,238	41,879
Total comprehensive income for the period					
Loss for the period	–	–	–	(468)	(468)
Other comprehensive income					
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associate	–	–	135	–	135
Total other comprehensive income	–	–	135	–	135
Total comprehensive income for the period	–	–	135	(468)	(333)
Transactions with owners, recognised directly in equity					
Dividend paid	–	–	–	(1,113)	(1,113)
At 30 June 2025	38,057	(105)	824	1,657	40,433

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	
	30 June	
	2025	2024
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	2,504	3,130
Adjustments for:		
Depreciation of plant and equipment and right-of-use assets	2,487	2,380
Gain on sale of plant and equipment	(8)	(2)
Impairment loss/(Reversal of impairment loss) on trade receivables	1	(4)
Write-down of inventories (net)	110	171
Interest income	(21)	(31)
Finance costs	1,981	2,149
Unrealised foreign exchange gain	114	208
Gain on derecognition of right-of-use assets	(2)	—
	<u>7,166</u>	<u>8,001</u>
Changes in working capital		
Changes in inventories	(210)	1,613
Changes in trade and other receivables	(2,094)	(2,642)
Changes in trade and other payables	(4,291)	(4,844)
Changes in contract liabilities	(378)	553
Changes in bills payable and trust receipts	8,398	(2,935)
Cash generated from/(used in) operating activities	<u>8,591</u>	<u>(254)</u>
Tax paid	(698)	(753)
Interest paid for bills payable and trust receipts	(959)	(1,166)
Net cash from/(used in) operating activities	<u>6,934</u>	<u>(2,173)</u>
Cash flows from investing activities		
Interest received	21	31
Proceeds from sale of plant and equipment	11	5
Acquisition of plant and equipment	(279)	(256)
Net cash used in investing activities	<u>(247)</u>	<u>(220)</u>
Cash flows from financing activities		
Proceeds from borrowings	37,659	46,751
Repayment of borrowings	(41,845)	(38,844)
Payment of lease liabilities	(2,282)	(2,181)
Interest paid for lease liabilities and unsecured bank loans	(1,062)	(728)
Dividend paid	(1,113)	(742)
Net cash (used in)/generated from financing activities	<u>(8,643)</u>	<u>4,256</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,956)</u>	<u>1,863</u>
Cash and cash equivalents at the beginning of period	14,728	13,211
Effect of exchange rate changes on the balance of cash held in foreign currencies	(152)	(253)
Cash and cash equivalents at the end of period	<u>12,620</u>	<u>14,821</u>

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 six months ended 30 June 2025 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 six months ended 30 June 2025 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 2024.

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

2.1 New and amended standards adopted by the Group

The Group has applied the following amendment to SFRS(I)s for the annual period beginning on 1 January 2025:

- Lack of Exchangeability (Amendments to SFRS(I) 1-21)

The application of this amendment to standard and interpretations does not have a material effect on the financial statements.

2. Basis of Preparation (cont'd)

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 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management where appropriate. Revisions to accounting estimates are recognised prospectively.

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 both financial and non-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.

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).

2. Basis of Preparation (cont'd)

2.2. Use of judgements and estimates (cont'd)

Measurement of fair values (cont'd)

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.

2.3 New and amended standards not adopted by the Group

The following new accounting standards and amendments to standards are not yet effective for annual period beginning 1 January 2025 and early adoption is permitted. The Group has not early adopted the new accounting standards in preparing these financial statements:

- Contracts Referencing Nature-dependent Electricity (Amendments to SFRS(I) 9 and SFRS(I) 7)
- Annual Improvements to SFRS(I)s – Volume 11
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to SFRS(I) 9 and SFRS(I) 7)
- Presentation and Disclosure in Financial statements (SFRS(I) 18)
- Subsidiaries without Public Accountability: Disclosures (SFRS(I) 19)
- 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)

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 reflects 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. Segment and revenue information

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.

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Thailand \$'000	South Korea \$'000	Others \$'000	Total \$'000
6 months ended 30 June 2025							
Total revenue from external customers	10,119	27,313	21,279	7,202	40,313	24,646	130,872
6 months ended 30 June 2024							
Total revenue from external customers	11,739	27,644	21,676	6,991	38,506	21,896	128,452
30 June 2025							
Non-current assets ⁽ⁱ⁾	650	681	3,513	1	2,820	196	7,861
31 December 2024							
Non-current assets ⁽ⁱ⁾	1,062	712	2,780	–	3,064	318	7,936

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

Major Customer

For the periods ended 30 June 2025 and 2024, there was no single customer that contributed to 10% or more of the Group's revenue.

4. Segment and revenue information (cont'd)

4.2 Disaggregation of Revenue

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

	Group	
	6 months ended	
	30 June	
	2025	2024
	\$'000	\$'000
Primary geographical markets		
Singapore	10,119	11,739
Malaysia	27,313	27,644
Australia	21,279	21,676
Thailand	7,202	6,991
South Korea	40,313	38,506
Others	24,646	21,896
	130,872	128,452

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
30 June 2025								
Financial assets not measured at fair value								
Trade and other receivables #	39,210	—	—	39,210				
Cash and cash equivalents	12,620	—	—	12,620				
	<u>51,830</u>	<u>—</u>	<u>—</u>	<u>51,830</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	—	—	330	330				
Unsecured bank loans	—	—	35,016	35,016				
Bills payable and trust receipts	—	—	47,864	47,864				
Trade and other payables *	—	—	33,605	33,605				
	<u>—</u>	<u>—</u>	<u>116,815</u>	<u>116,815</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 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								
Term 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)

	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								
30 June 2025								
Financial assets not measured at fair value								
Trade and other receivables #	59,389	–	–	59,389				
Cash and cash equivalents	3,108	–	–	3,108				
	<u>62,497</u>	<u>–</u>	<u>–</u>	<u>62,497</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	–	–	330	330				
Unsecured bank loans	–	–	27,996	27,996				
Bills payable and trust receipts	–	–	39,413	39,413				
Trade and other payables *	–	–	15,843	15,843				
	<u>–</u>	<u>–</u>	<u>83,582</u>	<u>83,582</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>—</u>	<u>—</u>	<u>80,187</u>	<u>80,187</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 2 and 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
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 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 period 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:

	6 months ended 30 June	
	2025	2024
	\$'000	\$'000
Current income tax expense	331	705
Deferred income tax expense relating to origination and reversal of temporary differences	–	30
Withholding tax	12	14
	<u>343</u>	<u>749</u>

7. Profit before tax

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

	Group 6 months ended 30 June	
	2025	2024
	\$'000	\$'000
Depreciation of plant and equipment and right-of-use assets	2,487	2,380
Finance costs	1,981	2,149
Write-down of inventories (net)	110	171
Expenses relating to short term leases	980	852
Transportation expenses	2,516	2,134
Sales commission expenses	909	893
Utility expenses	890	914
Impairment loss on trade receivables	1	–
Foreign exchange loss, net	395	133
Included in other income:		
Interest income	(21)	(31)
Government grants and supports	(10)	(16)
Gain on sale of plant and equipment	(8)	(2)
Reversal of impairment loss on trade receivables	–	(4)
Gain on derecognition of right-of-use assets	<u>(2)</u>	<u>–</u>

7. Profit before tax (cont'd)

7.2 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 and senior managers of the Company are considered as key management personnel of the Group.

Key management personnel compensation comprised:

	Group	
	6 months ended	
	30 June	
	2025	2024
	\$'000	\$'000
Directors' fees	113	113
Short-term employee benefits	435	422
Post-employment benefits	19	19
	<u>567</u>	<u>554</u>

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	
	30 June	
	2025	2024
	\$'000	\$'000
Related party #		
- Sales	<u>94</u>	<u>88</u>

A shareholder company of the Group

8. Dividends

	6 months ended 30 June	
	2025	2024
	\$'000	\$'000
Ordinary dividends paid (net of tax)	1,113	742

A final tax exempt (one-tier) dividend of \$0.01275 per ordinary share, amounting to \$1,113,000 in respect of the financial year ended 31 December 2024 was paid in the current reporting period.

9. Earnings per share

	6 months ended 30 June	
	2025	2024
	\$'000	\$'000
Profit attributable to owners of the Company	2,120	2,349

	2025	2024
	'000	'000
Weighted average number of ordinary shares	87,265	87,265

	6 months ended 30 June	
	2025	2024
Earnings per share (cents)		
- Basic	2.43	2.69
- Diluted	2.43	2.69

The basic and diluted earnings per share are the same for the period ended 30 June 2025 and 2024 as there were no dilutive instruments in issue as at 30 June 2025 and 30 June 2024.

10. Net asset value

	Group		Company	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Net asset value per ordinary share (cents)	73.1	71.4	46.3	48.0

10. Net asset value (cont'd)

Net asset value per ordinary share as at 30 June 2025 was computed based on equity attributable to owners of the Company of \$63,811,000 (31 December 2024: \$62,320,000) and existing ordinary shares of 87,265,029 (31 December 2024: 87,265,029).

11. Plant and equipment

During the six months ended 30 June 2025, the Group acquired assets amounting to \$279,000 (30 June 2024: \$256,000).

12. Rights-of-use assets and lease liabilities

During the period ended 30 June 2025, the Group acquired right-of-use asset with an aggregate cost of \$2,153,000 (30 June 2024: \$1,251,000), of which \$2,140,000 (30 June 2024: \$1,251,000) was acquired via lease liabilities and \$13,000 (30 June 2024: \$nil) pertains to provision for site restoration.

13. Inventories

	Group		Company	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	\$'000	\$'000	\$'000	\$'000
Finished goods	111,946	112,081	32,816	34,847
Goods-in-transit	14,450	13,149	5,260	3,972
	<u>126,396</u>	<u>125,230</u>	<u>38,076</u>	<u>38,819</u>

The net realisable value represents management's best estimate of the recoverable amount which involves significant management judgement. In deriving the net realizable value, the management considers the age of these inventories, prevailing market conditions including technological and environmental trends in the automotive parts industry, historical inventory utilisation experience as part of its inventory obsolescence assessment process. The provision required could change significantly if business and market conditions deviate from management's expectations.

The Group's cost of inventories for the period ended 30 June 2025 amounted to \$102,367,000 (30 June 2024: \$99,747,000) 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 allowance of slow-moving stock of 30 June 2025 amounting to \$345,000 (30 June 2024: \$200,000) offset by a reversal of \$235,000 (30 June 2024: \$29,000).

14. Trade and other receivables

	Group		Company	
	30 June 2025 \$'000	31 December 2024 \$'000	30 June 2025 \$'000	31 December 2024 \$'000
Trade receivables	34,560	32,309	12,036	10,992
Trade amounts due from subsidiaries	–	–	15,443	14,171
Non-trade amounts due from subsidiaries	–	–	30,894	31,364
Other receivables	4,650	4,620	1,016	1,048
	39,210	36,929	59,389	57,575
Prepayments	360	474	136	83
	39,570	37,403	59,525	57,658

Expected credit loss (ECL) assessment

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	
	30 June 2025 \$'000	31 December 2024 \$'000	30 June 2025 \$'000	31 December 2024 \$'000
<u>Amount repayable within one year</u>				
Term loans	330	926	330	926
Unsecured bank loans	35,016	38,422	27,996	31,001
Bills payable and trust receipts	47,864	39,548	39,413	32,834
	83,210	78,896	67,739	64,761

16. Share capital

	30 June 2025		31 December 2024	
	Number of shares	\$'000	Number of shares	\$'000
As beginning and end of period/year	87,265,029	38,057	87,265,029	38,057

The Company did not hold any treasury shares as at 30 June 2025 and 31 December 2024.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2025 and 31 December 2024.

Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Tye Soon Limited and its subsidiaries as at 30 June 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Review of Performance

Group turnover increased by 1.9% to \$130.9 million.

The SGD continued to appreciate against the currencies of two out of three of the Group's main overseas operations during 1H25: the KRW for South Korea and the AUD for Australia. The MYR, the currency of the Group's other main operation in Malaysia, regained some strength against the SGD over the past year. Group turnover would have increased by 4.2% to \$133.8 million had the average exchange rates for the aforementioned and other currencies remained the same against the SGD as in 1H24.

Global demand for automotive parts remained resilient. However, customer sentiment at the importer/wholesaler level, the majority of the Group's global export customer base serviced by the Singapore business, has been increasingly weighed down from 2Q25 by a reordering of the global trading system, as some media would refer to it, arising from the introduction of elevated import tariffs into the US market. Although the Group has not been impacted directly (exports to the US market amounted to 0.2% of turnover in FY24), customer sentiment at the importer/wholesaler level in many export markets has gradually turned more cautious over the past several months resulting in varying degrees of hesitation as the prospect of each country's economy become progressively uncertain. The degree of impact currently felt on each country's economy varies with the individual country's level of dependence on exports to the US.

The degree of competitive intensity affecting the Group has not changed much during 1H25. In markets where competition had intensified over the past two years, efforts made to protect the Group's customer base in the face of such competition have yielded some positivity. Australia is one such market. Although such efforts generally involved providing a higher level of service, often at a higher operating cost, and the introduction of more flexible pricing, customer patronage has improved.

The business in Singapore leverages on global export markets in addition to domestic demand. Although the Group was not materially impacted by the introduction of US import tariffs as exports to the US is small as aforementioned, business sentiment in many countries was affected as a greater level of uncertainty set in. Customer demand remained resilient helping the business to regain some strength from the relative low level achieved in 2H24 to register a 4.6% sequential increase in revenue. Revenue increased by 0.8% in comparison with 1H24.

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

Review of Performance (cont'd)

Customer demand in South Korea remained firm but the strength of the momentum continues to be affected by weak economic conditions. The economy contracted by 0.2% in Q1 on weak domestic demand before rebounding in Q2 with the help of exports front-loaded ahead of adjustments to US trade tariffs. Further market penetration and market share gains continued to help improve business. Revenue increased by 12.0% in KRW terms but at a lower rate of 4.7% in SGD terms due to the further weakening of the KRW against the SGD in 1H25.

After holding a steady course for the business in Australia in FY24, revenue improved noticeably in 1H25 by 4.9% in AUD terms despite operating within a slower growth environment. Competitive intensity has not dissipated, and efforts made to retain customers resulted in some margin erosion. Rising rental premises-related costs and wage expectations remain challenges slowing the pace of growth. As the AUD weakened further in 1H25, revenue measured in SGD terms declined by 1.0% in comparison with 1H24.

The competitive intensity remained firm in Malaysia but the Group broadly held its ground. Continuing efforts were made to consolidate its market presence but the Group refrained from further intensifying the level of competition in favour of some margin balance. As a result, revenue declined by 2.7% in MYR terms. Measured in SGD, however, revenue increased by 3.4% as the MYR became stronger in comparison with the exchange rate in the corresponding period.

Total margins for the Group decreased by \$0.1 million in 1H25 as the gross margin rate declined.

Operating expenses increased by \$0.2 million with staff and transportation/logistics costs registering the most notable changes. Staff costs decreased by \$0.5 million whilst transportation/logistics costs increased by \$0.4 million. The depreciation of the KRW and AUD against the SGD also played a major part in keeping operating expenses measured in SGD to a very moderate increase of 0.9% over 1H24. Had exchange rates for 1H25 remained the same as in 1H24, staff costs would have remained flat and transportation/logistics costs would have increased by \$0.5 million. Higher staff costs were incurred mainly in South Korea, broadly in line with the continuing growth in the business, but negated by declines elsewhere. The increase in transportation/logistics costs was partially due to the increased usage of sub-contractors and logistics service providers.

Profit from operations before FX (EBIT before FX) decreased by 9.8% from \$5.4 million to \$4.9 million.

Foreign exchange loss amounted to \$0.4 million in 1H25 compared to a loss of \$0.1 million in 1H24.

Profit from operations (EBIT) decreased by 15.0% from \$5.3 million to \$4.5 million.

Total finance cost decreased by \$0.1 million from \$2.1 million to \$2.0 million.

Profit before tax decreased by 20.0% from \$3.1 million to \$2.5 million.

Profit after tax decreased by 9.3% from \$2.4 million to \$2.2 million.

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

Review of Performance (cont'd)

After accounting for foreign currency translation differences of net assets at overseas subsidiaries and branch, total comprehensive income amounted to \$2.6 million.

Balance Sheet Review

Right-of-use (ROU) assets decreased by \$0.1 million from \$6.4 million as at 31 December 2024 to \$6.3 million as at 30 June 2025 as a result of additions and depreciation relating to ROU assets.

Group inventory was at 7.4 months as at 30 June 2025 compared to 7.5 months as at 31 December 2024. Inventory levels increased by \$1.2 million from \$125.2 million as at 31 December 2024 to \$126.4 million as at 30 June 2025.

Group receivable level was at 1.6 months as at 30 June 2025 compared to 1.5 months as at 31 December 2024. In absolute terms, trade receivables increased by \$2.3 million from \$32.3 million as at 31 December 2024 to \$34.6 million as at 30 June 2025.

Loans and borrowings, a large portion of which consisted of trade-related bills, increased by \$4.3 million from \$78.9 million as at 31 December 2024 to \$83.2 million as at 30 June 2025. During the same period, Group payable level decreased by \$3.3 million from \$37.1 million as at 31 December 2024 to \$33.8 million as at 30 June 2025.

Cash balances decreased by \$2.1 million from \$14.7 million as at 31 December 2024 to \$12.6 million as at 30 June 2025.

The Group's Current Ratio remained relatively steady at 1.5 times as at 30 June 2025 and 31 December 2024.

The Group's net gearing level increased to 1.11 times as at 30 June 2025 from 1.03 times as at 31 December 2024 as trade payables were paid down to a larger extent than usual as well as a higher drawdown of bank facilities for inventory purchases from suppliers without credit terms.

Cash Flow Statement Review

Cash generated from operations before accounting for changes in working capital amounted to \$7.2 million for the six-month period. After accounting for changes in working capital, cash generated from operating activities amounted to \$8.6 million. Cash flows generated from operating activities after accounting for tax and net interest paid amounted to \$6.9 million. Net cash used in investing activities amounted to \$0.2 million. Net cash used in financing activities amounted to \$8.6 million mainly due to net repayments of short-term bank facilities. Cash balances as at 30 June 2025 amounted to \$12.6 million.

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

The Group has not disclosed any forecast.

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 competitive intensity experienced by the Group over the past two years will likely continue to be felt. Issues arising from cost-of-living and destocking by smaller competitors remain. Efforts made by the Group have helped to retain customers but margins are expected to remain soft. On a positive note, customers in some markets, including notably Australia, have started to respond more encouragingly, thus helping to regain some revenue momentum.

The uncertainty emanating from a reordering of the global trading system arising from the introduction of elevated import tariffs into the US market will potentially continue to weigh down business sentiment in 2H25 and possibly next year. Recent announcements made on tariff adjustments will take time to analyse and for affected businesses to recalibrate their business plans. The indirect effects on the Group's global export customers will likely dampen the Group's exports from Singapore in the near term.

The Group's reported turnover in SGD continues to be influenced by the strength/weakness of the KRW, AUD and MYR (against the SGD), the currencies of the Group's major overseas operations. Each of these currencies have depreciated significantly against the SGD over past three financial years from FY22 to FY24; the KRW by about 16.3%, the AUD by about 11.5% and the MYR by about 10.3%. Had these currencies remained at rates prevailing at the start of 2022, Group revenues in FY24 would have reached \$278.8 million, an increase of 23.7% over the past three financial years since FY21. It would be notable to point out that the MYR appreciated against the SGD in 1H25, the first time in three years for a reported period. Revenue reported in SGD by the Group will grow in tandem with the appreciation of the aforementioned currencies, if and when that happens.

The Group's focus on slowing down the upward trend in operating costs whilst expanding its activities continues to flatten the upward cost trajectory. Despite the softer outlook on margins, 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

The following interim tax exempt (one-tier) dividends was declared by the directors. The exempt (one-tier) dividends have not been provided for.

Name of dividend	Interim in respect for the six months ended 30 June 2025
Dividend type	Cash
Dividend per share	\$0.00638
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	Interim in respect for the six months ended 30 June 2024
Dividend type	Cash
Dividend per share	\$0.00638
Tax rate	Tax exempt

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. 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 period ended 30 June 2025 to be false or misleading in any material respects.

On behalf of the Board of Directors

David Chong Tek Yew
Managing Director

Ong Eng Chian Kelvin
Deputy Managing Director

11 August 2025