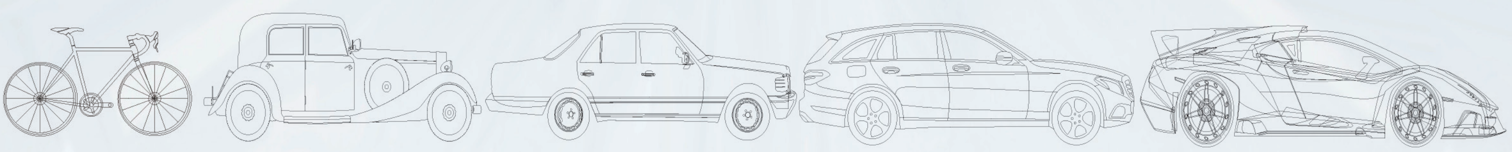
TYE SOON LIMITED

TODAY & TOMORROW

ANNUAL REPORT 2021



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GK
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BORGWARNER
VICTOR REINZ
BILSTEIN
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TOYOTA
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GLOBAL BRANDS
OUR STRENGTH

GMB
TEIN
NKN
ISUZU

TYE SOON LIMITED

Established in 1933, the Group is **the most prominent independent automotive parts distributor in Southeast Asia.**

Partnering its principals mostly from Europe, Japan and Korea, the Group has one of the largest portfolio of top-tier global brands of automotive parts. The Group's main markets in Asia Pacific are currently served by operations in Singapore, Malaysia, Thailand, Indonesia, Hong Kong/China, South Korea and Australia.

CONTENTS

CORPORATE **INFORMATION**

Board of Directors

Timothy Chen Teck Leng
(Appointed as Non-Executive Chairman on 17 February 2022)

David Chong Tek Yew

Ong Eng Chian Kelvin

Noel Anthony Meehan
(Appointed on 26 April 2021)

Chua Kwee Huay Genevieve
(Appointed on 21 June 2021)

Margaret Anne Haseltine
(Appointed on 17 February 2022)

Audit and Risk Committee

Chua Kwee Huay Genevieve
(Chairman)

Timothy Chen Teck Leng

Noel Anthony Meehan

Nomination and Remuneration Committee

Timothy Chen Teck Leng
(Chairman)

Chua Kwee Huay Genevieve

Margaret Anne Haseltine

Company Secretary

Evelyn Wee Kim Lin

Registered Office

3C Toh Guan Road East #01-03
Singapore 608832
Tel: 6567 8601
Fax: 6567 8884

Registrar and Share Transfer Office

M&C Services Private Limited
112 Robinson Road #05-01
Singapore 068902
Tel: 6227 6660

Auditors

KPMG LLP
Public Accountants and Chartered Accountants Singapore

Partner-in-Charge
Shelley Chan Hoi Yi
(Appointed in financial year 2018)

Main Bankers

DBS Bank

Maybank

The Hongkong and Shanghai Banking Corporation Limited

United Overseas Bank

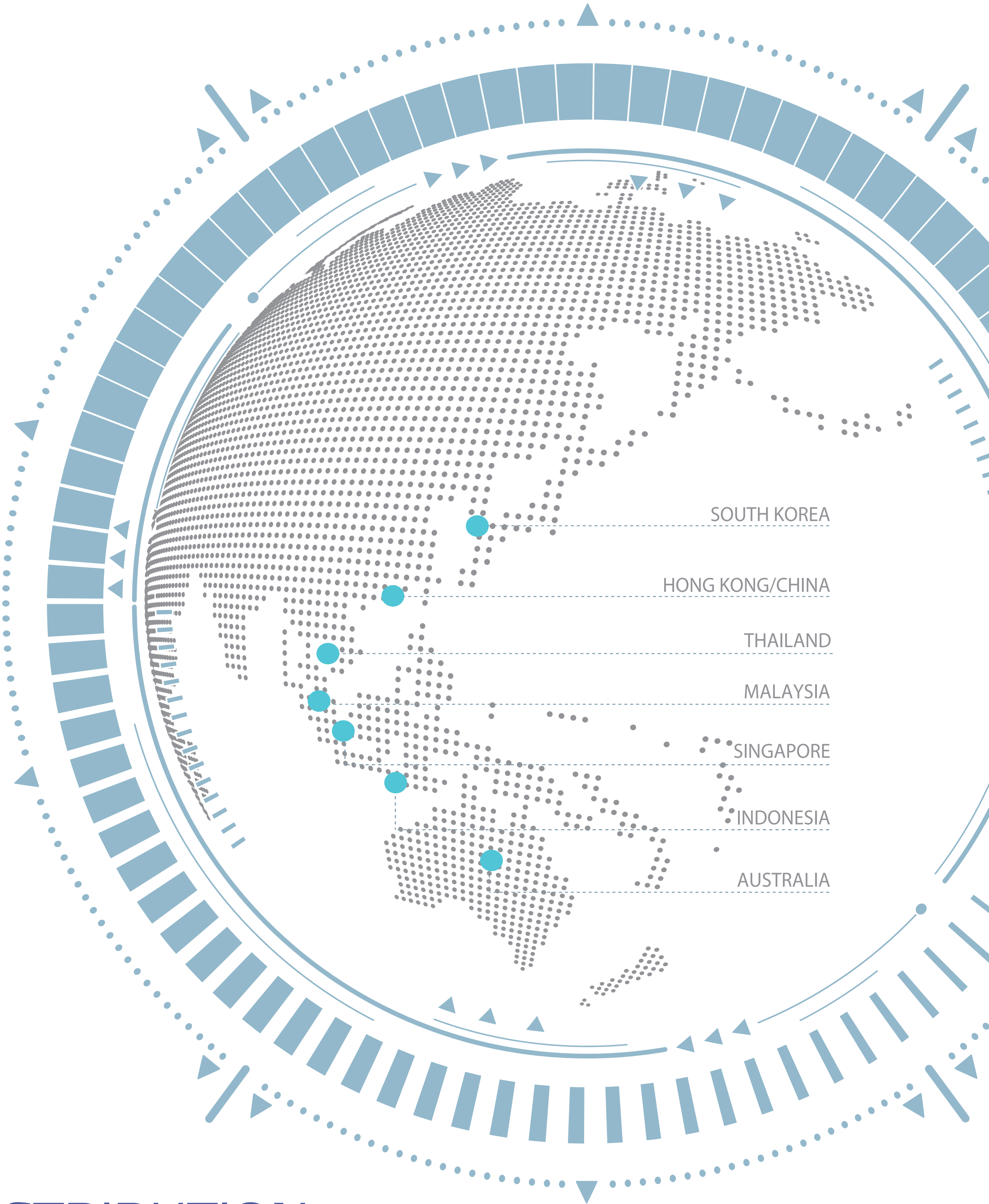
CORPORATE **GROUP**

Subsidiaries

Automotive Partners Asia Pty Ltd
Everts Pte. Ltd.
Filsound Enterprise Pte Ltd
Edaran PAL Sdn. Bhd.
Imparts Holdings Pte Ltd
Imparts Automotive Pty Ltd
Imparts Distribution Pty Ltd
Joining Enterprise Pte. Ltd.
Naga Jaya Automotive Sdn. Bhd.
PAL Everts Co., Ltd.
PT Palindo Makmur
Tokyo Motor Pte. Ltd.
TS Motorsport Pte. Ltd.
TSC Comparts Pte. Ltd.
TSC Enterprise (HK) Limited
TSC Trading (Shenzhen) Company Limited
Sejong Parts Plus Limited Liability Company

5-YEAR
FINANCIAL SUMMARY

Results $'000	2017	2018	2019	2020	2021
Revenue	216,623	216,106	222,048	198,236	225,330
Profit/(Loss) before tax	1,694	(395)	563	2,336	6,129
Tax expense	(900)	(689)	(284)	(1,060)	(1,584)
Profit/(Loss) for the year	**794**	**(1,084)**	**279**	**1,276**	**4,545**
Non-controlling interests	(69)	(60)	(53)	(52)	(78)
Attributable profit/(loss)	**725**	**(1,144)**	**226**	**1,224**	**4,467**
Earnings per share (cents)	**0.83**	**(1.31)**	**0.26**	**1.40**	**5.12**
Financial Position $'000					
Plant and equipment	1,987	1,610	1,161	961	905
Right-of-use assets	-	-	7,526	7,358	5,747
Goodwill	104	96	94	102	98
Other non-current assets	2,359	2,109	2,292	2,525	2,757
Current assets	154,796	152,881	154,215	150,104	144,436
Total assets	**159,246**	**156,696**	**165,288**	**161,050**	**153,943**
Equity attributable to owners of the Company					
Share capital	38,057	38,057	38,057	38,057	38,057
Reserves	17,722	14,739	14,040	16,417	18,987
Share capital and reserves	**55,779**	**52,796**	**52,097**	**54,474**	**57,044**
Non-controlling interests	322	347	400	450	524
Total equity	**56,101**	**53,143**	**52,497**	**54,924**	**57,568**
Current liabilities	102,255	102,770	108,085	97,019	88,923
Non-current liabilities	890	783	4,706	9,107	7,452
Total liabilities	**103,145**	**103,553**	**112,791**	**106,126**	**96,375**
Total equity and liabilities	**159,246**	**156,696**	**165,288**	**161,050**	**153,943**
Net tangible assets per share (cents)	**63.9**	**60.5**	**59.7**	**62.4**	**65.4**



DISTRIBUTION **EXCELLENCE**

The most prominent independent automotive parts distributor in **Southeast Asia.**

Focusing mainly on maintenance and replacement automotive parts **for the region's vehicles.**

CHAIRMAN'S **STATEMENT**

The Covid-19 situation continued to dominate the backdrop through much of 2021. Restrictions on people movements and business operations were not uncommon features in many of the Group's markets, hindering efforts in the running of a business, whether our own, the customer's or the supplier's. Yet despite going through another pandemic year, the Group continued to perform well with business returning to pre-pandemic levels. Group turnover in FY21 increased by 13.7% to $225.3 million and profit before tax improved just over 2.6 times to $6.1 million. It was a commendable effort by the whole team. Please refer to the Business Review section for the write up on the year's performance.

Moving forward, the team knows the outlook for the rest of FY22 remains uncertain with new challenges appearing, adding to existing ones. Supply chain disruptions, a prominent feature in the global business landscape in 2021, are likely to continue this year. Inflationary pressure has been building up in recent months and might worsen. At the time of writing this statement, the world is witnessing a major geopolitical situation developing in Ukraine, one that could lead to much wider global ramifications. We have yet to see how the conflict will eventually unfold.

Notwithstanding these macro challenges, the Group's business remains in a good position and I am optimistic that the group management team will be able to continue to leverage on the Group's fundamental strengths to navigate through FY22.

Reflecting the improvements in profitability made in the past two financial years, the Group's cashflow and other considerations, the Board has recommended a final dividend amounting to $0.74 million for FY21. This is especially pleasing to note as the last dividend was paid in respect of FY17. This final dividend, if approved by shareholders at the upcoming AGM, will represent a continuation of the Company's record in normally paying out dividends during profitable periods.

Aside from business performance and dividend, I am pleased to provide an update on the Company's controlling shareholders and the Board.

Following the announcement on 19 March 2021, Bapcor Limited (Bapcor) completed the acquisition of a 25% equity interest in the Company on 26 April 2021 and became the Company's second largest shareholder after OBG & Sons Pte Ltd. Bapcor, listed on the Australian Securities Exchange, is the leading vehicle parts, equipment, service and solutions provider in the Asia Pacific.

Bapcor's participation brought further renewal to the Board with the appointments of Darryl Abotomey and Noel Meehan to the Board and the resignations of Ong Huat Choo, Apple Ong and Malcolm Ong from the Board, all as non-executive non-independent directors.

Subsequent to the above, Lim Lee Meng and Tham Khuan Heng announced their resignations in June from the Board pursuant to the recommendations in the Code of Corporate Governance as each had been an independent director for more than 9 years. Tham Khuan Heng was also the Chair of the Board. Genevieve Chua was appointed as independent director in their place.

Upon the completion of a review by the Board in August 2021, four of the Board committees were amalgamated into two committees; the roles of the Audit Committee and Enterprise Risk Management Committee were taken over by the Audit and Risk Committee, and the roles of the Nominating Committee and Remuneration Committee were taken over by the Nomination and Remuneration Committee. These amalgamations were implemented to further improve communication and streamline decision-making.

Just before the end of the year, Darryl Abotomey retired as CEO of Bapcor and a member of the Bapcor board. Darryl subsequently resigned from the Board in December 2021 and Margaret Haseltine, Executive Chair of Bapcor, was appointed to the Board as non-executive non-independent director in February 2022.

It is a privilege for me to update that the Board invited me to take on the Chairman's role in February 2022. I am very pleased to note that the renewal of the Board has taken place in an orderly manner and I look forward to engage with the rest of the members of the Board in the continuing quest to build a sustainable and successful business.

As a final word, on behalf of the Board, I would like to place on record the Company's appreciation to Ong Huat Choo, Apple Ong, Malcolm Ong, Lim Lee Meng, Tham Khuan Heng and Darryl Abotomey for their contributions as members of the Board during their time with the Company.

Timothy Chen
Chairman

25 March 2022

BUSINESS **REVIEW**

Review of Performance

Group turnover increased by 13.7% to $225.3 million, a record turnover.

The Group's revenue recovery to just above pre-pandemic levels amidst a difficult business environment was driven by the strength of its business platform as well as its ability to supply customers from inventory for those who required quick delivery of goods. The ability to supply customers quickly gained a higher level of significance during the past two Covid-impacted years due to the increased frequency of disruptions to the supply chain as factory production lead times lengthened and the availability of shipping space became less predictable.

The Group's business in Singapore exports to markets globally. With many export markets having experienced lockdown restrictions at one stage or another during the year, revenue levels have been more volatile than usual. The challenges arising from the availability of shipping space have not just affected incoming shipments but outgoing shipments as well, as exports are usually fulfilled via sea freight. Despite the challenging backdrop, the export-based business in Singapore benefitted from having a geographically diversified customer base and a large portfolio of brands. Although revenues fell by 2.9% in 2H21 against 2H20 mainly due to the impact of the Delta wave on key markets in Southeast Asia in Q3, turnover for FY21 improved by 10.9% over FY20.

The business operations in South Korea were largely uninterrupted throughout FY21 as the government did not impose a general lockdown on businesses. Despite operating in an environment affected by the Covid-19 situation, momentum for the business picked up pace noticeably in 2H21 to register a 30.9% growth in revenue in KRW terms, or 28.2% in SGD terms, in comparison with 2H20 on the back of a continuing trend of strong customer demand and market share improvements. For the year, revenue grew 27.4% in KRW terms, or 27.7% in SGD terms.

The business in Australia continued to benefit from firm customer demand despite the dampening effects of intermittent lockdowns at the city or state level during the year. Momentum for the business picked up in 1H21 to register a 9.8% growth in revenue in AUD terms against 1H20 but tapered off markedly in 2H21 mainly due to the lockdowns in Victoria and New South Wales in Q3. Revenues in 2H21 were flat against 2H20 in both AUD and SGD terms. For the year, revenue growth ended with a 4.7% increase in AUD terms. The growth rate recorded in SGD terms, however, was higher at 10.5% due to the appreciation of the AUD.

The business in Malaysia continued to be affected by the Covid-19 situation in 2H21 following a challenging 1H21 as varying levels of lockdown and movement restrictions under the Movement Control Order were imposed until around October. The impact on the business was most keenly felt in Q3. Although business recovered quickly in Q4, partially helped by customers restocking inventory, revenues for 2H21 ended 9.1% lower in MYR terms, or 10.3% in SGD terms, against 2H20. Although mired in operational challenges, the business benefitted from market share improvements overall. Making a comparison with FY20, with a partially pre-Covid 1Q20 and a fully-locked down April 2020, turnover in FY21 was higher by 4.9% in MYR terms, or 3.6% in SGD terms.

Total margins for the Group increased by $6.7 million for the year mainly due to the increase in turnover from $198.2 million in FY20 to $225.3 million in FY21. The gross margin rate improved marginally.

Other income decreased by $0.9 million as FY21 saw the tail end of government-driven stimuli and aid programs first implemented in 2020 in response to the onset of the Covid-19 situation by governments in certain jurisdictions the Group operates in.

Operating expenses increased by $2.7 million due in good part to a combination of higher business performance level-based costs and the appreciation of the AUD. Of the aforesaid $2.7 million, $1.6 million of the increase came from staff costs, of which $0.5 million was due to the stronger AUD especially in 1H21. The underlying increase in staff costs arose mainly from higher level of business activity-based costs and other payroll adjustments. Aside from staff costs, logistics costs and operating lease expenses increased by $0.5 million and $0.2 million respectively.

Profit from operations before foreign exchange gain/loss amounted to $4.0 million in 2H21, which is about the same level as 1H21. Profit from operations before foreign exchange gain/loss in FY21 amounted to $8.1 million compared with $5.0 million in FY20, an increase of 60.2% or $3.1 million.

Foreign exchange loss amounted to $0.23 million in 1H21 and a marginal loss of $0.08 million in 2H21. As a comparison, the corresponding figures in FY20 was a loss of $0.05 million in 1H20 and a loss of $0.28 million in 2H20.

BUSINESS **REVIEW**

Total finance costs came down by $0.7 million in FY21 as the Group reduced the average level of borrowings during the year as well as having benefitted from lower interest rates.

Profit before tax was $3.0 million for 1H21 and $3.1 million for 2H21, totaling $6.1 million for the year. The corresponding figures the previous year were $0.5 million for 1H20 and $1.8 million for 2H20, totaling $2.3 million.

Profit after tax was $2.1 million for 1H21 and $2.4 million for 2H21, totaling $4.5 million for the year. The corresponding figures last year were $0.1 million for 1H20 and $1.2 million for 2H20, totaling $1.3 million.

Commentary on FY22

Many are starting to see 2022 on the post-Covid recovery path but the year is expected to continue to present operational challenges as a return to pre-Covid norms and a relatively stable business environment may not happen so soon. Indeed, a number of the Group's key markets are still experiencing a surge in Covid caseloads at this moment. In such an environment, the potential for economic activity to decelerate and hence the Group's business level to be affected remains a clear risk.

The Group's operational presence over a wide geographical area and its large brand portfolio have evolved over the years and combined to form a strong platform for business. This platform has been a source of resilience during the most challenging moments of the Covid-19 situation as well as the key to the improvement in business performance in FY21. The Group will continue to leverage on these business enablers to drive towards a post-Covid phase.

The Group continues to enjoy a steadily growing customer base in key markets as well as stable relationships with brand principals and suppliers. Although the Covid-19 situation has not ended, the Group is in a good position to look at opportunities and activities to further expand market share, including the continued expansion of its physical location network after a two-year hiatus since the onset of Covid. FY22 has started with some degree of optimism despite the dampening effects of the Omicron wave. The Group's business is currently expected to remain on a profitable course in FY22.

NOTES FROM **THE EXECUTIVES**

FY21 was just as extraordinary and challenging a year as FY20 as the Covid-19 situation persisted. The Group's business though performed well during the year with improvements in both turnover and profitability.

Supply chain will likely feature as a major topic in FY22. Finding solutions in a business environment in which supply chain disruptions remain frequent occurrences will be a key differentiation factor. Brand principals and suppliers played key roles in supporting our own team's efforts in FY21 in making the best out of a difficult Covid situation. Working in close unison with these principals and suppliers will again be key in FY22, not least with possible additional disruptions emerging from the Ukraine situation.

Underlying demand for maintenance and replacement automotive parts has largely held steady. Fulfilling such demand has been a focal point for the Group's business. The Group's ability to carry an appropriate level of inventory has helped to maintain a reasonable fulfilment rate and hence sales relative to the competition. We aim to maintain a commensurate level of inventory to achieve our objectives.

We see FY22 and possibly beyond as a transition period wherein governments in many countries have started to, or will probably do so in the near future, consider Covid-19 as endemic. How these countries will fare during this period will matter to us as our Group either operates locally in those markets or we export there. Some markets are expected to recover quite quickly, others requiring a longer period due to the devastating economic impact suffered as a result of lower levels of economic support meted out during the pandemic. We will continue to engage our existing customer base and grow existing segments but also seek out opportunities to work with new market segments.

We have by and large been fortunate in avoiding the worst impacts during the past two Covid-impacted years but many people we know, including suppliers, customers and other business contacts, have experienced first-hand with the harsh effects of Covid-19. We wish everyone a safe and healthy year.

David Chong
Managing Director

Kelvin Ong
Deputy Managing Director

BOARD OF **DIRECTORS**

TIMOTHY CHEN TECK LENG
Non-Executive Chairman
Independent Director

DAVID CHONG TEK YEW
Managing Director

ONG ENG CHIAN KELVIN
Deputy Managing Director

CHUA KWEE HUAY GENEVIEVE
Independent Director

NOEL ANTHONY MEEHAN
Non-Executive
Non Independent Director

MARGARET ANNE HASELTINE
Non-Executive
Non Independent Director

ADVISERS

ONG HOCK SIANG

ONG HUAT YEW PETER

GROUP MANAGEMENT **TEAM**

DAVID CHONG TEK YEW
Managing Director

Mr Chong has been with the Group since 1998. He joined as Group General Manager/Executive Director and was appointed Deputy Managing Director in 2002. He was appointed Managing Director in February 2014. Prior to his appointment in Tye Soon Limited, he was Assistant Director, Corporate Finance at the investment banking arm of Standard Chartered Bank in Singapore. Earlier in his career, he was Manager at a public accounting firm based in London, United Kingdom. Mr Chong graduated from the University of Toronto in Canada and qualified as a Chartered Accountant in the United Kingdom.

ONG ENG CHIAN KELVIN
Deputy Managing Director

Mr Ong has been with the Group since 1999. He started as Marketing Executive before progressing to become Marketing Manager. He was appointed Executive Director in 2006 and became Deputy Managing Director in February 2014. Mr Ong graduated from Imperial College, London, United Kingdom.

NG YOKE YEE
Group Financial Controller

Ms Ng joined the Group on 1 December 2021. Prior to this appointment, she was the Deputy Director – Finance in a local polyclinic for 8 months. Prior to that, she held senior finance positions in two international marine transportation companies for a combined 13 years. Ms Ng graduated from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants.

ADVISERS

ONG HOCK SIANG

Mr Ong has been with the Group since 1966. He was appointed as adviser to Management on 23 June 2020. Prior to this appointment, he was an executive director of the Company. Earlier in his career he was with the Inland Revenue and the Nanyang Siang Pau. He was the President of The Singapore Cycle and Motor Traders' Association for 14 years until 2000.

ONG HUAT YEW PETER

Mr Ong has been with the Group since 1965. He was appointed as adviser to Management on 23 June 2020. Prior to this appointment, he was the President and an executive director of the Company. He was appointed Managing Director in 2002 and President in February 2014. Mr Ong was the President of The Singapore Cycle and Motor Traders' Association from 2014 to 2020.

FINANCIAL **CONTENTS**

DIRECTORS' **STATEMENT**

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

(a) the financial statements set out on pages 23 to 98 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

David Chong Tek Yew	
Ong Eng Chian, Kelvin	
Timothy Chen Teck Leng	
Noel Anthony Meehan	(Appointed on 26 April 2021)
Chua Kwee Huay, Genevieve	(Appointed on 21 June 2021)
Margaret Anne Haseltine	(Appointed on 17 February 2022)

DIRECTORS' **STATEMENT**

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

	Holdings in the name of the director, spouse and children	
Name of director and corporation in which interests are held	**At beginning of the year**	**At end of the year**
The Company		
Tye Soon Limited		
Ordinary shares fully paid		
David Chong Tek Yew	1,383,666	2,513,166
Ong Eng Chian, Kelvin	402,708	795,908
Subsidiary		
TSC Enterprise (HK) Limited		
Ordinary shares fully paid		
David Chong Tek Yew	10,000	10,000

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

There were no changes in any of the abovementioned interests in the Company between the end of the financial year and 21 January 2022.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no share options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of share option to take up unissued shares of the Company or its subsidiaries under option.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

DIRECTORS' **STATEMENT**

Audit and Risk Committee

Throughout the financial year, the Company has complied with the guidelines listed in the Code of Corporate Governance 2018 (the "Code") with respect to Audit Committees, introduced by the Singapore Exchange Securities Trading Limited ("SGX-ST").

On 5 August 2021, the Audit Committee and the Enterprise Risk Management Committee were dissolved and merged to form the Audit and Risk Committee. The Members of the Audit and Risk Committee during the year and at the date of this statement are as follows:

Chua Kwee Huay, Genevieve (Chairman)	Independent non-executive director	Appointed on 31 August 2021
Timothy Chen Teck Leng	Independent non-executive director	
Noel Anthony Meehan	Non-independent non-executive director	Appointed on 21 June 2021
Tham Khuan Heng	Independent non-executive director	Resigned on 31 August 2021
Lim Lee Meng	Independent non-executive director	Resigned on 21 June 2021

The Audit and Risk Committee performed the functions specified in Section 201B of the Act, the SGX-ST Listing Manual and the Code.

In performing its functions, the Audit and Risk Committee also reviewed the overall scope of the external and internal audits, and the assistance given by the Company's officers to the auditors. It met with the Company's external and internal auditors to discuss the scope of their work, results of their examinations and evaluation of the Company's internal accounting control system. The Audit and Risk Committee also considered the report from external auditors, including their findings on the significant risks and audit focus areas.

The consolidated financial statements of the Group and the statement of financial position of the Company were reviewed by the Audit and Risk Committee prior to their submission to the directors of the Company for adoption. The Audit and Risk Committee also reviewed interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit and Risk Committee has full access to and co-operation by management for it to discharge its functions.

The external and internal auditors have unrestricted access to the Audit and Risk Committee. The Audit and Risk Committee has reviewed the level of audit and non-audit fees and is satisfied with the independence and objectivity of the external auditors.

The Audit and Risk Committee has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

DIRECTORS' **STATEMENT**

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

David Chong Tek Yew
Director

Ong Eng Chian, Kelvin
Director

25 March 2022

INDEPENDENT **AUDITORS' REPORT**

Members of the Company
Tye Soon Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tye Soon Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 23 to 98.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT
AUDITORS' REPORT

Valuation of inventories **Refer to Note 3.7 and Note 11 to the financial statements**	
The key audit matter	*How the matter was addressed in our audit*
Inventories represent 64% (2020: 62%) of the Group's total assets as at 31 December 2021. There is a risk that the carrying value of inventories may exceed their net realisable value due to slow market demand or increased competition. The write-down of inventories to net realisable value is based on the age of these inventories, prevailing market conditions in the automotive parts industry and historical provisioning experience which requires significant management judgement.	Our audit procedures included, among others: ■ Obtained an understanding of management's risk assessment and estimation processes; ■ Tested the ageing profile prepared by management on a sample basis to place reliance on the ageing profile for our procedures. For slow moving inventories identified by management to be more susceptible to write-down, reviewed management's assessment on a sample basis by comparing to historical sales trend, in-house and third-party sales prices available and/or to the continued existence of the car model used; and ■ Tested the net realisable value of inventories by comparing the cost to sale prices subsequent to the financial year end or the latest in-house and third-party sales prices available. *Our findings* We found management's assumptions and estimates used in the valuation of the Group's inventories to be within range of estimates used in our evaluation.

Valuation of trade receivables **Refer to Note 3.8, Note 12 and Note 25 to the financial statements**	
The key audit matter	*How the matter was addressed in our audit*
Trade receivables represent 18% (2020: 16%) of the Group's total assets as at 31 December 2021. The recovery of trade receivables is dependent on the individual customers' credit standing and the market demand for automotive parts. There is a risk of impairment loss on outstanding trade receivables as the current economic uncertainties may exert a downward pressure on the individual customers' credit standing. Judgement is required in determining when a trade receivable is credit-impaired which includes consideration of credit-worthiness of the customers, collection patterns and observable data such as significant financial difficulty of the customer. In estimating expected credit losses for trade receivables, judgement is made to determine if past credit loss information reflect the appropriate levels of credit risk of the trade receivables and if additional adjustments are required to be made to the expected credit loss estimates.	Our audit procedures included, among others: ■ Obtained an understanding of management's risk assessment and estimation processes; ■ Tested the ageing profile prepared by management on a sample basis to place reliance on the ageing profile for our procedures; ■ Assessed the recoverability of significant and/or long outstanding trade receivables, by challenging management's assessment taking into account information such as historical payment patterns and subsequent receipts, if any; and ■ Assessed the reasonableness of key assumptions and estimates used in the expected credit loss model and tested the completeness and accuracy of data inputs in the model such as agreeing the historical credit losses to actual amounts written off. *Our findings* We found management's assessment on credit-impaired trade receivables and the estimates used in the expected credit losses on trade receivables to be within range of estimates used in our evaluation.

INDEPENDENT
AUDITORS' REPORT

<table>
<tr><td colspan="2">Valuation of plant and equipment and right-of-use assets
Refer to Note 3.4, Note 3.6, Note 3.8, Note 4 and Note 5 to the financial statements</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Group's net asset value exceeded its market capitalisation by $22,662,000 (2020: $47,538,000) as at 31 December 2021. Management has identified indicators of impairment on the plant and equipment and right-of-use assets of Tye Soon Limited cash generating unit ("CGU") given the continued operating losses incurred by the CGU. Consequently, management conducted an impairment assessment on its plant and equipment and right-of-use assets.

Impairment assessment involves estimating the recoverable amounts of the CGU to which the non-financial assets belong. The recoverable amount is dependent on the assumptions used in estimating future cash flows and applying an appropriate discount for each CGU which requires management judgement.</td><td>Our audit procedures included, among others:

■ Obtained an understanding of management's risk assessment and estimation processes;

■ Assessed the appropriateness of CGUs identified;

■ Assessed the key assumptions used by management in the cash flow projections to derive the recoverable amounts of the CGUs and challenged management's estimates of the revenue growth rates and profit margins used in the cash flow projections by corroborating to past performance; and

■ Independently derived the applicable discount rates using the weighted average cost of capital method and compared it to the discount rates used by management.

Our findings

We found the methodology used by management to be in line with generally accepted market practices and the key assumptions used in the determination of recoverable amounts to be within the range of estimates used in our evaluation.</td></tr>
</table>

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT **AUDITORS' REPORT**

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT
AUDITORS' REPORT

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Shelley Chan Hoi Yi.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
25 March 2022

STATEMENTS OF **FINANCIAL POSITION**

As at 31 December 2021

	Note	Group		Company	
		2021 $'000	2020 $'000	2021 $'000	2020 $'000
Assets					
Plant and equipment	4	905	961	347	326
Right-of-use assets	5	5,747	7,358	838	2,265
Goodwill		98	102	–	–
Subsidiaries	6	–	–	23,769	24,709
Associate	7	–	185	–	162
Other investments	8	1,018	815	1,018	815
Deferred tax assets	9	1,739	1,525	–	–
Loan receivables	10	–	–	–	–
Non-current assets		9,507	10,946	25,972	28,277
Current tax assets		106	139	–	–
Inventories	11	98,392	100,310	30,324	33,456
Trade and other receivables	12	31,153	28,525	41,014	37,792
Cash and cash equivalents		14,785	21,130	6,457	10,997
Current assets		144,436	150,104	77,795	82,245
Total assets		153,943	161,050	103,767	110,522
Equity					
Share capital	13	38,057	38,057	38,057	38,057
Reserves	14	18,987	16,417	3,445	1,910
Equity attributable to owners of the Company		57,044	54,474	41,502	39,967
Non-controlling interests		524	450	–	–
Total equity		57,568	54,924	41,502	39,967
Liabilities					
Loans and borrowings	15	3,247	4,371	3,247	4,371
Lease liabilities	5	2,921	3,699	75	950
Employee benefits	16	1,265	1,013	–	–
Deferred tax liabilities	9	19	24	–	–
Non-current liabilities		7,452	9,107	3,322	5,321
Loans and borrowings	15	59,239	61,450	45,680	49,373
Lease liabilities	5	2,907	3,798	707	1,365
Trade and other payables	17	23,883	29,611	10,839	13,123
Contract liabilities	18	1,798	1,373	1,717	1,373
Current tax liabilities		1,096	787	–	–
Current liabilities		88,923	97,019	58,943	65,234
Total liabilities		96,375	106,126	62,265	70,555
Total equity and liabilities		153,943	161,050	103,767	110,522

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED
INCOME STATEMENT

Year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Revenue	18	225,330	198,236
Other income		184	1,115
Changes in inventories of finished goods		(1,918)	(3,130)
Cost of purchases		(173,761)	(152,649)
Staff costs		(23,764)	(22,129)
Depreciation expenses		(4,711)	(4,877)
Other operating expenses	19	(13,595)	(11,852)
Finance costs	20	(1,684)	(2,428)
Share of profit of an associate (net of tax)	7	48	50
Profit before tax		6,129	2,336
Tax expense	21	(1,584)	(1,060)
Profit for the year		4,545	1,276
Profit attributable to:			
Owners of the Company		4,467	1,224
Non-controlling interests		78	52
Profit for the year	22	4,545	1,276
Earnings per share			
Basic and diluted earnings per share (cents)	23	5.12	1.40

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

Year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Profit for the year		4,545	1,276
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligation of a subsidiary	16	(426)	(156)
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences on interest in associate reclassified to profit or loss		82	–
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associate		(1,557)	1,307
Other comprehensive income for the year, net of tax		(1,901)	1,151
Total comprehensive income for the year		2,644	2,427
Total comprehensive income attributable to:			
Owners of the Company		2,570	2,377
Non-controlling interests		74	50
Total comprehensive income for the year		2,644	2,427

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

Year ended 31 December 2021

	Attributable to owners of the Company							
	Share capital $'000	Other capital reserves $'000	Fair value reserve $'000	Translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2021	38,057	3,501	(105)	(6,014)	19,035	54,474	450	54,924
Total comprehensive income for the year								
Profit for the year	–	–	–	–	4,467	4,467	78	4,545
Other comprehensive income								
Foreign currency translation differences on interest in associate reclassified to profit or loss	–	–	–	82	–	82	–	82
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associate	–	–	–	(1,553)	–	(1,553)	(4)	(1,557)
Remeasurement of defined benefit obligation of a subsidiary	–	–	–	–	(426)	(426)	–	(426)
Total other comprehensive income	–	–	–	(1,471)	(426)	(1,897)	(4)	(1,901)
Total comprehensive income for the year	–	–	–	(1,471)	4,041	2,570	74	2,644
At 31 December 2021	38,057	3,501	(105)	(7,485)	23,076	57,044	524	57,568
At 1 January 2020	38,057	3,501	(105)	(7,323)	17,967	52,097	400	52,497
Total comprehensive income for the year								
Profit for the year	–	–	–	–	1,224	1,224	52	1,276
Other comprehensive income								
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associate	–	–	–	1,309	–	1,309	(2)	1,307
Remeasurement of defined benefit obligation of a subsidiary	–	–	–	–	(156)	(156)	–	(156)
Total other comprehensive income	–	–	–	1,309	(156)	1,153	(2)	1,151
Total comprehensive income for the year	–	–	–	1,309	1,068	2,377	50	2,427
At 31 December 2020	38,057	3,501	(105)	(6,014)	19,035	54,474	450	54,924

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Profit before tax		6,129	2,336
Adjustments for:			
Depreciation of plant and equipment	4	350	377
Depreciation of right-of-use assets	5	4,361	4,500
Loss/(Gain) on disposal of plant and equipment	22	34	(4)
Share of profit of an associate (net of tax)	7	(48)	(50)
Net impairment losses on trade receivables	22	55	1
Write-down of inventories	11	1,489	963
Interest income	22	(12)	(16)
Finance costs	20	1,684	2,428
Loss on reclassification of interest in associate to other investments	7	110	–
Unrealised foreign exchange (gain)/loss		(143)	536
Loss/(Gain) on derecognition of right-of-use assets		8	(5)
		14,017	11,066
Changes in working capital			
Changes in inventories		(1,117)	3,556
Changes in trade and other receivables		(3,042)	4,733
Changes in trade and other payables		(5,741)	3,999
Changes in contract liabilities		425	336
Changes in bills payable and trust receipts		851	(1,311)
Cash generated from operating activities		5,393	22,379
Tax paid		(1,489)	(445)
Interest paid for bills payable and trust receipts		(960)	(1,040)
Net cash from operating activities		2,944	20,894
Cash flows from investing activities			
Interest received		12	16
Proceeds from sale of plant and equipment		4	9
Acquisition of plant and equipment		(335)	(156)
Net cash used in investing activities		(319)	(131)
Cash flows from financing activities			
Payment of lease liabilities		(4,212)	(4,342)
Proceeds from borrowings		14,502	23,080
Repayment of borrowings		(18,085)	(34,713)
Interest paid for lease liabilities and unsecured bank loans		(755)	(1,561)
Net cash used in financing activities		(8,550)	(17,536)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Net (decrease)/increase in cash and cash equivalents		(5,925)	3,227
Cash and cash equivalents at the beginning of the year		21,130	17,545
Effect of exchange rate changes on the balance of cash held in foreign currencies		(420)	358
Cash and cash equivalents at the end of the year		14,785	21,130

Non-cash transaction:

In 2021, the Group recognised right-of-use asset with an aggregate cost of $3,639,000 (2020: $4,219,000), of which $3,411,000 (2020: $4,219,000) was recognised as lease liabilities and $228,000 (2020: $nil) pertains to provision for site restoration.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE
FINANCIAL STATEMENTS

Year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 25 March 2022.

1 Domicile and activities

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 3C Toh Guan Road East #01-03 Singapore 608832.

On 26 April 2021, the immediate and ultimate holding company of Tye Soon Limited, OBG & Sons Pte Ltd disposed 25% of its shareholdings in Tye Soon Limited. As a result, OBG & Sons Pte Ltd is no longer the immediate and ultimate holding company of the Company.

The financial statements of the Group as at and for the year ended 31 December 2021 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

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgements (cont'd)

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

- Notes 4 and 5 – Valuation of plant and equipment and right-of-use assets
- Note 11 – Valuation of inventories
- Note 25 – 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).

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.

Further information about the assumptions made in measuring fair values is included in Note 25.

2 Basis of preparation (cont'd)

2.5 Changes in significant accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I)s for the first time for the annual period beginning on 1 January 2021:

- *COVID-19-Related Rent Concessions (Amendments to SFRS(I) 16)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I)16)*

The application of these amendments to standards and interpretations did not have a material effect in the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest (NCI) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

Business combinations (cont'd)

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transactions costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries and associate in the separate financial statements

Investments in subsidiaries and associate are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss. However, foreign currency differences arising from the translation of an equity investment designated as at fair value through other comprehensive income (FVOCI) are recognised in OCI.

3 Significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or FVOCI – equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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Year ended 31 December 2021

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

(vii) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

Expected credit loss (ECLs) are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

3.4 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

3 Significant accounting policies (cont'd)

3.4 Plant and equipment (cont'd)

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Furniture, fittings and office equipment	4 to 10 years
Plant and machinery	5 to 8 years
Renovations	5 years (or lease term, if shorter)
Motor vehicles	5 to 10 years
Computers	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Goodwill

For the measurement of goodwill at initial recognition, see Note 3.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associate, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associate.

3 Significant accounting policies (cont'd)

3.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise one or more of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3 Significant accounting policies (cont'd)

3.6 Leases (cont'd)

(i) As a lessee (cont'd)

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The election for short-term leases shall be made by classes of assets to which the right of use relates.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the short-term lease exemption described above, then it classifies the sub-lease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

3 Significant accounting policies (cont'd)

3.6 Leases (cont'd)

(ii) As a lessor (cont'd)

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see Note 3.8(i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Rental income from sub-leased property is recognised as 'other income'.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost formula and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

3.8 Impairment

(i) *Non-derivative financial assets*

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- intra-group financial guarantee contracts (FGC).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Credit-impaired financial assets (cont'd)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3 Significant accounting policies (cont'd)

3.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

The discount rate is determined based on the market rate of high-quality corporate bond which has similar monetary unit and same expiration with defined benefit plan at the reporting date. The rate is a linear interpolation of the market rate considering the expected average of remaining service periods.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gain and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

3 Significant accounting policies (cont'd)

3.9 Employee benefits (cont'd)

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Long-term employee benefits

The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

3.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.11 Revenue

Goods sold

Revenue from the sale of goods in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods. The individual standalone selling price of a good that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the POs if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue is recognised at a point in time following the timing of satisfaction of the PO.

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Year ended 31 December 2021

3 Significant accounting policies (cont'd)

3.12 Other income

Rental income

Rental income from operating lease is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as 'other income'.

Interest income

Interest income is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. Interest income is recognised as 'other income'.

3.13 Government grants

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it become receivable.

3.14 Finance costs

The Group's finance costs include interest expense.

Interest expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the gross carrying amount of the liability.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Interest expense for bills payable and trust receipts are primarily derived from revenue-producing activities. Therefore, the interest expense is classified as operating cash flows in statement of cash flows.

3 Significant accounting policies (cont'd)

3.15 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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Year ended 31 December 2021

3 Significant accounting policies (cont'd)

3.15 Income tax (cont'd)

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Executive Directors Committee ("EXCO") for the purpose of allocating resources to the respective segments and performance assessment.

Segment results that are reported to the EXCO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly tax assets and liabilities.

3.18 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to SFRS(I) are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts* and Amendments to *SFRS(I) 17 Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to SFRS(I) 16)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to SFRS(I) 37)
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Annual Improvements to SFRS(I)s 2018 – 2020*
- *Disclosure of Accounting Policies* (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1-8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SFRS(I) 1-12)

4 Plant and equipment

	Furniture, fittings and office equipment $'000	Plant and machinery $'000	Renovations $'000	Motor vehicles $'000	Computers $'000	Total $'000
Group						
Cost						
At 1 January 2020	5,671	272	316	685	972	7,916
Additions	87	15	12	2	40	156
Disposals/Write-off	(19)	–	(1)	(62)	(14)	(96)
Effect of movements in exchange rates	127	13	4	3	34	181
At 31 December 2020	5,866	300	331	628	1,032	8,157
Additions	131	58	16	104	26	335
Reclassification	–	–	–	144	–	144
Disposals/Write-off	(178)	(23)	(75)	(32)	–	(308)
Effect of movements in exchange rates	(108)	(6)	(7)	(8)	(22)	(151)
At 31 December 2021	5,711	329	265	836	1,036	8,177
Accumulated depreciation						
At 1 January 2020	4,829	248	227	580	871	6,755
Depreciation	241	8	38	45	45	377
Disposals/Write-off	(14)	–	(1)	(61)	(14)	(90)
Effect of movements in exchange rates	103	12	2	3	34	154
At 31 December 2020	5,159	268	266	567	936	7,196
Depreciation	215	10	28	55	42	350
Reclassification	–	–	–	125	–	125
Disposals/Write-off	(140)	(23)	(75)	(32)	–	(270)
Effect of movements in exchange rates	(89)	(6)	(5)	(7)	(22)	(129)
At 31 December 2021	5,145	249	214	708	956	7,272
Carrying amounts						
At 1 January 2020	842	24	89	105	101	1,161
At 31 December 2020	707	32	65	61	96	961
At 31 December 2021	566	80	51	128	80	905

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Year ended 31 December 2021

4 Plant and equipment (cont'd)

	Furniture, fittings and office equipment $'000	Plant and machinery $'000	Renovations $'000	Motor vehicles $'000	Computers $'000	Total $'000
Company						
Cost						
At 1 January 2020	3,187	43	124	337	291	3,982
Additions	3	3	–	–	38	44
Disposals	–	–	–	(40)	–	(40)
At 31 December 2020	3,190	46	124	297	329	3,986
Additions	23	46	–	104	16	189
Disposals	(150)	–	(75)	(20)	–	(245)
At 31 December 2021	3,063	92	49	381	345	3,930
Accumulated depreciation						
At 1 January 2020	2,952	43	97	247	229	3,568
Depreciation	45	1	19	37	30	132
Disposals	–	–	–	(40)	–	(40)
At 31 December 2020	2,997	44	116	244	259	3,660
Depreciation	41	2	8	50	29	130
Disposals	(112)	–	(75)	(20)	–	(207)
At 31 December 2021	2,926	46	49	274	288	3,583
Carrying amounts						
At 1 January 2020	235	–	27	90	62	414
At 31 December 2020	193	2	8	53	70	326
At 31 December 2021	137	46	–	107	57	347

4 Plant and equipment (cont'd)

Impairment assessment

The Group assesses the impairment of plant and equipment and right-of-use assets (Note 5) whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In 2021, management assessed that there were indicators of impairment on the plant and equipment and right-of-use assets (Note 5) in the Tye Soon Limited CGU given the continued operating losses incurred by the CGU. Consequently, management carried out an assessment of the recoverable amount of the plant and equipment and right-of-use assets (Note 5).

The recoverable amount of the Tye Soon Limited CGU's plant and equipment and right-of-use assets (Note 5) is estimated based on the present value of the future cash flows expected to be derived by the respective cash generating units (CGU) (i.e. value in use). The key assumptions applied in the computation of value in use include:

	Tye Soon Limited CGU	
	2021	**2020**
3 years compounded revenue growth rate	7%	6%
Pre-tax discount rate	12.3%	15.1%

Another key assumption applied in the computation of value in use of Tye Soon Limited CGU is profit margin which is not disclosed due to the sensitivity of the information.

The cash flow projections were based on the forecasts prepared by management which considered current operating results and available market information. Based on management's assessment, there was no impairment loss to be recognised at the reporting date.

Management has assessed that reasonably possible changes in the key assumptions would not result in the carrying amount of plant and equipment to exceed its recoverable amount.

The key assumptions used in computing the value in use of plant and equipment and right-of-use assets are subject to estimation uncertainties. If business conditions were different especially those caused by extreme circumstances that cannot reasonably be predicted, it is likely that materially different amounts could be reported in the Group's financial statements.

5 Leases

Leases as lessee SFRS(I) 16

The Group leases building, office equipment, plant and machinery and motor vehicles. The leases typically run for a period between 1 to 6 years, with an option to renew the lease after that date. Lease payments are renegotiated based on current market rentals.

The Group leases some warehouses and motor vehicles with contract terms of 1 to 3 years. These leases are short-term and/or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

5 Leases (cont'd)

Leases as lessee SFRS(I) 16 (cont'd)

Right-of-use assets

	Buildings $'000	Office equipment $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Group					
Cost					
At 1 January 2020	9,962	64	318	1,719	12,063
Additions	3,550	–	88	581	4,219
Derecognition/Write-off	(819)	(31)	(117)	(15)	(982)
Effect of movements in exchange rates	400	–	7	132	539
At 31 December 2020	13,093	33	296	2,417	15,839
Additions	2,402	–	88	1,149	3,639
Derecognition/Write-off	(3,717)	–	–	(326)	(4,043)
Reclassification	–	–	–	(144)	(144)
Effect of movements in exchange rates	(291)	–	(5)	(114)	(410)
At 31 December 2021	11,487	33	379	2,982	14,881
Accumulated depreciation					
At 1 January 2020	3,703	17	135	682	4,537
Depreciation	3,625	17	142	716	4,500
Derecognition/Write-off	(681)	(19)	(100)	(15)	(815)
Effect of movements in exchange rates	176	–	6	77	259
At 31 December 2020	6,823	15	183	1,460	8,481
Depreciation	3,486	7	104	764	4,361
Derecognition/Write-off	(3,018)	–	–	(324)	(3,342)
Reclassification	–	–	–	(125)	(125)
Effect of movements in exchange rates	(171)	–	(4)	(66)	(241)
At 31 December 2021	7,120	22	283	1,709	9,134
Carrying amounts					
At 1 January 2020	6,259	47	183	1,037	7,526
At 31 December 2020	6,270	18	113	957	7,358
At 31 December 2021	4,367	11	96	1,273	5,747

5 **Leases (cont'd)**

Leases as lessee SFRS(I) 16 (cont'd)

Right-of-use assets (cont'd)

	Buildings $'000	Office equipment $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Company					
Cost					
At 1 January 2020	5,240	64	196	67	5,567
Additions	56	–	73	–	129
Derecognition/Write-off	(55)	(31)	(86)	–	(172)
At 31 December 2020	5,241	33	183	67	5,524
Additions	739	–	35	–	774
Derecognition/Write-off	(3,642)	–	–	–	(3,642)
At 31 December 2021	2,338	33	218	67	2,656
Accumulated depreciation					
At 1 January 2020	1,719	18	73	7	1,817
Depreciation	1,472	17	83	13	1,585
Derecognition/Write-off	(55)	(20)	(68)	–	(143)
At 31 December 2020	3,136	15	88	20	3,259
Depreciation	1,430	7	82	14	1,533
Derecognition/Write-off	(2,974)	–	–	–	(2,974)
At 31 December 2021	1,592	22	170	34	1,818
Carrying amounts					
At 1 January 2020	3,521	46	123	60	3,750
At 31 December 2020	2,105	18	95	47	2,265
At 31 December 2021	746	11	48	33	838

Lease liabilities

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Non-current	2,921	3,699	75	950
Current	2,907	3,798	707	1,365
	5,828	7,497	782	2,315

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Year ended 31 December 2021

5 Leases (cont'd)

Leases as lessee SFRS(I) 16 (cont'd)

Lease liabilities (cont'd)

Terms and debt repayment schedule

Terms and conditions of lease liabilities are as follows:

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group				
31 December 2021				
Lease liabilities				
Singapore Dollar	3.95	2022-2026	798	782
Australian Dollar	3.03 – 4.88	2022-2024	4,147	3,925
Hong Kong Dollar	2.29 – 3.95	2022-2023	173	170
Malaysia Ringgit	5.95	2022-2024	376	350
Korean Won	4.00	2022-2024	622	601
			6,116	5,828
31 December 2020				
Lease liabilities				
Singapore Dollar	3.95	2021-2026	2,395	2,314
Australian Dollar	4.88	2021-2023	4,240	4,026
Hong Kong Dollar	2.29 – 3.95	2021-2022	332	324
Malaysia Ringgit	5.95	2021-2023	224	215
Korean Won	4.00	2021-2022	642	618
			7,833	7,497
Company				
31 December 2021				
Lease liabilities				
Singapore Dollar	3.95	2022-2026	798	782
31 December 2020				
Lease liabilities				
Singapore Dollar	3.95	2021-2026	2,395	2,315

5 Leases (cont'd)

Leases as lessee SFRS(I) 16 (cont'd)

Amounts recognised in profit or loss

	Group	
	2021	2020
	$'000	$'000
Income from sub-leasing right-of-use assets presented in 'other income'	–	9
Interest expense on lease liabilities	240	333
Expenses relating to short-term leases	1,363	1,103
Expenses relating to leases of low-value assets	–	12

Amounts recognised in statement of cash flows

	Group	
	2021	2020
	$'000	$'000
Total cash outflow for leases	4,452	4,675

Extension options

Some buildings leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group estimated that the potential future lease payments, should it exercise these options, would result in an increase in lease liability of $1.4 million (2020: $3.2 million).

6 Subsidiaries

	Company	
	2021	2020
	$'000	$'000
Unquoted equity shares, at cost	2,571	2,571
Quasi-equity loans to subsidiaries	23,887	24,861
Investment in subsidiaries	26,458	27,432
Less: Impairment loss	(2,689)	(2,723)
	23,769	24,709

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Year ended 31 December 2021

6 Subsidiaries (cont'd)

It was agreed between the management of the parties involved that the quasi-equity loans to subsidiaries would be repaid only at the discretion of the respective subsidiaries. The Company has classified these loans as investment in subsidiaries as these loans are in substance the Company's investment in the subsidiaries.

Impairment assessments

In 2020 and 2021, management assessed the recoverable amount of certain subsidiaries that had indicators of impairment. Management estimated the recoverable amount of these investment based on the fair value less cost of disposal for these investments, which were based on the estimated fair value of the net assets, which comprise predominantly inventories, financial assets and liabilities.

Based on management's assessment, a reversal of impairment loss of $34,000 (2020: additional impairment loss of $547,000) was recognised in profit or loss during the year.

Details of Singapore incorporated and significant foreign incorporated subsidiaries are as follows:

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
[1] Filsound Enterprise Pte Ltd	Importing and exporting of automotive spare parts	Singapore	100	100
[3] Naga Jaya Automotive Sdn. Bhd. and its subsidiaries	Importing and distribution of automotive spare parts	Malaysia	100	100
[1] Everts Pte. Ltd. and its subsidiaries	Investment holding	Singapore	100	100
[1] Tokyo Motor Pte. Ltd.	Trading in automotive spare parts	Singapore	90	90
[3] Top Able Marketing Sdn. Bhd.	Trading in automotive spare parts	Malaysia	100	100
[3] MSJ United Sdn. Bhd.	Trading in automotive spare parts	Malaysia	80	80
[4] Sejong Parts Plus Limited Liability Company	Importing and distribution automotive spare parts	South Korea	100	100
[1] Joining Enterprise Pte. Ltd. and its subsidiary	Trading in automotive spare parts	Singapore	100	100
[3] Multiple Parts Supply Sdn. Bhd.	Trading in automotive spare parts	Malaysia	100	100

6 Subsidiaries (cont'd)

Impairment assessments (cont'd)

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Ownership interest	
			2021 %	2020 %
[1] TS Motorsport Pte. Ltd. and its subsidiary	Trading in automotive spare parts	Singapore	100	100
[1] TSC Comparts Pte. Ltd.	Trading in automotive spare parts	Singapore	60	60
[1] Imparts Holdings Pte Ltd and its subsidiary	Investment holding	Singapore	100	100
[2] Imparts Automotive Pty Ltd	Distribution of automotive spare parts	Australia	100	100

(1) Audited by KPMG LLP, Singapore.

(2) Audited by Grant Thornton Audit Pty Ltd.

(3) Audited by Grant Thornton Malaysia.

(4) Audited by Grant Thornton LLC.

In addition, the Group has other subsidiaries incorporated in Malaysia, Thailand, Indonesia, Hong Kong/China, United States of America and Australia with principal activities of importing, distributing and trading in automotive spare parts.

A subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

7 Associate

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Unquoted equity investment	–	185	–	162

NOTES TO THE
FINANCIAL STATEMENTS

Year ended 31 December 2021

7 Associate (cont'd)

Name of associate	Principal activities	Country of incorporation	Effective equity interest held	
			2021	2020
			%	%
Lintrex (Australia) Pty Ltd ("Lintrex")	Trading in automotive spare parts	Australia	–	25

In 2021, Lintrex raised additional capital which the Group did not take part in. This has resulted in the dilution of Group's investment in Lintrex to 15%. As a result of the dilution in its shareholdings, the Group no longer has board representation in Lintrex. Consequently, the Group ceased to have significant influence over its investment in Lintrex. As such, Lintrex ceased to be accounted as an associate of the Group and the carrying amount was reclassified to "other investment".

The following table summarises, in aggregate, the carrying amount and share of results and other comprehensive income of the associate that is accounted for using the equity method:

	2021	2020
	$'000	$'000
Group's interest in net assets of investee at beginning of the year	185	133
Group's share of:		
- Profit for the year	48	50
- Other comprehensive income	(2)	2
- Total comprehensive income	46	52
Loss on reclassification of interest in associate to other investments	(110)	–
Foreign currency translation differences on interest in associate reclassified to profit or loss	82	–
Reclassification of interest in associate to other investments	(203)	–
Carrying amount of interest in investee at end of the year	–	185

8 Other investments

	Group and Company	
	2021	2020
	$'000	$'000
Equity investments – at FVOCI	1,018	815

The investments are not listed in any stock exchange and there were no recent observable arm's length transactions in the shares. The fair value of unquoted equity investments are measured based on the fair value of the investee's assets and liabilities plus an adjustment for non-controlling interest. The measurement of fair value is disclosed in Note 25.

8 Other investments (cont'd)

Equity investment designated as at FVOCI

The Group designated the investments shown below as equity investments at FVOCI because they represent investments that the Group intends to hold for long-term strategic purposes.

	Fair value at 31 December		Dividend income recognised during	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Investments in:				
- Gold Choice Food Industries Sdn Bhd	815	815	–	–
- Lintrex[1]	203	–	–	–
	1,018	815	–	–

No strategic investment was disposed off in 2021, and there was no transfer of any cumulative gain or loss within equity relating to this investment.

1 Reclassification from associate (Note 7)

Market risk and fair value measurement

Information about the Group's and the Company's exposures to market risk and fair value measurement, is included in Note 25.

9 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Group				
Plant and equipment	–	–	(19)	(24)
Provisions	1,501	1,328	–	–
Employee benefits	199	177	–	–
Tax loss carry-forward	39	20	–	–
Deferred tax assets/(liabilities)	1,739	1,525	(19)	(24)

9 Deferred tax assets and liabilities (cont'd)

Movements in temporary differences during the year

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year were as follows:

	As at 1 January 2020 $'000	Recognised in profit or loss (Note 21) $'000	Exchange differences $'000	As at 31 December 2020 $'000
Group				
Plant and equipment	(29)	5	–	(24)
Provisions	1,102	139	87	1,328
Employee benefits	99	70	8	177
Tax losses carry-forward	143	(124)	1	20
	1,315	90	96	1,501

	As at 1 January 2021 $'000	Recognised in profit or loss (Note 21) $'000	Exchange differences $'000	As at 31 December 2021 $'000
Group				
Plant and equipment	(24)	4	1	(19)
Provisions	1,328	226	(53)	1,501
Employee benefits	177	35	(13)	199
Tax losses carry-forward	20	18	1	39
	1,501	283	(64)	1,720

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Tax losses	16,485	16,363	15,298	15,178

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The tax losses do not expire under the current tax regulations.

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available for which the Group and Company can utilise the benefits there from.

10 Loan receivables

	Group and Company	
	2021	2020
	$'000	$'000
Loan receivables	1,100	1,100
Impairment losses	(1,100)	(1,100)
	–	–

Loan receivables comprise:

(a) a loan of $91,000 (2020: $91,000) made to a relative of one of the directors for his contribution towards the capital of Tye Soon (Xiamen) Co. Ltd., a company established in the People's Republic of China. The loan is secured on the shares in Tye Soon (Xiamen) Co. Ltd.; and

(b) an unsecured loan of $1,009,000 (2020: $1,009,000) to Tye Soon (Xiamen) Co. Ltd. to provide working capital for its operations.

In 2003, the Group and Company has determined the loan receivables to be non-recoverable and recognised a full loss allowance on this balance.

11 Inventories

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Finished goods	88,695	89,480	28,236	30,932
Goods-in-transit	9,697	10,830	2,088	2,524
	98,392	100,310	30,324	33,456

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 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 deviates from management's expectations.

The Group's cost of inventories amounted to $175,679,000 (2020: $155,779,000) and was recognised as expense and included in cost of purchases and changes in inventories of finished goods.

The Group's write-down of inventories to net realisable value included in other operating expenses amounted to $1,489,000 (2020: $963,000).

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Year ended 31 December 2021

12 Trade and other receivables

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	27,692	25,970	9,352	8,826
Trade amounts due from subsidiaries	–	–	9,190	8,876
Non-trade amounts due from subsidiaries	–	–	23,124	21,166
Less: Impairment losses	–	–	(1,678)	(1,678)
	–	–	21,446	19,488
Deposits	1,341	1,275	308	189
Other receivables and advances	920	573	247	141
Rebates and discounts receivable from suppliers	832	371	410	194
	30,785	28,189	40,953	37,714
Prepayments	368	336	61	78
	31,153	28,525	41,014	37,792

Non-trade amounts due from subsidiaries are unsecured, interest free, and are repayable on demand.

Credit and market risks, and impairment losses

The Group's and the Company's exposure to credit risk and currency risk related to trade and other receivables are disclosed in Note 25.

13 Share capital

	Number of shares	
	2021	**2020**
	('000)	**('000)**
Company		
As at 1 January and 31 December	87,265	87,265

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. All issued shares are fully paid.

Capital management

The policy of the Board of Directors is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as profit after tax divided by total shareholders' equity excluding non-controlling interests. The Board also monitors the level of dividends to ordinary shareholders.

13 Share capital (cont'd)

Capital management (cont'd)

The Board of Directors seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Capital consists of share capital and reserves.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

14 Reserves

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Other capital reserves	3,501	3,501	–	–
Fair value reserve	(105)	(105)	(105)	(105)
Translation reserve	(7,485)	(6,014)	670	694
Retained earnings	23,076	19,035	2,880	1,321
	18,987	16,417	3,445	1,910

Other capital reserves

Other capital reserves comprise of gains on disposal of assets, net of negative goodwill arising on acquisition of subsidiaries under common control.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity instrument designated at FVOCI until the assets are derecognised or reclassified.

Translation reserve

Translation reserve comprises:

(i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company; and

(ii) foreign exchange differences on translation of monetary items which form part of the Group's net investment in foreign operations.

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14 Reserves (cont'd)

Dividend

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

	Group and Company	
	2021 $'000	2020 $'000
$0.0085 per qualifying share in respect of the year ended 31 December 2021	742	–

15 Loans and borrowings

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Non-current liabilities				
Term loans	3,247	4,371	3,247	4,371
Current liabilities				
Term loans	1,123	503	1,123	503
Unsecured bank loans	14,657	18,110	11,007	13,550
Bills payable and trust receipts	43,459	42,837	33,550	35,320
	59,239	61,450	45,680	49,373
	62,486	65,821	48,927	53,744

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group				
31 December 2021				
Term loans				
Singapore dollar	2.00 – 2.50	2022 – 2025	4,370	4,370
Unsecured bank loans				
Singapore dollar	2.25 – 2.50	2022	6,000	6,000
Australian dollar	2.02	2022	4,314	4,314
Hong Kong dollar	2.16	2022	693	693
Malaysia Ringgit	4.16 – 4.24	2022	810	810
Korean Won	3.68 – 3.77	2022	2,840	2,840
			14,657	14,657

15 Loans and borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Bills payable and trust receipts				
Singapore dollar	1.68 – 2.53	2022	30,405	30,405
United States dollar	1.49 – 2.53	2022	2,885	2,885
Japanese Yen	1.10 – 1.66	2022	260	260
Australian dollar	2.08 – 2.26	2022	7,329	7,329
Hong Kong dollar	2.24 – 2.32	2022	120	120
Malaysia Ringgit	3.81 – 4.26	2022	2,460	2,460
			43,459	43,459
			62,486	62,486
Group				
31 December 2020				
Term loans				
Singapore dollar	2.00 – 2.50	2021 – 2025	4,874	4,874
Unsecured bank loans				
Singapore dollar	2.21 – 3.29	2021	8,000	8,000
Australian dollar	1.89	2021	4,866	4,866
Hong Kong dollar	2.16	2021	684	684
Malaysia Ringgit	4.05 – 4.13	2021	1,510	1,510
Korean Won	3.16	2021	3,050	3,050
			18,110	18,110
Bills payable and trust receipts				
Singapore dollar	1.30 – 2.55	2021	28,609	28,609
United States dollar	1.58 – 2.30	2021	4,120	4,120
Japanese Yen	1.15 – 2.00	2021	1,939	1,939
Australian dollar	2.07 – 2.34	2021	6,645	6,645
Hong Kong dollar	2.35 – 2.64	2021	117	117
Malaysia Ringgit	4.06 – 4.29	2021	755	755
Euro	1.70	2021	652	652
			42,837	42,837
			65,821	65,821
Company				
31 December 2021				
Term loans				
Singapore dollar	2.00 – 2.50	2022 – 2025	4,370	4,370

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15 Loans and borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Unsecured bank loans				
Singapore dollar	2.25 – 2.50	2022	6,000	6,000
Australian dollar	2.02	2022	4,314	4,314
Hong Kong dollar	2.16	2022	693	693
			11,007	11,007
Bills payable and trust receipts				
Singapore dollar	1.68 – 2.53	2022	30,405	30,405
United States dollar	1.49 – 2.53	2022	2,885	2,885
Japanese Yen	1.10 – 1.66	2022	260	260
			33,550	33,550
			48,927	48,927
Company				
31 December 2020				
Term loans				
Singapore dollar	2.00 – 2.50	2021 – 2025	4,874	4,874
Unsecured bank loans				
Singapore dollar	2.21 – 3.29	2021	8,000	8,000
Australian dollar	1.89	2021	4,866	4,866
Hong Kong dollar	2.16	2021	684	684
			13,550	13,550
Bills payable and trust receipts				
Singapore dollar	1.30 – 2.55	2021	28,609	28,609
United States dollar	1.58 – 2.30	2021	4,120	4,120
Japanese Yen	1.15 – 2.00	2021	1,939	1,939
Euro	1.70	2021	652	652
			35,320	35,320
			53,744	53,744

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees granted by the Company to banks in respect of banking facilities amounting to $19,321,000 (2020: $25,590,000) for its wholly-owned subsidiaries which expire in June 2022 (2020: June 2021). The Company does not consider it probable that a claim will be made against the amounts under guarantee.

15 Loans and borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities				
	Lease liabilities $'000	**Unsecured bank loans $'000**	**Term loans $'000**	**Interest payable $'000**	**Total $'000**
Balance at 1 January 2020	7,513	34,082	–	405	42,000
Changes from financing cash flows					
Payment of lease liabilities	(4,342)	–	–	–	(4,342)
Repayment of borrowings	–	(34,587)	(126)	–	(34,713)
Proceeds from borrowings	–	18,080	5,000	–	23,080
Interest paid for lease liabilities and unsecured bank loans	(333)	–	–	(1,228)	(1,561)
Total changes from financing cash flows	(4,675)	(16,507)	4,874	(1,228)	(17,536)
The effect of changes in foreign exchange rates	279	535	–	(37)	777
Other changes					
Interest payable for bills payable and trust receipts	–	–	–	(1,040)	(1,040)
New leases	4,219	–	–	–	4,219
Interest expenses	333	–	–	2,095	2,428
Derecognition of lease liability	(172)	–	–	–	(172)
Total other changes	4,380	–	–	1,055	5,435
Balance at 31 December 2020	7,497	18,110	4,874	195	30,676

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Year ended 31 December 2021

15 Loans and borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities				
	Lease liabilities $'000	Unsecured bank loans $'000	Term loans $'000	Interest payable $'000	Total $'000
Balance at 1 January 2021	7,497	18,110	4,874	195	30,676
Changes from financing cash flows					
Payment of lease liabilities	(4,212)	–	–	–	(4,212)
Repayment of borrowings	–	(17,581)	(504)	–	(18,085)
Proceeds from borrowings	–	14,502	–	–	14,502
Interest paid for lease liabilities and unsecured bank loans	(240)	–	–	(515)	(755)
Total changes from financing cash flows	(4,452)	(3,079)	(504)	(515)	(8,550)
The effect of changes in foreign exchange rates	(175)	(374)	–	22	(527)
Other changes					
Interest payable for bills payable and trust receipts	–	–	–	(960)	(960)
New leases	3,411	–	–	–	3,411
Interest expenses	240	–	–	1,444	1,684
Derecognition of lease liability	(693)	–	–	–	(693)
Total other changes	2,958	–	–	484	3,442
Balance at 31 December 2021	5,828	14,657	4,370	186	25,041

16 Employee benefits

	Group	
	2021 $'000	2020 $'000
Liability for defined benefit obligations	1,086	795
Liability for long-service leave	179	218
	1,265	1,013

16 Employee benefits (cont'd)

Liability for defined benefit obligations

The Group contributes to a post-employment defined benefit plan due to statutory requirements in South Korea. The contributions required are determined by an independent qualified actuary using the projected unit credit method. Employees of the subsidiary with at least one year or more service are entitled to receive a lump-sum payment upon termination of their employment, based on their length of service and rate of pay at the time of termination. The defined benefit plan is fully funded by the Group's subsidiary. Employees are not required to contribute to the plan.

The defined benefit plan is administered by a pension fund that is legally separate from the Group. The pension fund is required by law to act in the best interests of the plan participants.

This defined benefit plan exposes the Group to actuarial risks, such as discount rate, salary increase rate and mortality rate.

Movement in net defined benefit liability/(asset)

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/(asset) and its components.

	Defined benefit obligation $'000	Fair value of plan asset $'000	Net defined benefit liability/(asset) $'000
Group			
Balance as at 1 January 2020	1,053	(502)	551
Included in profit or loss			
Current service cost	255	–	255
Interest cost/(income)	30	(17)	13
	285	(17)	268
Included in other comprehensive income			
Remeasurement loss/(gain):			
- Actuarial loss/(gain) arising from:			
- financial assumptions	(10)	–	(10)
- experience adjustment	155	–	155
- Return on plan assets excluding interest income	–	11	11
Effect of movements in exchange rates	53	(19)	34
	198	(8)	190
Other			
Contributions paid by the employer	–	(42)	(42)
Benefits paid	(327)	155	(172)
	(327)	113	(214)
Balance as at 31 December 2020	1,209	(414)	795

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16 Employee benefits (cont'd)

Movement in net defined benefit/(asset) liability/(asset) (cont'd)

	Defined benefit obligation $'000	Fair value of plan asset $'000	Net defined benefit liability/(asset) $'000
Group			
Balance as at 1 January 2021	1,209	(414)	795
Included in profit or loss			
Current service cost	254	–	254
Interest cost/(income)	34	(10)	24
	288	(10)	278
Included in other comprehensive income			
Remeasurement loss/(gain):			
- Actuarial loss arising from:			
- financial assumptions	206	–	206
- experience adjustment	210	–	210
- Return on plan assets excluding interest income	–	10	10
Effect of movements in exchange rates	(97)	26	(71)
	319	36	355
Other			
Contributions paid by the employer	–	(1)	(1)
Benefits paid	(424)	83	(341)
	(424)	82	(342)
Balance as at 31 December 2021	1,392	(306)	1,086

Plan asset

Plan asset comprises:

	Group 2021 $'000	Group 2020 $'000
Fixed deposits placed with a financial institution	306	414

16 Employee benefits (cont'd)

Principal actuarial assumptions

The principal actuarial assumptions at the reporting date (expressed as weighted-averages) were:

	Group	
	2021	2020
	%	%
Discount rate	3.65	3.06
Salary increase rate	5.00	3.00
Mortality rate		
- Males	0.004 – 0.099	0.004 – 0.099
- Females	0.002 – 0.034	0.002 – 0.034

Assumptions regarding mortality rates are based on published statistics by the Korea Insurance Development Institute.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Defined benefit obligation			
	2021		2020	
	1 % increase	1 % decrease	1 % increase	1 % decrease
	$'000	$'000	$'000	$'000
Group				
Discount rate	(145)	176	(114)	138
Salary increase rate	181	(151)	136	(116)
Mortality rate	–*	–*	–*	–*

* Amount less than $1,000

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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17 Trade and other payables

	Note	Group		Company	
		2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade payables		17,673	23,711	8,820	11,234
Trade amount due to subsidiary		–	–	–	144
Accrued expenses		5,371	5,146	1,536	1,355
Other payables		349	327	241	196
Interest payable		186	195	139	163
Provision for site restoration	(a)	228	157	103	31
Amount due to a director, non-trade	(b)	76	75	–	–
		23,883	29,611	10,839	13,123

(a) A provision is recognised for the costs to be incurred for the restoration of the leased buildings to the condition required by the terms and conditions of the lease.

(b) Amount due to a director is unsecured, interest free and is repayable on demand.

Market and liquidity risks

The Group's and the Company's exposures to currency risk and to liquidity risk related to trade and other payables are disclosed in Note 25.

18 Revenue

	Group	
	2021 $'000	2020 $'000
Sales of goods	225,330	198,236

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods or services	Import and export, and distribution of automotive parts.
When revenue is recognised	Revenue is recognised when goods are delivered to the customers and all criteria for acceptance, including control of the goods, have been accepted by the customers.
Significant payment terms	For cash sales, payment is collected when goods are delivered to the customers. For credit sales, the payment terms range from 3 days to 120 days from invoice date.
Variable consideration	There is no right to return the goods. There are no variable considerations such as volume discounts and sales rebates provided to customers.

18 Revenue (cont'd)

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets (see Note 26).

	2021 $'000	2020 $'000
Primary geographical markets		
Singapore	21,217	18,980
Malaysia	44,516	43,426
Australia	46,232	42,010
Thailand	16,400	13,400
South Korea	54,646	42,779
Others	42,319	37,641
	225,330	198,236

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Trade receivables	12	27,692	25,970	18,542	17,702
Contract liabilities		(1,798)	(1,373)	(1,717)	(1,373)

The contract liabilities primarily relate to advance consideration received from customers for sale of goods.

Significant changes in the contract liabilities balances during the year is as follows:

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Revenue recognised that was included in the contract liability balances at the beginning of the year	895	331	895	316
Increases due to cash received, excluding amounts recognised as revenue during the year	(1,320)	(667)	(1,239)	(667)

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19 Other operating expenses

		Group	
	Note	2021 $'000	2020 $'000
Foreign exchange loss (net)		313	328
Operating leases expense	5	1,363	1,115
Sales commissions expenses		1,957	1,829
Transportation expenses		3,132	2,628
Utilities expenses		1,648	1,664
Written-down of inventories	11	1,489	963
Impairment loss on trade receivables	25	55	18
Loss/(Gain) on disposal of plant and equipment		34	(4)
Loss on reclassification of interest in associate to other Investments	7	110	–
Other expenses		3,494	3,311
		13,595	11,852

20 Finance costs

	Group	
	2021 $'000	2020 $'000
Financial liabilities measured at amortised cost – interest expense:		
- term loans	102	26
- bank loans	406	1,281
- bills payable and trust receipts	936	788
- lease liabilities	240	333
	1,684	2,428

21 Tax expense

	Group 2021 $'000	Group 2020 $'000
Current tax		
Current year	1,829	1,036
Changes in estimates related to prior years	24	64
Withholding tax	14	50
	1,867	1,150
Deferred tax		
Origination and reversal of temporary differences	(246)	(46)
Changes in estimates related to prior years	(37)	(44)
	(283)	(90)
Tax expense	1,584	1,060

Reconciliation of effective tax rate

	2021 $'000	2020 $'000
Profit before tax	6,129	2,336
Tax using the Singapore tax rate of 17% (2020: 17%)	1,042	397
Effect of tax rates in foreign jurisdictions	563	348
Withholding tax	14	50
Effect of result of associate presented net of tax	18	8
Non-deductible expenses	167	145
Tax incentives/exempt income	(252)	(276)
Changes in estimates related to prior years	(13)	20
Current year losses for which no deferred tax asset was recognised	45	368
	1,584	1,060

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Year ended 31 December 2021

22 Profit for the year

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

	Note	Group 2021 $'000	Group 2020 $'000
Audit fees paid/payable to:			
- auditors of the Company		198	167
- other auditors		194	186
Non-audit fees paid/payable to:			
- other auditors		58	68
Net impairment losses on trade receivables		55	1
Directors' fees		350	499
Government grants		(106)	(976)
Depreciation of plant and equipment	4	350	377
Depreciation of right-of-use assets	5	4,361	4,500
Loss/(Gain) on disposal of plant and equipment		34	(4)
Interest income		(12)	(16)
Rental income		–	(9)
Included in staff costs:			
- contributions to defined contribution plans		1,887	1,761
- expenses related to defined benefits plan	16	278	268

23 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2021 was based on the profit attributable to ordinary shareholders of $4,467,000 (2020: $1,224,000), and a weighted average number of ordinary shares outstanding of 87,265,029 (2020: 87,265,029), calculated as follows:

Profit attributable to ordinary shareholders

	2021 $'000	2020 $'000
Profit attributable to ordinary shareholders	4,467	1,224

23 Earnings per share (cont'd)

Weighted-average number of ordinary shares

	2021 Number of shares ('000)	2020 Number of shares ('000)
Weighted-average number of ordinary shares at 1 January and 31 December	87,265	87,265

The basic and diluted profit per share are the same for 2021 and 2020 as there were no dilutive instruments in issue as at 31 December 2021 and 31 December 2020.

24 Related parties

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.

Key management personnel compensation comprised:

	Group	
	2021 $'000	2020 $'000
Directors' fees	350	499
Short-term employee benefits	1,389	1,181
Post-employment benefits	55	59
	1,794	1,739

Other related party transactions

During the year, other than those as disclosed elsewhere in the financial statements, the following related party transactions are carried out on terms agreed between the parties:

	Group	
	2021 $'000	2020 $'000
Related party#		
- Sales	138	–

A shareholder company of the Group

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25 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Group has in place an Enterprise Risk Management ("ERM") framework, which governs the risk management process in the Group. The ERM framework enables the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. Risk management policies and systems are reviewed by the Audit and Risk Committee regularly and reported to the Board of Directors twice a year. Management is responsible for implementing the risk management process as well as a Group-wide system of internal controls.

The Board of Directors reviews the adequacy and effectiveness of the ERM framework against recommended practices in risk management and vis-a-vis the external and internal environment where the Group operates in. The Audit and Risk Committee, assisted by internal audit, reviews the adequacy and effectiveness of internal control measures identified from the ERM framework. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets in the statements of financial position represent the Group and the Company's maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not require any collateral in respect of their financial assets.

Impairment losses on financial assets recognised in profit or loss were as follows:

	2021 $'000	2020 $'000
Impairment loss on trade receivables	55	18

25 Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables

Risk management policy

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The credit quality of a customer is assessed after taking into account its financial position and past experience with the customer. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a cash basis.

The Group limits its exposure to credit risk from trade receivables by establishing maximum payment periods of 3 to 120 days for individual and corporate customers respectively. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, trade history with the Group, aging profile and existence of previous financial difficulties.

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are internationally dispersed, engage in distribution of wide spectrum of automotive parts and sell in a variety of territories.

Exposure to credit risk

A summary of the Group's and the Company's exposures to credit risk for third party trade receivables were as follows:

	2021		2020	
	Not credit-impaired $'000	**Credit-impaired $'000**	**Not credit-impaired $'000**	**Credit-impaired $'000**
Group				
Current (not past due)	22,273	–	19,974	–
Past due 1 – 30 days	4,464	–	4,664	–
Past due 31 – 120 days	743	28	1,149	–
Past due more than 120 days	249	5,797	221	5,828
Total gross carrying amount	27,729	5,825	26,008	5,828
Loss allowance	(37)	(5,825)	(38)	(5,828)
	27,692	–	25,970	–
Company				
Current (not past due)	6,705	–	5,724	–
Past due 1 – 30 days	2,240	–	2,379	–
Past due 31 – 120 days	407	–	724	–
Past due more than 120 days	–	5,189	–	5,145
Total gross carrying amount	9,352	5,189	8,827	5,145
Loss allowance	–*	(5,189)	(1)	(5,145)
	9,352	–	8,826	–

* Amount less than $1,000

25 Financial risk management (cont'd)

Credit risk (cont'd)

Expected credit loss 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 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.

The following tables provide information about the exposure to credit risk and ECLs for third party trade receivables.

	Weighted average loss rate %	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
Group				
31 December 2021				
Current (not past due)	0.01	22,273	(1)	No
Past due 1 – 30 days	0.04	4,464	(2)	No
Past due 31 – 120 days	4.28	771	(33)	No
Past due more than 120 days	96.36	6,046	(5,826)	Yes
		33,554	(5,862)	
31 December 2020				
Current (not past due)	0.00	19,974	–	No
Past due 1 – 30 days	0.02	4,664	(1)	No
Past due 31 – 120 days	0.86	1,158	(10)	No
Past due more than 120 days	96.94	6,040	(5,855)	Yes
		31,836	(5,866)	
Company				
31 December 2021				
Current (not past due)	0.00	6,705	–	No
Past due 1 – 30 days	0.00	2,240	–	No
Past due 31 – 120 days	0.00	407	–	No
Past due more than 120 days	100.00	5,189	(5,189)	Yes
		14,541	(5,189)	
31 December 2020				
Current (not past due)	0.00	5,724	–	No
Past due 1 – 30 days	0.00	2,379	–	No
Past due 31 – 120 days	0.14	724	(1)	No
Past due more than 120 days	100.00	5,145	(5,145)	Yes
		13,972	(5,146)	

25 Financial risk management (cont'd)

Credit risk (cont'd)

Movements in allowance for impairment in respect of third party trade receivables

The movement in the allowance for impairment losses in respect of third party trade receivables during the year was as follows:

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Balance at 1 January	5,866	5,920	5,146	5,207
Impairment loss recognised	55	18	–	5
Reversal of impairment loss	–	(17)	–	(16)
Amount written off	(65)	(20)	–	(10)
Effect of movements in exchange rates	6	(35)	43	(40)
Balance at 31 December	5,862	5,866	5,189	5,146

Trade amounts due from subsidiaries

There is no allowance for doubtful debts arising from these outstanding balances. The Company uses an allowance matrix to measure the ECLs for trade amounts due from subsidiaries. The loss rates applied to the allowance matrix are calculated based on historical credit loss experience in the past 5 years 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.

Non-trade amounts due from subsidiaries

The Company held non-trade amounts due from its subsidiaries which were extended to subsidiaries to meet their funding requirements. The loss allowance was measured at an amount equal to 12-month ECLs unless the credit risk has increased significantly and for such receivables, the loss allowance was measured at an amount equal to lifetime expected credit losses. The Company assessed specifically the probability of recovery to these balances and recognised the difference as impairment loss.

The movement in the allowance for impairment losses in respect of non-trade amounts due from subsidiaries during the year were as follows:

	Lifetime ECL – not credit-impaired	
	2021 $'000	2020 $'000
Company		
Balance at 1 January	1,678	1,445
Impairment loss recognised	–	233
Balance at 31 December	1,678	1,678

NOTES TO THE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

25 Financial risk management (cont'd)

Credit risk (cont'd)

Non-trade amounts due from subsidiaries (cont'd)

Deposits and other receivables

Impairment on these balances have been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Guarantees

The Company's policy is to provide financial guarantees only to wholly-owned subsidiaries. As at 31 December 2021 and 31 December 2020, the Company has issued a guarantee to certain banks in respect of credit facilities granted to subsidiaries (see Note 15). These guarantees are subject to impairment assessment under SFRS(I) 9. The Company has assessed that the subsidiaries have the financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses from these guarantees. The Company's assessment is based on qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and available press information).

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $14,785,000 and $6,457,000 respectively at 31 December 2021 (2020: $21,130,000 and $10,997,000 respectively). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A1 to Baa3 (2020: A1 to Baa1) based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

25 Financial risk management (cont'd)

Liquidity risk (cont'd)

Risk management policy (cont'd)

In addition, the Group maintains the following lines of credit:

- $800,000 overdraft facility that is unsecured; and
- $54,200,000 uncommitted facilities that is unsecured and can be drawn down to meet short-term financing needs.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Note	Carrying amount $'000	Contractual cash flows $'000	Cash flows 6 months or less $'000	6 - 12 months $'000	1 - 2 years $'000	2 - 5 years $'000
Group							
2021							
Non-derivative financial liabilities							
Term loans	15	4,370	(4,556)	(603)	(603)	(1,206)	(2,144)
Unsecured bank loans	15	14,657	(14,742)	(14,742)	–	–	–
Bills payable and trust receipts	15	43,459	(43,797)	(43,797)	–	–	–
Lease liabilities	5	5,828	(6,116)	(1,845)	(1,223)	(1,605)	(1,443)
Trade and other payables	17	23,883	(23,883)	(23,883)	–	–	–
		92,197	(93,094)	(84,870)	(1,826)	(2,811)	(3,587)
2020							
Non-derivative financial liabilities							
Term loans	15	4,874	(5,160)	(242)	(362)	(1,207)	(3,349)
Unsecured bank loans	15	18,110	(18,143)	(18,143)	–	–	–
Bills payable and trust receipts	15	42,837	(43,003)	(43,003)	–	–	–
Lease liabilities	5	7,497	(7,833)	(2,225)	(1,777)	(3,352)	(479)
Trade and other payables	17	29,611	(29,611)	(29,611)	–	–	–
		102,929	(103,750)	(93,224)	(2,139)	(4,559)	(3,828)

25 Financial risk management (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

				Cash flows			
	Note	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6 - 12 months $'000	1 - 2 years $'000	2 - 5 years $'000
Company							
2021							
Non-derivative financial liabilities							
Term loans	15	4,370	(4,556)	(603)	(603)	(1,206)	(2,144)
Unsecured bank loans	15	11,007	(11,047)	(11,047)	–	–	–
Bills payable and trust receipts	15	33,550	(33,809)	(33,809)	–	–	–
Lease liabilities	5	782	(798)	(509)	(211)	(55)	(23)
Trade and other payables	17	10,839	(10,839)	(10,839)	–	–	–
Recognised financial liabilities		60,548	(61,049)	(56,807)	(814)	(1,261)	(2,167)
Intragroup financial guarantees (unrecognised)	15	–	(19,321)	(19,321)	–	–	–
		60,548	(80,370)	(76,128)	(814)	(1,261)	(2,167)
2020							
Non-derivative financial liabilities							
Term loans	15	4,874	(5,160)	(242)	(362)	(1,207)	(3,349)
Unsecured bank loans	15	13,550	(13,578)	(13,578)	–	–	–
Bills payable and trust receipts	15	35,320	(35,454)	(35,454)	–	–	–
Lease liabilities	5	2,315	(2,395)	(802)	(624)	(881)	(88)
Trade and other payables	17	13,123	(13,123)	(13,123)	–	–	–
Recognised financial liabilities		69,182	(69,710)	(63,199)	(986)	(2,088)	(3,437)
Intragroup financial guarantees (unrecognised)	15	–	(25,590)	(25,590)	–	–	–
		69,182	(95,300)	(88,789)	(986)	(2,088)	(3,437)

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity.

It is not expected that the cash flows included in the maturity analysis would occur significantly earlier, or at significantly different amounts.

25 Financial risk management (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Risk management policy

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily the Euro, the United States Dollar, the Hong Kong Dollar, the Japanese Yen, the Australian Dollar, the Malaysia Ringgit, the Thai Baht, and the Korean Won.

In respect of other monetary assets and liabilities held in currencies other than the respective functional currencies of Group entities, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

25 Financial risk management (cont'd)

Market risk (cont'd)

Currency risk (cont'd)

Exposure to currency risk

The Group's and Company's exposures to significant foreign currencies are as follows:

	Singapore Dollar $'000	Euro $'000	United States Dollar $'000	Hong Kong Dollar $'000	Japanese Yen $'000	Australian Dollar $'000	Malaysia Ringgit $'000	Thai Baht $'000	Korean Won $'000
Group									
2021									
Trade and other receivables	–	–	1,825	–	1,678	–	–	–	–
Amounts due from subsidiaries *	–	1,922	1,808	4,333	–	3,960	11,604	1,023	3,023
Cash in hand and at bank	–	888	1,386	–	842	32	8	9	–
Equity investment at FVOCI	–	–	–	–	–	203	815	–	–
Unsecured bank loans	–	–	–	(693)	–	(4,314)	(809)	–	–
Bills payable and trust receipts	–	–	(2,885)	(119)	(260)	–	(2,461)	–	–
Trade and other payables	(4)	(4,826)	(1,130)	–	(3,188)	(23)	–	–	–
	(4)	(2,016)	1,004	3,521	(928)	(142)	9,157	1,032	3,023
2020									
Trade and other receivables	–	587	822	–	2,510	–	–	–	–
Amounts due from subsidiaries *	–	1,054	1,259	4,084	–	5,263	11,187	1,134	3,210
Cash in hand and at bank	–	583	686	–	702	8	8	–	–
Equity investment at FVOCI	–	–	–	–	–	–	815	–	–
Unsecured bank loans	–	–	–	(684)	–	(4,866)	–	–	–
Bills payable and trust receipts	–	(771)	(4,120)	–	(1,939)	–	–	–	–
Trade and other payables	(16)	(5,987)	(2,018)	–	(3,097)	(5)	–	–	–
	(16)	(4,534)	(3,371)	3,400	(1,824)	400	12,010	1,134	3,210

* Excluding amounts owing by subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future.

25 Financial risk management (cont'd)

Market risk (cont'd)

Currency risk (cont'd)

Exposure to currency risk (cont'd)

	Euro $'000	United States Dollar $'000	Hong Kong Dollar $'000	Japanese Yen $'000	Australian Dollar $'000	Malaysia Ringgit $'000	Thai Baht $'000	Korean Won $'000
Company								
2021								
Trade and other receivables	–	1,825	–	1,678	–	–	–	–
Amounts due from subsidiaries *	1,922	1,808	4,333	–	3,960	11,604	1,023	3,023
Cash in hand and at bank	888	1,386	–	842	32	8	9	–
Equity investment at FVOCI	–	–	–	–	203	815	–	–
Unsecured bank loans	–	–	(693)	–	(4,314)	–	–	–
Bills payable and trust receipts	–	(2,885)	–	(260)	–	–	–	–
Trade and other payables	(4,055)	(926)	–	(3,188)	–	–	–	–
	(1,245)	1,208	3,640	(928)	(119)	12,427	1,032	3,023
2020								
Trade and other receivables	587	822	–	2,510	–	–	–	–
Amounts due from subsidiaries *	1,054	1,259	4,084	–	5,263	11,187	1,134	3,210
Cash in hand and at bank	583	686	–	702	8	8	–	–
Equity investment at FVOCI	–	–	–	–	–	815	–	–
Unsecured bank loans	–	–	(684)	–	(4,866)	–	–	–
Bills payable and trust receipts	(652)	(4,120)	–	(1,939)	–	–	–	–
Trade and other payables	(4,515)	(1,865)	–	(3,097)	–	–	–	–
	(2,943)	(3,218)	3,400	(1,824)	405	12,010	1,134	3,210

* Excluding amounts owing by subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future.

NOTES TO THE
FINANCIAL STATEMENTS

Year ended 31 December 2021

25 Financial risk management (cont'd)

Market risk (cont'd)

Currency risk (cont'd)

Sensitivity analysis

A strengthening of the Singapore dollar against the following currencies at 31 December would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting year. The analysis assumes that all other variables, in particular interest rates, remain constant.

		Group		Company	
	Strengthening	Profit or loss $'000	Equity $'000	Profit or loss $'000	Equity $'000
2021					
Singapore Dollar	10%	–*	–	–	–
Euro	10%	202	–	125	–
United States Dollar	10%	(100)	–	(121)	–
Hong Kong Dollar	10%	(352)	–	(364)	–
Japanese Yen	10%	93	–	93	–
Australian Dollar	10%	35	(20)	32	(20)
Malaysia Ringgit	10%	(834)	(82)	(1,161)	(82)
Thai Baht	10%	(103)	–	(103)	–
Korean Won	10%	(302)	–	(302)	–
2020					
Singapore Dollar	10%	2	–	–	–
Euro	10%	453	–	294	–
United States Dollar	10%	337	–	322	–
Hong Kong Dollar	10%	(340)	–	(340)	–
Japanese Yen	10%	182	–	182	–
Australian Dollar	10%	(40)	–	(40)	–
Malaysia Ringgit	10%	(1,120)	(82)	(1,120)	(82)
Thai Baht	10%	(113)	–	(113)	–
Korean Won	10%	(321)	–	(321)	–

* Amount less than $1,000

A weakening of the Singapore dollar against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

25 Financial risk management (cont'd)

Market risk

Interest rate risk

The Group's and the Company's exposure to changes in interest rates relates primarily to lease liabilities and loans and borrowings.

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Company	
	Carrying amount		Carrying amount	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Fixed rate instruments				
Lease liabilities	5,828	7,497	782	2,315
Loans and borrowings	62,486	65,821	48,927	53,744
	68,314	73,318	49,709	56,059

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

25 Financial risk management (cont'd)

Accounting classifications and fair values

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.

		Carrying amount				Fair value			
	Note	Amortised cost	Equity investment at FVOCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
31 December 2021									
Financial assets not measured at fair value									
Trade and other receivables #	12	30,785	–	–	30,785				
Cash and cash equivalents		14,785	–	–	14,785				
		45,570	–	–	45,570				
Financial asset measured at fair value									
Equity investment – at FVOCI	8	–	1,018	–	1,018	–	–	1,018	1,018
Financial liabilities not measured at fair value									
Term loans	15	–	–	4,370	4,370				
Unsecured bank loans	15	–	–	14,657	14,657				
Bills payable and trust receipts	15	–	–	43,459	43,459				
Trade and other payables *	17	–	–	23,655	23,655				
		–	–	86,141	86,141				

Excludes prepayments.

* Excludes provision for site restoration.

25 Financial risk management (cont'd)

Accounting classifications and fair values (cont'd)

Fair value versus carrying amounts (cont'd)

		Carrying amount				Fair value			
	Note	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
Group									
31 December 2020									
Financial assets not measured at fair value									
Trade and other receivables #	12	28,189	–	–	28,189				
Cash and cash equivalents		21,130	–	–	21,130				
		49,319	–	–	49,319				
Financial asset measured at fair value									
Equity investment – at FVOCI	8	–	815	–	815	–	–	815	815
Financial liabilities not measured at fair value									
Term loans	15	–	–	4,874	4,874				
Unsecured bank loans	15	–	–	18,110	18,110				
Bills payable and trust receipts	15	–	–	42,837	42,837				
Trade and other payables *	17	–	–	29,454	29,454				
		–	–	95,275	95,275				

Excludes prepayments.

* Excludes provision for site restoration.

25 Financial risk management (cont'd)

Accounting classifications and fair values (cont'd)

Fair value versus carrying amounts (cont'd)

		Carrying amount				Fair value			
	Note	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 2021									
Financial assets not measured at fair value									
Trade and other receivables #	12	40,953	–	–	40,953				
Cash and cash equivalents		6,457	–	–	6,457				
		47,410	–	–	47,410				
Financial asset measured at fair value									
Equity investment – at FVOCI	8	–	1,018	–	1,018	–	–	1,018	1,018
Financial liabilities not measured at fair value									
Term loans	15	–	–	4,370	4,370				
Unsecured bank loans	15	–	–	11,007	11,007				
Bills payable and trust receipts	15	–	–	33,550	33,550				
Trade and other payables *	17	–	–	10,736	10,736				
		–	–	59,663	59,663				

Excludes prepayments.

* Excludes provision for site restoration.

25 Financial risk management (cont'd)

Accounting classifications and fair values (cont'd)

Fair value versus carrying amounts (cont'd)

		Carrying amount				Fair value			
	Note	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 2020									
Financial assets not measured at fair value									
Trade and other receivables #	12	37,714	–	–	37,714				
Cash and cash equivalents		10,997	–	–	10,997				
		48,711	–	–	48,711				
Financial asset measured at fair value									
Equity investment – at FVOCI	8	–	815	–	815	–	–	815	815
Financial liabilities not measured at fair value									
Term loans	15	–	–	4,874	4,874				
Unsecured bank loans	15	–	–	13,550	13,550				
Bills payable and trust receipts	15	–	–	35,320	35,320				
Trade and other payables *	17	–	–	13,092	13,092				
		–	–	66,836	66,836				

Excludes prepayments.

* Excludes provision for site restoration.

25 Financial risk management (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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Equity investment at FVOCI	Adjusted net asset method (Note 8)	Net asset value of the investee, adjusted for discount on lack of control	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 between Level 1, Level 2 and Level 3 during 2021 and 2020.

(iii) Level 3 fair value

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair value:

	Group $'000	Company $'000
At 1 January 2021	815	815
Reclassification from investment in associate	203	203
At 31 December 2021	1,018	1,018

During 2021, the Company lost its significance influence over the associate and consequently the investment in associate was reclassed to other investments.

25 Financial risk management (cont'd)

Measurement of fair values (cont'd)

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.

Sensitivity analysis

For the fair value of equity investment – FVOCI, reasonably possible changes at the reporting date to the net asset value of the investee by 10% (2020: 10%) for the Group and Company, respectively, holding other inputs constant, would have the following effects:

	Group and Company	
	Increase by 10%	Decrease by 10%
	$'000	$'000
2021		
Equity investment at FVOCI		
Equity	102	(102)
2020		
Equity investment at FVOCI		
Equity	82	(82)

26 Operating segments

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

26 Operating segments (cont'd)

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
2021							
Total revenue from external customers	21,217	44,516	46,232	16,400	54,646	42,319	225,330
Non-current assets (i)	1,185	501	4,109	–	764	191	6,750
2020							
Total revenue from external customers	18,980	43,426	42,010	13,400	42,779	37,641	198,236
Non-current assets (i)	2,776	396	4,312	–	778	344	8,606

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

Major customer

For the years ended 31 December 2021 and 2020, there was no single customer that contributed to 10% or more of the Group's revenue.

CORPORATE
GOVERNANCE REPORT

1. CORPORATE GOVERNANCE REPORT

The board of directors ("Board") of Tye Soon Limited (the "Company" and together with its subsidiaries, the "Group") is committed to setting and maintaining a high standard of corporate governance to protect and enhance long-term shareholders' value.

This Report sets out the Company's corporate governance practices which were in place during the financial year ended 31 December 2021 ("FY2021"), with reference made to the principles and provisions of the Code of Corporate Governance 2018 ("Code").

The Company has adhered to the principles and provisions as set out in the Code and any deviations with explanations will be specified in this Report.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The primary roles and responsibilities of the Board, apart from its statutory responsibilities, include:

- providing entrepreneurial leadership;
- setting strategic aims;
- ensuring that the necessary financial and human resources are in place for the Company and its subsidiaries (collectively the "Group") to meet its objectives;
- establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including the safeguarding of shareholders' interests and the Group's assets;
- reviewing Management's performance;
- setting the Group's values and standards (including ethical standards) and ensuring proper accountability within the Group;
- considering sustainability issues such as environmental and social factors as part of its strategic formulation; and
- assuming responsibility for corporate governance.

All directors are expected to exercise due diligence and independent judgement in the best interests of the Company. Every director is required to declare any conflict of interest in a transaction or proposed transaction with the Company as soon as practicable after the relevant facts have come to his or her knowledge. On an annual basis, each director is also required to submit details of his or her associates for the purpose of monitoring interested person transactions. No member of the Board participates in any deliberation or decision if he/she is directly or indirectly interested in respect of any matter to be resolved by the Board.

A formal letter is sent to newly-appointed directors upon their appointment explaining their duties and obligations as a Board director. Newly appointed directors are briefed by Management on the Group's business activities, strategic directions, policies and the regulatory environment in which it operates, as well as their statutory and other duties and responsibilities as directors. When required, the Group provides appropriate training and education program for the new and existing directors.

CORPORATE **GOVERNANCE REPORT**

To ensure that the directors keep pace with regulatory changes that have important bearing on the Company's or directors' disclosure obligations, the directors are briefed on such changes during Board meetings or specially convened sessions by professionals. All directors are updated regularly concerning any changes in major Company policies. The non-executive directors can also request further explanations, briefings or informal discussions on any aspect of the Company's operations or business issues from Management. The executive directors will make the necessary arrangements for the briefings, informal discussions or explanations required.

To assist in the execution of its responsibilities, the Executive Directors Committee ("EC"), the Audit Committee ("AC"), the Nominating Committee ("NC"), the Remuneration Committee ("RC") and Enterprise Risk Management Committee ("ERMC") were established by the Board with clearly defined written terms of reference.

On 5 August 2021, the AC and ERMC were dissolved and merged to form the Audit and Risk Committee ('ARC") to facilitate the holistic oversight of internal controls (including financial, operational and information technology controls) and risk management matters. The NC and RC were dissolved and merged to form the Nomination and Remuneration Committee ("NRC") for better efficiency in reviewing the appointment, performance and compensation of the directors and key management persons. The newly merged ARC and NRC were constituted under their respective terms of reference which are set out in the Appendix to this Report. These terms are and will be reviewed on a regular basis, along with the committee structures and membership, to ensure their continued relevance, taking into consideration the changes in the governance and legal environment. Any change to the terms of reference for any board committee requires the specific written approval of the Board.

All references to the ARC and the NRC and their practices in this Report shall include, as the context may require, (i) the AC and/or the ERMC, and (ii) the NC and/or the RC, respectively, as well as their respective practices during FY2021 (prior to their dissolution and merger into the ARC and NRC on 5 August 2021).

The composition, authority, responsibilities and activities of the EC, ARC and NRC (collectively known as Board Committees) set out in their respective terms of reference are provided under the various principles in this Report.

The Group has adopted internal guidelines governing matters that require Board approval that include:

- material investment and divestment proposals;
- major corporate or financial restructuring;
- key operational initiatives;
- major fund-raising exercises;
- announcement of financial statements and audited financial statements;
- recommendation of dividends; and
- authorisation of material interested person transactions.

The directors receive a timely regular supply of complete and accurate information from Management about the Group so that they are equipped to participate at Board meetings, make informed decisions and discharge their duties and responsibilities. Detailed Board papers are prepared for each Board meeting and are circulated in advance of each meeting. The Board papers include sufficient information on financial, business and corporate issues to enable the directors to be properly briefed on issues to be considered at the Board meetings. The Board receives monthly reports from Management providing updates on the Group's results and financial position.

All directors have unrestricted access to the Group's records and information. The directors may also liaise with Management as and when required to seek additional information. In addition, the directors have separate and independent access to Management and the advice and services of the Company Secretary. The Company Secretary attends all Board meetings. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

Should a director seek independent professional advice concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as a director, the Board will appoint a professional adviser to assist such a director at the Company's expense.

The Board meets at least twice a year and ad-hoc meetings are convened as and when they are deemed necessary. In addition to these meetings, corporate events and actions requiring Board approval were discussed over the telephone and resolutions passed by way of directors' resolutions in writing. Board and Board Committees also hold informal meetings and discussions amongst themselves and/or with Management from time to time. The Company's Constitution ("Constitution") provides for telephone and video conference meetings.

The number of Board and committees meetings held during FY2021 and the attendances of the directors at these meetings are set out below:

(a) Between 1 January 2021 and 5 August 2021

	Board		**AC**		**NC**		**RC**		**EC**		**ERMC**	
Name of Directors	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Ong Huat Choo(1)	1	1	1	1*	1	1*	1	1*	4	3	1	1
David Chong Tek Yew	1	1	1	1*	1	1*	1	1*	7	7	1	1
Ong Lay May, Apple(1)	1	1	1	1*	1	1*	1	1*	4	4	1	1
Ong Eng Chian, Kelvin	1	1	1	1*	1	1*	1	1*	7	7	1	1
Ong Eng Mien, Malcolm(1)	1	1	1	1*	1	1*	1	1*	4	4	1	1
Lim Lee Meng(2)	1	1	1	1	1	1	1	1	–	–	–	–
Tham Khuan Heng(3)	1	1	1	1	1	1	1	1	–	–	–	–
Timothy Chen Teck Leng	1	1	1	1	1	1	1	1	–	–	–	–
Noel Anthony Meehan(4)	–	–	–	–	–	–	–	–	1	1*	–	–
Darryl Gregor Abotomey(5)	–	–	–	–	–	–	–	–	1	1*	–	–

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(b) Between 5 August 2021 and 31 December 2021

	Board		ARC		NRC		EC	
Name of Directors	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
David Chong Tek Yew	1	1	1	1*	1	1*	5	5
Ong Eng Chian, Kelvin	1	1	1	1*	1	1*	5	5
Timothy Chen Teck Leng	1	1	1	1	1	1	1	1*
Tham Khuan Heng(3)	1	1	1	1	1	1	–	–
Noel Anthony Meehan(4)	1	1	1	1	1	1*	3	3*
Darryl Gregor Abotomey(5)	1	1	1	1*	1	1	3	3*
Chua Kwee Huay, Genevieve(6)	1	1	1	1	1	1	1	1*

Notes : A – represents number of meetings held
B – represents number of attendances
* – by invitation
(1) – stepped down on 26 April 2021
(2) – stepped down on 21 June 2021
(3) – stepped down on 31 August 2021
(4) – appointed on 26 April 2021
(5) – appointed on 26 April 2021 and stepped down on 15 December 2021
(6) – appointed on 21 June 2021

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As planned, two independent directors whose individual tenures exceeded nine years, retired in 2021 in compliance with Rule 210(5)(c). Ms Chua Kwee Huay, Genevieve was appointed on 21 June 2021 as an independent director.

On 19 March 2021, the Company's controlling shareholder, OBG & Sons Pte Ltd entered into an agreement to sell 25% of the issued and paid up capital of the Company to Bapcor Asia Pte. Ltd. ("Bapcor"). The sale was completed on 26 April 2021. Pursuant to Bapcor becoming a controlling shareholder of the Company, on the same day, two nominees from Bapcor were appointed as non-executive non-independent directors of the Company (one of whom resigned in December 2021) and three non-executive non-independent directors retired.

Following the above changes, as at 31 December 2021, the Board consisted of two executive directors, one non-executive non-independent director and two independent directors. The number of independent directors represented more than one-third of the Board. The Board considers that there are sufficient independent elements that enable the Board to discharge its duties and responsibilities. The Board comprises suitably-qualified directors who provide the Company with a good balance of accounting, finance and management's expertise and experience, complemented by sound industry knowledge.

The Board has two independent members. They are Mr Timothy Chen Teck Leng and Ms Chua Kwee Huay, Genevieve. The criterion for independence is based on the definition provided in the Code. The Board considers an "independent" director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement. The Board has carried out its annual evaluation of the independence of each of the two independent directors, taking into account whether the directors are independent in character and judgement and are free from relationships or circumstances which are likely to affect, or could appear to affect, the directors' judgement.

Non-executive directors and independent directors that make up three out of five directors as at 31 December 2021 do not exercise any management functions in the Company or any of its subsidiaries. Although all the directors have equal responsibility for the performance of the Group, the role of the non-executive directors and independent directors are particularly important in ensuring that the strategies proposed by Management are fully discussed and rigorously examined and take account of the long-term interests, not only of the shareholders of the Company ("Shareholders"), but also of the employees, customers and suppliers. Where necessary, non-executive directors and/or independent directors may meet without the presence of Management or executive directors to consider matters that must be raised privately. The chairman of such meetings provides feedback to the Board as appropriate.

The Board considers its independent directors to be of sufficient calibre and numbers, and their views to be of sufficient weight that no individual or small group can dominate the Board's decision-making processes. The independent directors have no financial or contractual interests in the Group other than by way of their fees. Their service is not pensionable.

The NRC considers and makes recommendations to the Board on the Board's diversity policy, such as the appropriate size and needs of the Board, having regard to the appropriate balance and skill mix, knowledge, experience and other aspects such as gender, age and personal qualities required for the diversity of perspectives, avoiding group think and fostering constructive debate and contributing to the overall effective performance of the Board. The Board is responsible for the implementation of the policy in an effective and practical manner. In recommending candidates to be appointed to the Board, the NRC takes into account the Board's diversity policy. There are two female directors on the Board and two directors have recent and relevant accounting or related financial management expertise or experience. The Board acknowledges that improvements to Board diversity are an ongoing process.

Non-Executive Chairman and Managing Director

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Group keeps the posts of Non-Executive Chairman and Managing Director separate. During FY2021, Ms Tham Khuan Heng retired as the Non-Executive and Independent Chairman of the Board on 31 August 2021. Mr Timothy Chen Teck Leng was appointed as the Non-Executive and Independent Chairman on 17 February 2022. Mr David Chong Tek Yew is the Managing Director. There is a clear division of responsibilities between the Non-Executive Chairman and the Managing Director which ensures there is a balance of power and authority at the top tier of the Group.

The Non-Executive Chairman's main responsibility to the Board is to lead the Board to ensure its effectiveness on all aspects of its role and set its agenda and ensure that adequate time is available for discussion of all agenda items, promote a culture of openness and debate at the Board, ensure that the directors receive complete, adequate and timely information, ensure effective communication with Shareholders, encourage constructive relations within the Board and between the Board and Management, facilitate the effective contribution of non-executive directors, in particular, and promote high standards of corporate governance.

The Managing Director is responsible for the implementation of the Group's strategies and policies and the conduct of the Group's day-to-day business.

As no one individual has unfettered powers of decision-making, the Board is of the view that the objectives of the Code have been met.

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Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Pursuant to changes to the composition of the Board in FY2021, as at the date of this Report, the NRC comprises two independent directors, Mr Timothy Chen Teck Leng (Chairman) and Ms Chua Kwee Huay, Genevieve and one non-executive non-independent director, Ms Margaret Anne Haseltine. As mentioned above, the NC was dissolved on 5 August 2021, with the NC and the RC having been merged under the NRC. Accordingly, the functions and responsibilities of the dissolved NC continued to be directly undertaken by the NRC, further details on which are set out below.

The responsibilities of the NRC include that of re-nomination of directors, having regard to each director's contribution and performance as well as annual determination of whether or not a director is considered independent for purposes of the Code. Details of the NRC's responsibilities are set out in the Appendix to this Report.

The NRC also considers and makes recommendations to the Board concerning the appropriate size and needs of the Board, having regard to the appropriate balance and skill mix, knowledge, experience and other aspects such as gender, age and personal qualities required for the diversity of perspectives, avoiding group think and fostering constructive debate and contributing to the overall effective performance of the Board.

The NRC considers and makes recommendations to the Board regarding the maximum number of listed company board representations each director may hold, having considered factors such as the director's ability to commit time and effort to the affairs of the Company, the competence of fellow directors, the strength of the management team, the types of listed companies involved, the frequency of meetings and the financial year end of the listed companies involved. The NRC had recommended and the Board had approved, that the maximum number of listed company board representations each director may hold shall not be more than six. All of the directors have complied with this requirement.

The NRC recommends all appointments and retirement of directors and, where applicable, considers candidates to fill new positions created by expansion and vacancies that occur by resignation, retirement or for any other reason. No member of the NRC participated in deliberations or decisions on recommendations for his/her re-nomination to the Board.

Where there is a need to appoint a new director, suitable candidates are sourced through the contacts of the directors or Management or through other external sources. The NRC will then assess the candidate's suitability based on certain objective criteria such as character, judgement, business experience and acumen, and makes its recommendation to the Board. Where a director has multiple board representations, the NRC will evaluate whether or not a director is able to and has been adequately carrying out his or her duties as a director of the Company. Final approval of a candidate is determined by the Board.

In appointing directors, the Board considers the range of skills and experience required in the light of:

(a) the geographical spread and diversity of the Group's businesses;

(b) the strategic direction and progress of the Group;

(c) the current composition of the Board; and

(d) the need for independence.

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The Company's Constitution provides that at each annual general meeting of the Company, at least one-third of the directors for the time being shall retire from office by rotation. In addition, the Company's Constitution provides for all directors to retire from office at least once every three years. A retiring director is eligible for re-election at the annual general meeting. The NRC has recommended the re-election of Mr Noel Anthony Meehan, Ms Chua Kwee Huay, Genevieve and Ms Margaret Anne Haseltine as directors of the Company at the forthcoming annual general meeting.

The Company's Constitution provides that any director appointed by the Board shall hold office until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of directors who are retired by rotation under the above Constitution. The NRC has recommended the re-election of Mr David Chong Tek Yew, Mr Noel Anthony Meehan, Ms Chua Kwee Huay, Genevieve and Ms Margaret Anne Haseltine as directors of the Company at the forthcoming annual general meeting.

The NRC determines annually, and as and when circumstances require, if a director is independent, having regard to the Code.

In the opinion of the NRC and the Board, Mr Timothy Chen Teck Leng and Ms Chua Kwee Huay, Genevieve are considered independent. For those directors who hold multiple board representations in public listed companies, the Board is of the view that such multiple representations will not affect their abilities to carry out their respective duties as directors of the Company.

As at the date of this report, the members of the Board and their details are set out below:

Name of Director	**David Chong Tek Yew**	**Ong Eng Chian, Kelvin**	**Noel Anthony Meehan**	**Margaret Anne Haseltine**
Brief write-up on background and working experience	Please refer to Group Management Team	Please refer to Group Management Team	Mr Meehan is a Non-Executive and Non-Independent Director. Currently, he is the CEO of Bapcor Limited.	Ms Haseline is a Non-Executive Non-Independent Director. Currently, she is the chair of the Board of Bapcor Limited
Academic and professional qualifications	Bachelor of Commerce, Chartered Accountant	Bachelor of Engineering	Fellow of Australian Society of Certified Practising Accountant and Member of Australian Institute of Companies Directors	Bachelor of Arts Degree
Date of appointment/ (last re-election)	1 July 1998 (23 June 2020)	17 July 2006 (23 April 2021)	26 April 2021 (NA)	17 February 2022 (NA)
Nature of appointment	Managing Director	Deputy Managing Director	Non-Executive Non-Independent Director	Non-Executive Non-Independent Director

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Name of Director	David Chong Tek Yew	Ong Eng Chian, Kelvin	Noel Anthony Meehan	Margaret Anne Haseltine
Board committees served	Member of EC	Member of EC	Member of ARC	Member of NRC
Present directorships in listed companies	Tye Soon Limited	Tye Soon Limited	Tye Soon Limited	Tye Soon Limited Bapcor Limited
Past years directorships in listed companies	–	–	–	–

Name of Director	Timothy Chen Teck Leng	Chua Kwee Huay, Genevieve
Brief write-up on background and working experience	Mr Chen has more than thirty years of management experience in banking, insurance, investment fund and corporate advisory work. He is also a director of several public listed companies.	Ms Chua is an Independent Director. Currently, she is the CEO of OVOL Singapore Pte Ltd.
Academic and professional qualifications	B.Sc. (Banking), MBA (Finance), Certified Corporate Director (ICD.D) Canada	Bachelor of Accountancy. Fellow Chartered Accountant, Singapore
Date of appointment/ (last re-election)	8 December 2016 (23 June 2020)	21 June 2021 (NA)
Nature of appointment	Independent Director	Independent Director
Board committees served	Chairman of the Board and NRC and Member of ARC	Chairman of ARC and Member of NRC
Present directorships in listed companies	Tye Soon Limited Yanzijiang Shipbuilding (Holdings) Ltd. Boldtek Holdings Limited	Tye Soon Limited
Past years directorships in listed companies	Sunmart Holdings Limited Hu An Cable Holdings Ltd. Xinren Aluminium Holdings Ltd. TMC Education Corporation Ltd. Tianjin Zhong Xin Pharmaceutical Group Corporation Limited Sysma Holdings Limited	–

Particulars of interests of directors who held office at the end of the financial year in shares and share options in the Company and its subsidiaries are set out in the Directors’ Statement.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual directors.

The Board, through the NRC, has used its best effort to ensure that directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience, knowledge in the business, competencies in finance and management skills critical to the Group's business. The Board has put in place a formal annual evaluation exercise creating a platform for the Board and Board Committees members to provide feedback on the board procedures and processes. The NRC had established a review process to assess the Board's performance as a whole and the contribution by each of its board committees and individual directors to the effectiveness of the Board.

A Board Performance Evaluation Form ("Evaluation Form") has been formulated to seek views on the various aspects of the Board performance. Incorporated into the Evaluation Form, the NRC considers, objectively, a set of quantitative and qualitative performance criteria that includes board size and composition, board independence, board processes, board information and accountability, conduct of directors, and the success in implementing strategic and long-term objectives set by the Board and the effectiveness of the Board in monitoring management's performance against the goals that have been set by the Board. Where appropriate, the Board will review and make changes to the Evaluation Form to align with prevailing regulations and requirements.

Each individual director's performance is evaluated informally on a continual basis by the NRC and the Chairman of the Board. Some factors taken into consideration by the NRC and the Chairman of the Board include the value of the director's contribution to the development of strategy, availability at board and board committee meetings as well as informal meetings, interactive skills, degree of preparedness and industry and business knowledge each director possesses.

Each of the Directors had completed the Evaluation Form for FY2021, giving their individual assessment and evaluation of the Board's ability and Board Committees' ability to meet the relevant criteria stated in the Evaluation Form. The forms were submitted to the corporate secretary, DrewCorp Services Pte Ltd for collation. Results of the assessment together with analysis of the results as compared to that of the previous year, was submitted for consideration and review by the NRC. The NRC's recommendations were submitted for endorsement by the Board.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

As at the date of this Report, the NRC comprises two independent directors, Mr Timothy Chen Teck Leng and Ms Chua Kwee Huay, Genevieve and one non-executive non-independent director, Ms Margaret Anne Haseltine. As mentioned above, the RC was dissolved on 5 August 2021, with the NC and the RC having been merged under the NRC. Accordingly, the functions and responsibilities of the dissolved RC continued to be directly undertaken by the NRC, further details on which are set out below.

The NRC reviews and approves recommendations on remuneration packages for the Chairman and the other executive directors based on the performance of the Group and the individual director. No director individually decides his or her own remuneration. Details of the NRC's responsibilities are set out in the Appendix to this Report.

The NRC reviews remuneration packages for key executives of the Company. The review covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind. The NRC's recommendations are submitted for endorsement by the Board.

The NRC also reviews the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The NRC aims to be fair and avoid rewarding poor performance.

The NRC has access to information regarding human resource matters within the Group and, if necessary, expert advice from outside the Group. Although no external remuneration consultant had been engaged by the Board, the NRC has full authority to do so, if the need arises.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Annual reviews of the compensation of directors are carried out by the NRC to ensure that the executive directors and senior management are appropriately rewarded, giving due regard to the financial and business needs of the Group. In setting remuneration packages, the Company also takes into account the performance of the Company and the individuals, giving consideration to the competitive situation and the combination of fixed and variable remuneration while aligning the interests of the Company's employees with that of the Shareholders.

The service contracts of the executive directors do not contain any onerous compensation commitments on the part of the Company in the event of termination. The variable components of the remuneration of the executive directors and key management personnel are not excessive. In view of this, contractual provisions to allow the Company to reclaim variable components of their remuneration paid in prior years have not been put in place. However, the Company will consider such contractual provisions when necessary.

The Company currently does not have any long-term incentive scheme but the Board recognises the virtue of such schemes and will implement one when the Board considers the circumstances suitable.

Non-executive directors and independent directors are paid a fixed fee after taking into account the effort, time spent and responsibilities of each such director. In FY2021, the Board engaged an external consultant to benchmark the fees against those of comparable listed companies. The directors' fees are recommended for Shareholders' approval at annual general meetings. No member of the NRC participated in deliberations or decisions on recommendations for his/her director's fee.

The remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate senior management of the Group and executive directors of the Company.

The NRC is of the opinion that the executive directors and senior management of the Group are not excessively compensated, taking into consideration their responsibilities, skills, expertise and contributions to the Group's performance. The remuneration for the executive directors and the senior management comprise a basic salary and a variable component, which is the annual bonus. The annual bonus is tied to the performance of the Group and the individual's performance.

Disclosure of Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

A summary compensation table of the directors' and key executives' remuneration of the Company and the Group for the year ended 31 December 2021 is set out below:

Remuneration Bands	Salary %	Bonus %	Fees %	Allowances and other benefits %	Total %	Total $
Executive Directors						
S$250,000 to S$500,000						
David Chong Tek Yew	64	18	6	12	100	743,000
Ong Eng Chian, Kelvin	53	23	8	16	100	
Non-Executive Directors						
Below S$250,000						
Ong Huat Choo(1)	–	–	100	–	100	$300,000
Ong Lay May, Apple(1)	–	–	100	–	100	
Ong Eng Mien, Malcolm(1)	–	–	100	–	100	
Lim Lee Meng(2)	–	–	100	–	100	
Tham Khuan Heng(3)	–	–	100	–	100	
Timothy Chen Teck Leng	–	–	100	–	100	
Noel Anthony Meehan(4)	–	–	100	–	100	
Darryl Gregor Abotomey(5)	–	–	100	–	100	
Chua Kwee Huay, Genevieve(6)	–	–	100	–	100	
Key Executives (who are not directors)						
S$250,000 to $500,000						
Lai Choy Tong(7)	53	36	–	11	100	751,000
Below S$250,000						
Ong Hock Siang @ Ong Huat Seong	97	–	–	3	100	
Ong Huat Yew, Peter	97	–	–	3	100	
Ng Yoke Yee(7)	63	21	–	16	100	

(1) Stepped down on 26 April 2021
(2) Stepped down on 21 June 2021
(3) Stepped down on 31 August 2021
(4) Appointed on 26 April 2021
(5) Appointed on 26 April 2021 and stepped down on 15 December 2021
(6) Appointed on 21 June 2021
(7) Mr Lai Choy Tong resigned on 15 December 2021. Miss Ng Yoke Yee was recruited on 1 December 2021 as the Group Financial Controller.

The Company has disclosed the remuneration of only three key executives, as there were only three management personnel (who are also not directors) whom the Company has identified as key executives.

Mr Ong Hock Siang @ Ong Huat Seong and Mr Ong Huat Yew, Peter are the brothers of Mr Ong Huat Choo, who ceased to be a non-executive non-independent director on 26 April 2021. Mr Ong Huat Yew, Peter is the father of Mr Ong Eng Chian, Kelvin (Deputy Managing Director) and Mr Ong Hock Siang @ Ong Huat Seong is the father of Mr Ong Eng Mien Malcolm, who has ceased to be a non-executive and non-independent director on 26 April 2021. Save as disclosed above, there are no employees who are substantial shareholders or are immediate family members of a director, the Managing Director or a substantial shareholder and whose remuneration exceeded S$100,000 during FY2021.

The disclosure of the directors' remuneration in bands of S$250,000 varies from Provision 8.1 of the Code which requires companies to disclose the specific remuneration of each director, CEO and at least the top five key management personnel (who are not directors or the CEO). The Board is of the view that full disclosure of the specific remuneration of each individual director and key management personnel is not in the best interests of the Company and may adversely affect the Company's talent retention efforts, given the sensitive nature of the subject and the competition in the industry for key talent. The disclosure of the total remuneration to the executive directors, non-executive directors and key executives provides further information consistent with the intent of Principle 8 of the Code.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders.

The Board is responsible for the governance of risks and sets the tone and direction for the Company in the way risks are being managed, and the AC was established to assist in its oversight of risk management before it was dissolved on 5 August 2021, with the AC and the ERMC having been merged under the Audit and Risk Committee ("ARC"). Accordingly, the functions and responsibilities of the dissolved AC continued to be directly undertaken by the ARC, further details on which are set out below.

The Group has in place an Enterprise Risk Management ("ERM") Framework, which governs the risk management process in the Group. The ERM Framework enables the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. Using a matrix, the significant operational, financial and compliance risks of the Group have been established and mapped against existing strategies, policies, people and processes together with internal control systems including financial, operational, compliance and information technology controls and reporting mechanisms.

The ownership of key risks lies with respective Heads of Corporate/Business Units who are responsible for implementing a Group-wide system of internal controls, which includes the Code of Conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes. The Group has implemented a control self-assessment program for its major business units. Risk owners of these business units carry out control self-assessments of key internal controls that mitigate key risks. Self-assessments of internal control are based on a set of qualitative assessment criteria. Internal audit conducts separate audits that involve testing the adequacy and effectiveness of internal controls to validate the risk owner's rating of the strength of internal controls.

The key risks, risk appetite and parameters, and key risk indicators of the Group are reviewed and deliberated by the ARC on a regular basis and reported to the Board twice a year. The ARC, through the internal audit reviews the adequacy and effectiveness of internal control measures identified by the ERM Framework. The Board reviews the adequacy and effectiveness of the ERM framework against recommended practices in risk management and vis-à-vis the external and internal environment that the Group operates in.

To ensure that risk management processes and internal controls are adequate and effective, the Board is further assisted by various independent professionals. External auditors provide assurance over the risk of material misstatements in the Group's financial statements. The internal auditor provides assurance that controls over the key risks of the Group are adequate and effective.

In addition, the Board also received assurance from the Managing Director and the Group Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and that the Company's risk management and internal control systems are adequate and effective.

Based on the framework established, control self-assessments by management and reviews by both the internal and external auditors during the year, together with assurance from the Managing Director and the Group Financial Controller, the Board, with the concurrence of the ARC, is of the opinion that the Group's risk management system and internal controls are adequate and effective in addressing the financial, operational, compliance and information technology control needs that the Group considers relevant and material to its operations. The Board is of the opinion that there were no material weaknesses identified in the Group's internal controls or risk management systems in FY2021.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement, loss or poor judgement in decision-making.

Audit and Risk Committee ("ARC")

Principle 10: The Board has an Audit Committee ("AC"), which discharges its duties objectively.

The ARC is chaired by Ms Chua Kwee Huay, Genevieve and comprises two other directors, one independent director, Mr Timothy Chen Teck Leng and one non-executive non-independent director, Mr Noel Anthony Meehan. As mentioned above, the AC was dissolved on 5 August 2021, with the AC and ERMC having been merged under the ARC. Accordingly, the functions and responsibilities of the dissolved AC continued to be directly undertaken by the ARC, further details on which are set out below.

Details of the ARC's responsibilities in the terms of reference are set out in the Appendix to this Report. Below is a summary of the ARC's key responsibilities:

(a) having all the functions, duties, powers and responsibilities described in Section 201B of the Companies Act 1967 ("Companies Act"), including without limitation, to review with the external auditors, the audit plan, the evaluation of the system of internal accounting controls, the audit report, the assistance given by the Company's officers to the external auditors, the scope and results of the internal audit procedures and the financial statements and consolidated financial statements of the Company.

(b) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the Company's financial statements and any announcements relating to the Company's financial performance.

(c) reviewing the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems and providing a statement on the Board's comment on the adequacy and effectiveness of the Company's internal controls.

(d) reviewing audit plans and reports of the external auditors and internal auditors, and consider the results, significant findings and recommendations, together with the effectiveness of actions taken by management on the recommendations and observations.

(e) making recommendations to the Board on (i) the proposals to the shareholders on the appointment and removal of external auditors and (ii) the remuneration and terms of engagement of the external auditors.

(f) reviewing the adequacy and effectiveness, independence, scope and results of the external audit and the Company's internal audit function.

(g) taking into consideration all factors as may be specified in the Code and the accompanying Practice Guidance when carrying out the ARC's duties.

The Board is of the view that the members of the ARC are appropriately qualified, and possess recent and relevant accounting or related financial management expertise and experiences to discharge their responsibilities. None of the members of the ARC were former partners or directors of the Company's auditing firm within the previous two years commencing on the date of their ceasing to be a partner or director and holds any financial interest in the auditing firm.

The ARC is authorised to investigate any matter within its terms of reference, and has full access to Management and also full discretion to invite any director or executive officer to attend its meetings, as well as reasonable resources to enable it to discharge its function properly.

The ARC is satisfied that internal audit function is effective, independent and adequately resourced. The internal audit function assists the Board in assessing key internal controls through a structured review and assessment program. The Company has established an in-house internal audit function led by an experienced internal auditor. The internal auditor directly reports and has unrestricted access to the ARC. Administratively, the internal auditor reports to the Managing Director of the Company.

The internal auditor operates within the terms of reference stated in the Internal Audit Master Plan which is approved by the ARC annually. During the financial year, the internal auditor reviewed the adequacy and effectiveness of controls over the Group's key risks, including financial, operational and compliance controls. Any control weaknesses identified, together with recommendations for improvement are reported to the ARC. The follow up actions by Management to improve the control weaknesses are closely monitored.

The ARC meets periodically with the Group's external and internal auditors and Management to review accounting, auditing and financial reporting matters so as to ensure that an effective control environment is maintained in the Group. The external and internal auditors have unrestricted access to the ARC. The ARC members also meet at least once each year on their own to discuss matters concerning the Company, without Management being present.

During the financial year, the ARC performed independent review of the financial statements of the Company before the announcement of the Company's financial results for the first half and full financial year. In the process, the ARC reviewed the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a material impact on the financials and relevant disclosures. The following key audit matters impacting the financial statements were also discussed with the management and the external auditors and were reviewed by the ARC:

Key audit matters	Reviews and comments by the ARC
Valuation of inventories Refer to note 3.7 and note 11 to the financial statements	The ARC reviewed and discussed with the management and external auditors on the approach and methodology applied in assessing the valuation of inventories. The ARC reviewed the reasonableness of the judgement applied in arriving at the estimate of write-down of inventories considering the age of the inventories, the prevailing market conditions in the automotive parts industry and historical provisioning experience.
Valuation of trade receivables Refer to note 3.8, note 12 and note 25 to the financial statements	The ARC reviewed the reasonableness of the judgement in determining the allowance for impairment loss on trade receivables including reasonableness of key assumptions applied and estimates used in the expected credit loss model taking into consideration the historical trend of doubtful trade receivables. The ARC also considered the report from the external auditors on their assessment of the valuation methodology, including the key assumptions applied and estimates used. The ARC concluded that the judgements applied were reasonable in preparing the financial statements for the year.
Valuation of plant and equipment and right-of- use ("ROU") assets Refer to note 3.4, note 3.6, note 3.8, note 4 and note 5 to the financial statements	The ARC reviewed and discussed with management and external auditors on the approach and methodology applied to the impairment assessment including reasonableness of the key assumptions used in the determination of recoverable amounts of the cash generating unit to which the plant and equipment and ROU assets belong. The ARC also considered the report from the external auditors on their assessment of the valuation methodology, including the key assumptions applied. The ARC was satisfied that the valuation approach and key assumptions used in the impairment assessment were reasonable.

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The Group has put in place a whistle blowing policy which sets out the arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Details of the whistle blowing policy, together with the dedicated whistle blowing email address have been disseminated to all employees and made available via the Company's corporate webpage (www.tyesoon.com/whistleblowing). Complaints are to be lodged with the Audit and Risk Committee Chairman through a dedicated email address, to maintain confidentiality of the complainant and the report, and all reports will be promptly investigated and appropriate action will be taken. No retaliatory action will be taken against such employee. The ARC is responsible for ensuring the maintenance, regular review and updating of the whistle-blowing policy and procedure.

The Company is committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for whistle-blowing in good faith. Should the ARC receive reports relating to serious offences and/or criminal activities in the Group, the ARC and the Board have access to the appropriate external advice where necessary.

The ARC has kept abreast of accounting standards and issues that could potentially impact financial reporting through briefing sessions, regular updates and advice from internal and external auditors, and attended seminars conducted by relevant institutes.

The ARC reviewed the independence and objectivity of the external auditors through discussions with them, confirmation by them, as well as nature and extent of non-audit services provided by the external auditors during the financial year under review. During the year, no non-audit fee was paid to KPMG LLP.

The ARC has recommended to the Board the nomination of KPMG LLP for re-appointment as external auditors of the Company at the forthcoming annual general meeting.

With regard to the appointment of external auditors, the Company has complied with the requirements under Rules 712 and 715 of the SGX Listing Manual.

Annually, the ARC meets with the internal auditors and the external auditors separately, without the presence of management. This is to review the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audits, the independence and objectivity of the external auditors and the observations of the auditors.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company believes in treating all shareholders fairly and equitably. The Company will keep all shareholders sufficiently informed of changes in the Company or its business which would likely materially affect the price or value of the Company's shares. Shareholders of the Company have the opportunity to participate effectively in and vote at general meetings, where relevant information of the rules, including voting procedures, that govern such meetings will be clearly communicated.

In presenting the financial statements for the first half and the full financial year to Shareholders, it is the aim of the Board to provide Shareholders with a balanced assessment of the Group's financial performance and position and prospects. The Board takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Separate resolutions are proposed at general meetings for each distinct issue. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

All directors, including the Chairman of the ARC and NRC are present at all general meetings to address questions at general meetings. External auditors are also present to assist the directors in addressing any queries by Shareholders.

The Company's Constitution allows Shareholders to appoint up to two proxies to attend and vote at general meetings.

Minutes of general meetings of the Company are available to Shareholders upon request. The Company will publish minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company does not have a formal dividend policy. In the Company's results announcement for FY2021 on 23 February 2022, the Board has recommended an exempt (one-tier) final dividend for the year ended 31 December 2021 of $0.0085 per share.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company believes in timely and accurate dissemination of information to Shareholders. The Board makes every effort to comply with continuous disclosure obligations of the Company under the listing rules of the SGX-ST and the Companies Act 1967. The Company does not practise selective disclosure of material information. Material information is excluded from briefings with investors or analysts, unless it has been publicly released either before or concurrently with, such meetings. Communication to Shareholders is normally made through:

(a) annual reports that are prepared and issued to all Shareholders;

(b) semi-annual financial results containing a summary of the financial information and affairs of the Group for the period;

(c) quarterly update on the Company's trading performance;

(d) notices and explanatory memoranda for annual general meetings and extraordinary general meetings;

(e) disclosures to the SGX-ST; and

(f) the Group's website at http://www.tyesoon.com at which Shareholders can access information on the Group.

CORPORATE GOVERNANCE REPORT

In addition, Shareholders are encouraged to attend general meetings of the Company to ensure a high level of accountability. The annual general meeting represents the principal forum for dialogue and interaction with Shareholders. The Company recognises the value of feedback from Shareholders. The Company has taken steps to solicit and understand the views of the Shareholders, especially during the annual general meetings, Shareholders are given ample time and opportunities to air their views and concerns.

The Company has in place an investor relations policy which allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. To enhance and encourage communication with shareholders and investors, the Company provides the contact information in its website. Shareholders and investors can send their enquiries through email.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company believes its stakeholders play a vital role in the formulation of the Group's business operation and long-term strategy. Through effective communication, the Company understands the concerns of its stakeholders and take them into consideration when making business decisions. Stakeholders have been identified based on the extent to which they affect or are affected by the Group's business activities and include the following:

- investors,
- customers,
- employees,
- communities,
- government and regulators, and
- suppliers.

The Group actively engages stakeholders through regular meetings and timely updates of information, including organisation policies, financial results and announcements, business developments, press releases, and relevant disclosures on SGXNet and the Group's website. It strives to develop various channels of communication and continue meaningful dialogue with key stakeholders.

The Group has a process in place to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. Engagement with material stakeholder groups, including key areas of focus and engagement channels are disclosed in the "Sustainability Report" section of the Annual Report.

2 INTERESTED PERSON TRANSACTIONS

No interested person transactions of S$100,000 or more were entered into during the financial year ended 31 December 2021.

3. MATERIAL CONTRACTS

There was no material contract entered into by the Company or any of its subsidiary companies involving the interest of the directors, or controlling shareholder during the financial year ended 31 December 2021.

4. DEALINGS IN SECURITIES

During the financial year under review, the Company has complied with Rule 1207(19) of the listing manual of the SGX-ST with respect to dealings in securities.

The Company has an internal policy to provide guidance to its directors, officers, executives, and any other persons as determined by Management that may possess unpublished material price-sensitive information of the Group ("Applicable Persons"), setting out inter alia, the following:

(a) the implications of insider trading;

(b) advising Applicable Persons not to trade in the Company's securities on short term considerations; and

(c) a black out period for trading in the Company's securities commencing one month before the release of the Company's half year and full year financial results and ending on the date of the announcement of the relevant financial results.

The Company's internal policy is in line with the best practices on dealing in securities provided in Rule 1207(19) of the listing manual of the SGX-ST.

APPENDIX TO CORPORATE GOVERNANCE REPORT
BOARD COMMITTEES – RESPONSIBILITIES

NOMINATION AND REMUNERATION COMMITTEE ("NRC")

Nomination matters

1. Making recommendations to the Board on relevant matters relating to:

   (a) the review of Board succession plans for Directors, in particular, the appointment and/or replacement of the Chairman and the Chief Executive Officer, and key management personnel;

   (b) the process and objective performance criteria for the evaluation of the performance and effectiveness of the Board as a whole, each board committee separately, the contribution by the Chairman and each individual Director;

   (c) The review of training and professional development programs for the Board, its board committees and the Directors; and

   (d) The appointment and re-appointment of Directors (including alternate directors, if any), including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates.

CORPORATE **GOVERNANCE REPORT**

2. Reviewing annually whether the Board and the board committees are of:

   (a) An appropriate size;

   (b) An appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company; and

   (c) An appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid group think and foster constructive debate.

3. Reviewing and determining annually, and as and when circumstances require, whether or not a Director is independent having regard to the requirements of the listing rules of the SGX-ST, the Code and the accompanying Practice Guidance (as each may from time to time be amended, modified or supplemented).

4. Ensuring that Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence and review such disclosures from the Directors and highlight these to the Board as required.

5. Reviewing the training and professional development programs for the Board, in particular to ensure that new Directors are aware of their duties and obligations.

6. Reviewing and determining if a Director is able to and has been adequately carrying out his/her duties as a director of the Company. In respect of a Director who holds a significant number of listed company directorships and principal commitments which involve significant time commitment, providing a reasoned assessment of the ability of the Director to diligently discharge his/her duties.

7. Setting the objectives for achieving board diversity and reviewing the Company's progress towards achieving these objectives.

8. Reviewing the statements relating to the following matters in the Company's annual reports with a view to achieving clear disclosure of the same:

   (a) the induction, training and development provided to new and existing Directors;

   (b) the Company's process for selection, appointment and re-appointment of Directors to the Board, criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates;

   (c) the Directors' relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence and the reasons of the Board in determining that such directors are independent notwithstanding the existence of such relationships;

   (d) the listed company directorships and principal commitments of each Director, and the Board's and NRC's reasoned assessment of the Director's ability to diligently discharge his/her duties;

   (e) how the assessments of the Board, the board committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of the Directors; and

   (f) the board diversity policy and progress made towards implementing the board diversity policy, including objectives.

9. In carrying out its duties as the nomination committee, taking into consideration all factors as may be specified in the Code and the accompanying Practice Guidance (as each may be from time to time amended, modified or supplemented).

Remuneration matters

10. Reviewing and recommending to the Board and in consultation with the Chairman of the Board, a framework of remuneration and guidelines for remuneration of the Directors and such other persons having authority and responsibility for planning, directing and controlling the activities of the Company ("Key Management Personnel").

11. Reviewing and recommending to the Board specific remuneration packages for each Director and Key Management Personnel.

12. Considering all aspects of remuneration (including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments), including termination terms, to ensure they are fair and that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the Company's strategic objectives.

13. Administering any share schemes which may be approved by the shareholders.

14. Reviewing the succession and leadership development plans for key positions.

15. Reviewing the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation and the statements in the Company's annual report with a view to achieving clear disclosure of the same.

16. In carrying out its duties as a remuneration committee, taking into consideration all factors as may be specified in the Code and accompanying Practice Guidance (as each may be from time to time amended, modified or supplemented), including without limitation, the following:

    (a) A significant and appropriate proportion of the executive Directors and Key Management Personnel is structured so as to link rewards to corporate and individual performance and performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

    (b) The remuneration of non-executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities.

    (c) The remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company for the long term.

    (d) The use of contractual provisions should be considered to allow the Company to reclaim incentive components of remuneration from executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

    (e) To review the Company's obligations arising in the event of termination of the executive Directors' or Key Management Personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

CORPORATE GOVERNANCE REPORT

General responsibilities as the NRC

17. Reviewing the NRC's terms of reference annually and recommend any proposed changes to the Board for approval.

18. Assuming such other duties (if any) that may be assigned to a nomination committee and/or a remuneration committee of a Singapore-listed company under the Listing Rules of the Singapore Exchange Securities Trading Limited and/or the Code.

AUDIT AND RISK COMMITTEE ("ARC")

1. To have all the functions, duties, powers and responsibilities described in Section 201B of the Companies Act, including without limitation, to review with the auditor, the audit plan, the evaluation of the system of internal accounting controls, the audit report, the assistance given by the Company's officers to the auditor, the scope and results of the internal audit procedures and the financial statements and consolidated financial statements of the Company.

2. To review the significant financial reporting issues and judgements so as to ensure the integrity of the Company's financial statements and any announcements relating to the Company's financial performance.

3. To review at least annually the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems and, where necessary and appropriate, provide a statement on the Board's comment on the adequacy and effectiveness of the Company's internal controls.

4. To review audit plans and reports of the external auditors and internal auditors, and consider the results, significant findings and recommendations, together with the effectiveness of actions taken by management on the recommendations and observations.

5. Where necessary, to commission an independent audit on internal controls and risk management systems for the ARC's assurance, or where it is not satisfied with the Company's systems of internal controls and risk management.

6. To review (i) the assurance from the Chief Executive Officer ("CEO") and the Chief Finance Officer ("CFO") on the financial records and financial statements of the Company and (ii) assurance from the CEO and other key management personnel on the adequacy and effectiveness of the Company's risk management and internal control systems.

7. To make recommendations to the Board on (i) the proposals to the shareholders on the appointment and removal of external auditors and (ii) the remuneration and terms of engagement of the external auditors.

8. To review the adequacy and effectiveness, independence, scope and results of the external audit and the Company's internal audit function.

9. To commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's operating results and/or financial position and ensure that appropriate follow-up actions are taken.

10. To review the Company's policy and arrangements for concern about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

11. To be the primary reporting line of the internal audit function and ensure that the internal audit function has direct and unrestricted access to the Chairman of the Board and the ARC.

12. To ensure that the internal audit function is independent, effective and adequately resourced. The internal audit function should be staffed with persons with the relevant qualifications and experience. To decide on the appointment, termination and remuneration of the head of the internal audit function.

13. To meet with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually and to review the co-operation extended to the internal auditors and the external auditors.

14. To review the nature, extent and costs of non-audit services performed by the external auditors, to ensure their independence and objectivity.

15. To review interested person transactions (including where required under any general mandate as may from time to time be approved by shareholders of the Company pursuant to the Listing Rules of the Singapore Exchange Securities Trading Limited ("Listing Rules") and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with the Company's internal control system and the relevant provisions of the Listing Rules, as well as all conflicts of interest to ensure that proper measures to mitigate such conflicts of interest have been put in place, in relation to interested person transactions.

16. To recommend the appointment of an independent financial adviser ("IFA") where necessary under the Listing Rules and its fees in respect of any transaction, matter or any other corporate action taken by the Company where such IFA is required.

17. To review the statements to be included in the Company's annual report concerning the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems, with a view to achieving clear disclosure of the same.

18. To review and make recommendations to the Board on (i) significant or potentially significant risks which the Company is willing to take in achieving its strategic objectives and value creation; (ii) risk limits consistent with the Company's significant risks and risk appetite; (iii) delegation of authority on risk limits; and (iv) the Company's risk management framework with its management and whether there are any changes in the material business or enterprise risks the Company faces and to ensure they remain within the risk appetite set by the Board.

19. To review and approve the adequacy of the Company's risk management framework and policies relevant for managing risks of the Company, as well as adequacy of resources for the risk management function, such as manpower, financial and technology.

20. To monitor the Company's management performance on ensuring that risk considerations are incorporated into strategic and business planning and provide updates and make recommendations to the Board in relation thereto.

21. To consider and advise on risk matters referred to it by the Company's management or the Board.

CORPORATE **GOVERNANCE REPORT**

22. In carrying out its duties, to take into consideration all factors as may be specified in the Code and the accompanying Practice Guidance (as each may be from time to time amended, modified or supplemented).

23. To review the ARC's terms of reference annually and recommend any proposed changes to the Board for approval.

24. To assume such other duties (if any) that may be assigned to an audit committee and/or a risk committee of a Singapore-listed company under the Companies Act, the Listing Rules and/or the Code (as each may from time to time be amended, modified or supplemented).

SUSTAINABILITY REPORT

Board Statement

The Board of Directors at Tye Soon Limited (the "Company") and its subsidiaries (the "Group") are pleased to publish our sustainability report for the financial year ended 31 December 2021 ("FY2021").

Striving for sustainability in business has become more of a requirement than an option due to increased global concern about climate change. We believe that it is important for us to integrate environmental, social and governance ("ESG") considerations into our long-term business strategy.

The Board oversaw a materiality assessment that was conducted in 2017 and reviewed annually to identify where to concentrate our sustainability efforts in high impact areas which support our business strategy. Our material factors in 2021 have remained unchanged from last year. We are supported by the Sustainability Steering Committee (the "SSC"), comprising key executives across the Group, to develop sustainability strategies and manage its performance. We have reviewed our performance against the targets set last year for each material factor.

This report is aligned with Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B – Sustainability Reporting Guide and has been prepared with reference to the internationally recognised Global Reporting Initiative ("GRI") Standards (2016). All data in this report is presented in good faith and to the best of our knowledge. We have not obtained independent assurance of the information reported for this report.

We invite you to learn more about our journey and the measures we have taken to make us more resilient in the future, so as to continue to create value for the Group and our stakeholders.

About This Report

To be read in conjunction with its financial statements, this report addresses the Group's material environmental, social and governance ("ESG") topics from 1 January to 31 December 2021.

Reporting Scope and Boundaries

In defining the reporting scope, we considered the percentage of contribution to the total revenue, the level of ownership by the Group as well as the significance of any resulting economic, environmental and social impacts. In our sustainability report, we have included 8 entities which are located at Singapore, Malaysia, Australia, and Korea.

Reporting Guidelines

This report has been prepared in compliance with the requirements of SGX-ST Listing Rules 711A and 711B, and with reference to the Global Reporting Initiative ("GRI") Standards (2016).

Stakeholder Engagement

We believe stakeholders play a vital role in the formulation of the Group's business operation and long-term strategy. Through effective communication, we understand the concerns of our stakeholders and take them into consideration when making business decisions. These stakeholders have been identified based on the extent to which they affect or are affected by our business activities. Our stakeholders with whom we connect on periodic basis include investors, customers, employees, communities, government and regulators, as well as suppliers.

SUSTAINABILITY **REPORT**

The Group actively engages stakeholders through regular meetings and timely updates of information, including organisation policies, financial results and announcements, business developments, press releases, and relevant disclosures on SGXNet and company website. We strive to develop various channels of communication and continue meaningful dialogue with our key stakeholders. In addition, we proactively participate in the activities of The Singapore Cycle & Motor Traders' Association[1] ("SCMTA") and Victorian Automobile Chamber of Commerce ("VACC")[2] and Australian Automotive Aftermarket Association ("AAAA")[3].

Materiality Assessment

In FY2017, a Materiality Assessment was initiated by the Group to identify, prioritise and validate ESG factors that are significant to our business operations and of interest to key stakeholders. The exercise took reference from the GRI Standards (2016) Materiality Principle and was facilitated by an independent sustainability consultant.

The participants engaged in the assessment workshop that required them to consider the following:

- Global and local emerging sustainability trends;
- Material topics and future challenges, as identified by peers;
- Options of sustainability reporting frameworks and relevant sector-specific guidance; and
- Insights gained from regular interactions with external stakeholders.

As a result of the workshop, the following 7 factors were identified to be material to the Group. These were validated by the Board and are the focus of this sustainability report. In FY2021, we reviewed the materiality assessment process and concluded that the material factors are still reflective of our current business direction and thus our 7 material factors remained unchanged.

Sustainability Focus Areas	*Material Factors*	*Mapped GRI Topics*
Economic Impact	● Economic Performance	● Economic Performance
Environmental Protection	● Energy	● Energy
Social Responsibility	● Talent Retention	● Employment
	● Training and Education	● Training and Education
	● Occupational Health & Safety	● Occupational Health & Safety
	● Customer Satisfaction	● Non-GRI Topic
Governance	● Product Range and Excellence	● Non-GRI Topic

1 Singapore Cycle & Motor Traders' Association (SCMTA) represents about 80% of the bicycles, motor vehicle parts and accessories dealers in Singapore. Further information can be found by visiting SCMTA's official website: http://www.autoparts. com.sg

2 The Victorian Automobile Chamber of Commerce (VACC) is an automotive industry employer association. Further information can be found by visiting VACC's official website: https://www.vacc.com.au

3 The Australian Automotive Aftermarket Association (AAAA) is the national industry association representing manufacturers, distributors, wholesalers, importers and retailers of automotive parts and accessories, tools and equipment, as well as providers of vehicle service, repair and modification services in Australia. Further information can be found by visiting AAAA's official website: https://www.aaaa.com.au

SUSTAINABILITY **REPORT**

Economic Impact

Economic Performance

At Tye Soon, we carry out our operations responsibly so as to continuously create sustainable value for our customers and shareholders. The Group has therefore implemented an Enterprise Risk Management ("ERM") framework, which governs the risk management process in the Group. The ERM framework enables the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. As part of the framework, risk management policies and systems are assessed by the ERM committee regularly and reported to the Board of Directors twice a year. Management team is responsible for implementing the risk management policies as well as a Group-wide system for internal assurance. This ensures that the top management is in control of any potential financial risks.

Details of the Group's financial performance in FY2021 can be found in the 5-Year Financial Summary (page 3) and Financial Statement (pages 23 to 98) sections of this Annual Report.

Environmental Protection

Energy

The Group acknowledges that climate change and global warming are included in the international and local sustainability agenda. As our business operations contribute to these phenomenon, we endeavour to minimise the negative environmental impact whilst reducing our operational cost.

Energy conservation has always been a key operational focus. We work closely with the property owners to drive continuous improvement in energy efficiency within our offices and warehouses. Several energy saving initiatives have been implemented, including:

- ***Invest in energy efficient technologies***

  Lighting accounts for a significant part of electricity consumption in a building. As light-emitting diode ("LED") light fittings are estimated to be more energy efficient than traditional lighting, we have introduced LED retrofit projects in our offices and warehouses by participating in a local government incentive scheme in Australia.

- ***Conduct regular maintenance***

  We keep track of regular maintenance to ensure routine actions are undertaken on equipment in order to mitigate the consequences of failure. Staff are also encouraged to provide feedback on malfunctioning equipment to allow timely repair. Moreover, the monthly consumption of utilities is monitored to identify potential opportunities to improve energy efficiency.

- ***Raise environmental awareness***

  We believe in a corporate culture that values sustainability. Sustainability within the corporate culture results in operational cost savings and marketable brand to our consumers as well as prospective employees. To increase environmental awareness, we support promotion of energy savings and waste management initiatives by sending out effective messages to our employees and building users.

  Electricity consumption serves as a main source of energy usage in our offices and warehouses. Electricity intensity accounted for 9.6 KWh/m2 in FY2021 as compared to 8.9 KWh/m2 in FY2020, of our total occupied area. Most of our offices and warehouses were opened longer as the movement control measures were reduced. Moving forward, we target to maintain the energy intensity around 9.5 KWh/m2 level in the forthcoming year.

SUSTAINABILITY **REPORT**

Social Responsibility

Talent Retention

At the Group, our people play a crucial role in the growth of our business. The retention of a diligent workforce creates a positive work environment, and strengthens employees' commitment to the organisation. We believe stability and continuity in leadership and technical expertise will result in increased trust and confidence among our stakeholders.

In line with our commitment towards creating a positive work environment, we reward our employees based on their abilities and performance. Employees' performance is linked directly to the competitive remuneration and is an important basis for decisions such as yearly salary and job promotion.

The Group strives to enhance the employees' overall effectiveness as well as their continuous contribution and growth. We also believe that open and continuous dialogues with employees can help to reduce turnover while improving working conditions. Employee engagement sessions are conducted to allow employees to address their concerns and provide their feedback if necessary.

We have maintained a diligent workforce by implementing the above practices. In FY2021, our employee yearly turnover was 21% as compared to FY2020 of 19%. We aim to achieve an employee turnover of less than 15% in the forthcoming year.

Training and Education

In a dynamic business environment, we recognise the need to continuously upgrade our employees' skills in order to equip them with the tools necessary for growth. Employees' training and development remain our key priorities. We believe that ongoing career development will lead to improved business performance and contribute to employee satisfaction.

To help our employees achieve their full potential, the Group encourages them to upgrade their knowledge and skillset. We provide training opportunities for the employees to work and learn in the current work environment.

In Australia and South Korea, we have an employee induction programme to provide all new recruits with essential information, such as job profile, mock trainings, introduction to business operations, policies & procedures of the organisation. We believe the induction programme is one of the most effective and efficient ways to bring new team members up to speed on a whole range of company policies that apply to the role.

In FY2021, each employee received an average of 12 training hours as compared to FY2020 of 7 training hours. In the forthcoming year, we aim to provide all our employees with equal opportunity to relevant trainings as per the requirements.

Occupational Health and Safety

As a responsible employer, we believe in safe working environment in our operations. We believe it is very important to minimise the risks of work-related injury and illness as it not only endangers employee safety but also have an impact on operational efficiency and reputational damage of the company. It is our commitment to adhering to the local safety laws and regulations in each of our geographic markets.

At the Group, employees are required to abide by the health and safety measures, and undertake reasonably practicable steps to ensure workplace safety. Regular reviews are conducted to improve our existing safety standards and practices. We also ensure compliance to safety laws and regulations in the countries where we operate. We conduct regular safety inspection at our facilities to identify potential health and safety risks and take preventive measures wherever necessary.

We record all work-related injury, regardless of its severity and conduct a follow up for implementation of corrective action plan. Employees are required to follow the emergency procedure by informing the manager and/or supervisor in charge to take necessary actions.

In FY2021, accident frequency rate[4] was 26 accidents per million manhours worked as compared to accident frequency rate[4] of 19 accidents per million manhours worked in FY2020. There were zero reported workplace fatalities in FY2021. We continue to encourage employees to work towards the goal of zero injuries. Moving forward, we target to maintain zero work-related fatalities.

Customer Satisfaction

We view customer satisfaction as a critical part for business success. We regularly review the roles and skillsets of the people who are customer facing to improve our customer services. Our employees are equipped with good product knowledge, skills and competencies required to fulfill customer requirements.

At Tye Soon, we strive to retain as many existing customers as possible whilst acquiring new customers. We broaden our communication channels with our customers from customer feedback from our website and customer events. This will enable us to hear the voice of our customers and respond to it efficiently. In this way, we will be able to understand whether our products and services are able to meet customer expectations.

In 2021, we continued to engage our customers through social media and time spent with customers through video/audio calls etc. With various forms of engagement, we obtained their feedback on our products and services. Moving forward, we target to address relevant feedbacks in timely manner.

Governance

Product Range and Excellence

At Tye Soon, we believe that good governance and product excellence go hand-in-hand. Good governance practices reduce exposure of the company to unnecessary risks and leads to opportunities for growth and improved performance. Through good governance we embrace a competitive business strategy by offering a wide range of products and services with excellence to meet our customers' increasingly diverse demand. Product range and excellence are considered as a cornerstone for our business as it contributes to revenue and profitability. We ensure that our customers are fully satisfied with our products and services and retain their relationship with us.

4 Accident frequency rate: Number of lost time injuries resulted due to accidents per million man hours worked

Our management plays an active role in implementing the initiatives below that expand product range and enhance excellence.

Conduct product quality assessment	Understand customer demand	Reinforce brand strategy
Develop product portfolio	Improve customer satisfaction	Ensure quick and reliable response
Act on customer feedback	Boost time efficiency	Distribute safe and top notch quality products

In 2021, we have brought in new products under different brands to meet our customers demand. Moving forward, we target to maintain our current brands for our products and services.

SHAREHOLDING **STATISTICS**

As at 16 March 2022

Number of issued ordinary shares	:	87,265,029
Issued and paid-up capital	:	S$38,057,146.05
Number of treasury shares held	:	Nil
Number of subsidiary holdings	:	Nil
Class of shares	:	Ordinary shares each with equal voting rights

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	117	3.15	5,797	0.01
100 – 1,000	1,765	47.46	1,193,313	1.37
1,001 - 10,000	1,542	41.46	5,330,548	6.11
10,001 - 1,000,000	285	7.66	18,858,925	21.61
1,000,001 and above	10	0.27	61,876,446	70.90
	3,719	100.00	87,265,029	100.00

Shareholdings Held in Hands of Public

Based on information available to the Company as at 16 March 2022, approximately 29.73% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	OBG & Sons Pte Ltd	23,248,102	26.64
2	UOB Kay Hian Pte Ltd	21,829,590	25.01
3	Ong Huat Yew Peter	2,746,767	3.15
4	Ong Huat Choo	2,684,100	3.08
5	HSBC (Singapore) Nominees Pte Ltd	2,381,866	2.73
6	Ong Hock Siang @ Ong Huat Seong	2,235,071	2.56
7	Ong Huat Kee	2,150,067	2.46
8	Abel Eng Waey Ong	1,653,447	1.89
9	Ong Yuu Kock	1,552,666	1.78
10	DBS Nominees Pte Ltd	1,394,770	1.60
11	Ong Eng Chian Kelvin	795,908	0.91
12	Lee Seck Yee	784,666	0.90
13	Chua Thiam Chok	773,400	0.89
14	Tan Yong Ping (Chen Yongbin)	706,666	0.81
15	Hobee Print Pte Ltd	675,000	0.77
16	Ong Lay May Apple	600,000	0.69
17	Chua Wee Liong (Cai Weilong)	589,700	0.68
18	Peh Kok Kah	545,866	0.63
19	Ong Eng Keng Michael	531,780	0.61
20	Teng Swee Lin	414,933	0.47
		68,294,365	78.26

SHAREHOLDING **STATISTICS**

As at 16 March 2022

Substantial Shareholders as at 16 March 2022
(as shown in the Company's Register of Substantial Shareholders)

Name	Direct Interest	%	Deemed Interest	%
OBG & Sons Pte Ltd	23,248,102	26.64	–	–
Bapcor Asia Pte. Ltd.	21,816,257	25.00	–	–
Bapcor International Pty Ltd[1]	–	–	21,816,257	25.00
Bapcor Finance Pty Ltd[2]	–	–	21,816,257	25.00
Bapcor Limited[3]	–	–	21,816,257	25.00

Notes:

1 Bapcor International Pty Ltd ("***Bapcor International***") is the holding company of Bapcor Asia Pte. Ltd. ("***Bapcor Asia***"). Accordingly, Bapcor International is deemed to have an interest in all the shares held by Bancor Asia.

2 Bapcor Finance Pty Ltd ("***Bapcor Finance***") is the holding company of Bapcor International. Accordingly, Bapcor Finance is deemed to have an interest in all the shares (directly or indirectly) held by Bapcor International.

3 Bapcor Limited is the holding company of Bapcor Finance. Accordingly, Bapcor Limited is deemed to have an interest in all the shares (directly or indirectly) held by Bapcor Finance.

NOTICE OF
66TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 66th Annual General Meeting (the "**AGM**") of Tye Soon Limited (the "**Company**") will be convened and held by way of electronic means on Tuesday, 26 April 2022 at 10:00 a.m. for the following purposes:

As Ordinary Business		**Ordinary Resolution No.**
1.	To receive and adopt the directors' statement and audited financial statements for the financial year ended 31 December 2021, together with the auditors' report thereon.	**(Resolution 1)**
2.	To approve directors' fees of S$349,800 payable by the Company for the financial year ended 31 December 2021 (2020: S$498,500).	**(Resolution 2)**
3.	To re-elect Mr David Chong Tek Yew, who is retiring by rotation under Regulation 104 of the Company's constitution (the "**Constitution**").	**(Resolution 3)**
4.	To re-elect the following directors who are retiring under Regulation 108 of the Company's Constitution and who, being eligible, offer themselves for re-election:	
	(a) Mr Noel Anthony Meehan	**(Resolution 4)**
	(b) Ms Chua Kwee Huay Genevieve	**(Resolution 5)**
	(c) Ms Margaret Anne Haseltine	**(Resolution 6)**
5.	To declare a final tax exempt one-tier dividend of S$0.0085 per ordinary share for the financial year ended 31 December 2021.	**(Resolution 7)**
6.	To re-appoint KPMG LLP as auditors of the Company for the financial year ending 31 December 2022 and to authorise the directors to fix their remuneration.	**(Resolution 8)**
7.	To transact any other ordinary business that may properly be transacted at an annual general meeting.	

As Special Business

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as ordinary resolutions:

8. Authority to allot and issue shares **(Resolution 9)**

That, authority be and is hereby given to the directors of the Company to:

(a) (i) issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements, or options (collectively, the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

NOTICE OF
66TH ANNUAL GENERAL MEETING

(b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the directors while this resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued under this resolution (including Shares to be issued in pursuance of the Instruments made or granted under this resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted under this resolution) does not exceed 20% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this resolution, after adjusting for:

   (a) new Shares arising from the conversion or exercise of convertible securities;

   (b) new Shares arising from the exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and

   (c) any subsequent bonus issue, consolidation or subdivision of Shares,

   provided further that adjustments in accordance with sub-paragraphs (2)(a) and (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution;

(3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Companies Act 1967, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

NOTICE OF
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By Order of the Board of Directors

EVELYN WEE KIM LIN
Company Secretary
Tye Soon Limited

8 April 2022
Singapore

Explanatory Notes:

Resolution 3

The proposed Resolution 3 is to re-elect Mr David Chong Tek Yew who will be retiring by rotation pursuant to Regulation 104 of the Constitution.

If re-elected, Mr David Chong Tek Yew will remain as member of the Executive Directors' Committee of the Company.

Resolutions 4, 5 and 6

The proposed Resolutions 4, 5 and 6 are to re-elect Mr Noel Anthony Meehan, Ms Chua Kwee Huay Genevieve and Ms Margaret Anne Haseltine who will be retiring pursuant to Regulation 108 of the Constitution.

If re-elected, Mr Noel Anthony Meehan will remain as member of the Audit and Risk Committee (the "**ARC**") of the Company.

If re-elected, Ms Chua Kwee Huay Genevieve will remain as member of the ARC and the Nomination and Remuneration Committee (the "**NRC**") of the Company and will also remain as the Chairman of the ARC of the Company. She is considered an independent director.

If re-elected, Ms Margaret Anne Haseltine will remain as member of the NRC of the Company.

Detailed information on these directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST) can be found on pages 105 to 106 and pages 137 to 150 of the Company's Annual Report 2021.

Resolution 9

The proposed Resolution 9, if passed, will empower the directors, from the date of the AGM until the next annual general meeting of the Company, to issue Shares and/or Instruments up to an aggregate number not exceeding 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings, if any, with a sub-limit of 20% for Shares issued other than on a pro rata basis to members.

NOTES:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**") and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020. On 1 October 2020, the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation (the "**SGX RegCo**") have updated a checklist to guide listed and non-listed entities on the conduct of general meeting arising from the latest updates from the Multi-Ministry Taskforce to ease safe management measures to facility business operations (the "**Checklist**"). On 4 February 2022, the SGX RegCo has announced that the Regulatory's Column issued on 16 December 2021 in relation to the expectation of SGX RegCo for the conduct of general meetings be formed part of the Checklist. Printed copies of the Notice of AGM will not be sent to members. Instead, the Notice of AGM will be sent to members by electronic means via publication on the Company's website at the following URL: https://www.tyesoon.com. The Notice of AGM is also available on the SGX website at the URL: https://www.sgx.com/securities/company-announcements.

NOTICE OF
66TH ANNUAL GENERAL MEETING

2. Alternative arrangements relating to members' participation in the AGM are:

   (a) attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream);

   (b) submission of questions to the Chairman of the AGM in advance of, or "live" at the AGM, and addressing of substantial and relevant questions "live" at the AGM; and

   (c) voting at the AGM (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as proxy to vote on members' behalf at the AGM.

3. As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member who wishes to exercise his/her/its voting rights at the AGM may:

   (a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on his/her/its behalf; or

   (b) (whether the member is an individual or a corporate) appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.

   The accompanying proxy form for the AGM may be downloaded from the Company's website at the following URL: https://www.tyesoon.com and the SGX website at the URL: https://www.sgx.com/securities/company-announcements.

   A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022.

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

5. A proxy need not be a member of the Company.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted, via email to the Company's Share Registrar at gpb@mncsingapore.com; or

   (c) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022,

   in either case, by **10:00 a.m. on 24 April 2022**, being 48 hours before the time appointed for holding the AGM.

   A member who wishes to submit an instrument appointing a proxy(ies) by post or via email must first download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022.

   Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022.

7. CPF/SRS investors:

   (a) may vote "live" via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman at the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10:00 a.m. on 14 April 2022.

8. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order") and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020 (the "**Virtual Meeting**").

   Members should take note of the following arrangements for the conduct of the AGM on 26 April 2022:

   (i) **Pre-registration**

   Proceedings of the AGM will be broadcasted via "live" audio-visual webcast or "live" audio-only stream. Members and investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) (Investors) (including investors holding through Central Provident Fund (CPF) and Supplementary Retirement Scheme (SRS) (CPF/SRS investors)) who wish to watch the "live" webcast of the AGM or listen to the "live" audio stream of the AGM proceedings must pre-register by 10:00 a.m. on 23 April 2022 (the "**Registration Cut-Off Time**") at the following URL: https://conveneagm.sg/tyesoon2022 to create an account.

   Following authentication, members and Investors will receive a confirmation email on their authentication status and will be able to access the "live" webcast or "live" audio stream using the account created.

   Members and Investors must not forward the above-mentioned link to any other persons who are not members and Investors of the Company and who are not entitled to attend the AGM.

   Members and Investors who have registered by the Registration Cut-Off Time and have not been informed of an unsuccessful registration but have not received the confirmation email by 10:00 a.m. on 24 April 2022 should contact the Company's Share Registrar, M&C Services Private Limited, at Tel No 6228 0530 or email to gpb@mncsingapore.com, with the following details included: (1) the member's full name; and (2) his/her/its identification/registration number.

   If you have any queries on the "live" audio-visual webcast or "live" audio-only stream, please email to: support@conveneagm.com, or call the Singapore toll-free telephone number 800 852 3335.

   (ii) **Submit Questions in advance**

   Members and Investors can submit questions relating to the business of the AGM in advance by 10:00 a.m. on 22 April 2022 through the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022 or via email at investor_relations@tyesoon.com and provide their particulars: (1) the member's full name; and (2) his/her/its identification/registration number, contact for verification purposes, failing which the submission will be treated as invalid; or the questions may be submitted by post and lodged at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902.

   The Company will endeavour to respond to substantial and relevant questions received from Members and Investors during the AGM.

   (iii) **Submit Questions during the Virtual AGM**

   Members and Investors who pre-registered and are verified to attend the virtual AGM proceedings via the "live" audio-visual webcast or "live" audio-only stream in accordance to para 8(i) above will be able to ask questions relating to the agenda of the AGM during the AGM by submitting text-based questions by clicking the "Ask a question" feature and then clicking "Type your question" to input queries in the question text box.

NOTICE OF
66TH ANNUAL GENERAL MEETING

9. Voting

   (i) Live voting will be conducted during the virtual AGM for Members, Investors and Proxyholders. It is important for Members, Investors and Proxyholders to have their own web-browser enabled devices ready for voting during the Virtual Meeting.

   Members, Investors and Proxyholders will be required to log-in via the e-mail address provided during pre-registration or as indicated in the Proxy Form.

   Live Voting: Members, Investors and Proxyholders may cast their votes in real-time for each resolution tabled via the Live Webcast via the login credentials created during pre-registration or via their SingPass account. Members, Investors and Proxyholders will cast their vote via the live voting feature using their own web-browser enabled device.

   For CPF/SRS investors, please approach their respective intermediary for voting instruction in accordance to para 7 above.

   (ii) Voting via appointing Chairman as Proxy: Members and Investors may also appoint the Chairman to vote on their behalf. Duly completed Proxy must be submitted in accordance to para 6 above.

10. All documents (including the Annual Report 2021, the proxy form and the Notice of AGM) or information relating to the business of the AGM have been, or will be, published on the Company's website at the URL: https://www.tyesoon.com and on the SGX website at the URL: https://www.sgx.com/securities/company-announcements.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy(ies) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service provider) to comply with any applicable law, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

NOTICE OF RECORD DATE AND PAYMENT DATE FOR FINAL DIVIDEND

NOTICE IS ALSO HEREBY GIVEN that, subject to the approval by the shareholders of the final dividend (***Dividend***) at the 66th Annual General Meeting ("**AGM**"), the Register of Members and the Transfer Books of the Company will be closed at 5:00 p.m. on 9 May 2022 (***Record Date***) for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrars, M&C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902 up to 5:00 p.m. on the Record Date will be registered to determine shareholders' entitlements to the Dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited (***CDP***), the Dividend will be paid by the Company to CDP which will, in turn, distribute the Dividend entitlements to the CDP account-holders in accordance with its normal practice.

The Dividend, if so approved by shareholders at the forthcoming AGM, will be paid on 17 May 2022.

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the retiring Directors as set out in Appendix 7.4.1 of the Listing Rule of the SGX-ST is disclosed below:

Name of Director	David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
Date of Appointment	1 July 1998	26 April 2021	21 June 2021	17 February 2022
Date of last re-appointment (if applicable)	23 June 2020	N.A.	N.A.	N.A.
Age	56	56	57	61
Country of principal residence	Singapore	Australia	Singapore	Australia
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The re-election of Mr Chong as the Executive Director was recommended by the NRC and the Board has accepted the recommendation, after taking into his qualifications, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Meehan as the Non-Executive Director was recommended by the NRC and the Board has accepted the recommendation, after taking into his qualifications, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Ms Chua as the Independent Director was recommended by the NRC and the Board has accepted the recommendation, after taking into her qualifications, past experience and overall contribution since she was appointed as a Director of the Company.	The re-election of Ms Haseltine as the Non-Executive Director was recommended by the NRC and the Board has accepted the recommendation, after taking into her qualifications, past experience and overall contribution since she was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Director	Non-Executive Non-Independent Director	Independent and Non-Executive Director	Non-Executive Non-Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Managing Director and a member of Executive Directors' Committee.	Non-Executive Non-Independent Director and a member of the ARC.	Independent and Non-Executive Director; Chairman of the ARC and a Member of the NRC.	Non-Executive Non-Independent Director and a Member of the NRC.

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director	David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
Professional qualifications	1. Bachelor of Commerce 2. Chartered Accountant	1. Fellow of Australian Society of Certified Practising Accountant. 2. Member of Australian Institute of Company Directors	1. Bachelor of Accountancy. 2. Fellow Chartered Accountant, Singapore	1. Bachelor of Arts Degree
Working experience and occupation(s) during the past 10 years	2011 to current: Managing Director – Tye Soon Limited	8 February 2022 – current: CEO - Bapcor Limited December 2021 to 7 February 2022: Acting CEO - Bapcor Limited July 2020 to 8 February 2022: CFO – Bapcor Limited September 2017 to May 2019: CFO – Toll Group December 2015 to March 2017: CFO - Treasury Wine Estates Ltd May 2005 to October 2013: CFO – Orica Limited	July 2019 – current: CEO of OVOL Singapore Pte Ltd (formerly known as Spicers Paper (Singapore) Pte Ltd) August 2013 to June 2019: Managing Director – Spicers Paper (Singapore) Pte Ltd April 2002 to July 2013: Executive Director – Spicers Paper (Singapore) Pte Ltd	Non-Executive Director

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director	David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 147,100 ordinary shares in Tye Soon Limited Deemed Interest: 2,690,066 ordinary shares in Tye Soon Limited Direct Interest: 10,000 ordinary shares in TSC Enterprise (HK) Limited (subsidiary of Tye Soon Limited)	No	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	Mr Meehan was nominated by Bapco Asia Pte. Ltd., a controlling shareholder of the Company. Bapcor Asia Pte. Ltd. is in turn a wholly-owned subsidiary of Bapcor Limited. Mr Meehan is the CEO and CFO of Bapcor Limited.	No	Ms Haseltine was nominated by Bapcor Limited. Ms Haseltine is the chair of the board of Bapcor Limited.
Conflict of interest (including any competing business)	No	Mr Meehan is the CEO of Bapcor Limited	No	Ms Haseltine is the chair of the board of Bapcor Limited.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director	David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
Other Principal Commitments including Directorships				
Past (for the last 5 years)	No	1. Toll Group and subsidiaries 2. Treasury Wines Estates Ltd and subsidiaries	1. Spicers Holdings (Asia) Pte Ltd – Director 2. Programme for the Endorsement of Forest Certification (PEFC) (HQ in Geneva) - Board Member 3. RSVP Singapore - Board Member, Honorary Treasurer 4. Financial Planning Association of Singapore (FPAS) (2016 – 2017) – Board Member, Honorary Treasurer 5. ISCA Support Fund – Committee Member, Chair	1. Bapcor Pty Limited 2. Metcash Limited 3. Newcastle Permanent Building Society Limited (a mutual bank) 4. Bagtrans Pty Limited 5. Droppoint Australia Pty Limited 6. Central Coast Industry Connect

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director	David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
Present	1. Tye Soon Limited 2. TSC Comparts Pte. Ltd. 3. TS Motorsport Pte. Ltd. 4. Everts Pte. Ltd. 5. Imparts Holdings Pte Ltd 6. Joining Enterprise Pte. Ltd.	1. A&F Drive Shaft Repair Queensland Pty Ltd 2. AADI Australia Pty Ltd 3. Aftermarket Network Australia Pty Ltd 4. Australia Automotive Electrical Wholesale Pty Ltd	1. OVOL Singapore Pte Ltd – Director and CEO 2. OVOL Malaysia Sdn Bhd (formerly known as Spicers Paper (Malaysia) Sdn Bhd) – Director and CEO 3. Print & Media Association Singapore (PMAS) – Honorary Treasurer	1. Bapcor Pty Limited 2. Metcash Limited 3. Newcastle Permanent Building Society Limited (a mutual bank) 4. Bagtrans Pty Limited 5. Droppoint Australia Pty Limited 6. Central Coast Industry Connect

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director	David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
	7. TSC Enterprise (HK) Limited 8. Edaran PAL Sdn Bhd 9. Naga Jaya Automotive Sdn Bhd 10. MSJ United Sdn Bhd 11. Imparts Automotive Pty Ltd 12. Imparts Distribution Pty Ltd 13. Automotive Partners Asia Pty Ltd 14. Tokyo Motor Pte. Ltd. 15. Sejong Parts Plus Limited Liability Company 16. PT Palindo Makmur 17. NJA Marketing Sdn Bhd 18. Poweris Enterprise (M) Sdn Bhd 19. MMI Vehicle System Inc 20. Poweris Marketing (M) Sdn Bhd	5. Automotive Brands Group Pty Ltd 6. Bapcor Australia Pty Limited 7. Bapcor Automotive Limited 8. Bapcor Finance Pty Ltd 9. Bapcor International Pty Ltd 10. Bapcor Logistics Services Pty Ltd 11. Bapcor New Zealand Limited 12. Bapcor Services New Zealand Limited 13. Baxters Pty Ltd 14. Bapcor Asia Pte Ltd 15. Bapcor Services Pty Ltd 16. Benequity Properties, LLC 17. Brake & Transmission NZ Limited 18. Burson Automotive Pty. Ltd. 19. Car Bitz & Accessories Pty. Ltd. 20. Commercial Parts Pty Ltd	4. RSVP Singapore - Board Member, First Vice Chair	7. Newcastle Permanent Charitable Foundation 8. Fairhaven Limited

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director	David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
		21. Commercial Spares Pty. Ltd. 22. Diesel Distributors Australia Pty Limited 23. Diesel Distributors Limited 24. Don Kyatt Spare Parts (QLD) Pty. Ltd. 25. Federal Batteries Qld Pty Limited 26. HCB Technologies Limited 27. He Knows Truck Parts Pty Ltd 28. Hellaby Resource Services Limited 29. I Know Parts and Wrecking Pty Ltd 30. JAS Oceania Pty. Ltd 31. Low Voltage Pty Limited 32. Midas Australia Pty. Ltd. 33. MTQ Engine Systems (Aust) Pty Ltd 34. Precision Equipment New Zealand Ltd 35. Premier Auto Trade Pty Ltd 36. Renouf Corporation International		

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director		David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
			37. Ryde Batteries (Wholesale) Pty. Limited 38. Specialist Wholesalers Pty Ltd		
Information required pursuant to Listing Rule 704(7)					
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director	David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director	David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director		David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director	David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	No	No	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director		David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
(ii)	any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii)	any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
(iv)	any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?					

DISCLOSURE OF INFORMATION ON DIRECTORS **WHO OFFER THEMSELVES FOR RE-ELECTION**

Name of Director	David Chong Tek Yew	Noel Anthony Meehan	Chua Kwee Huay Genevieve	Margaret Anne Haseltine
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warnings, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No
Disclosure applicable to the appointment of Director only.				
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.	N.A.	N.A.

TYE SOON LIMITED

Registration No. 195700114W
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

1. The 66th Annual General Meeting (the "AGM') is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"), and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020. On 1 October 2020, the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation (the "SGX RegCo") have updated a checklist to guide listed and non-listed entities on the conduct of general meeting arising from the latest updates from the Multi-Ministry Taskforce to ease safe management measures to facility business operations (the "Checklist"). On 4 February 2022, the SGX RegCo has announced that the Regulatory's Column issued on 16 December 2021 in relation to the expectation of SGX RegCo for the conduct of general meetings be formed part of the Checklist. Printed copies of the Notice of AGM and this Proxy Form will not be sent to members. Instead, the Notice of AGM and this Proxy Form will be sent to members by electronic means via publication on the Company's website at the following URL: https://www.tyesoon.com. The Notice of AGM is also available on the SGX website at the URL: https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to members' participation in the AGM are:
   (a) attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via 'live" audio-visual webcast or "live" audio-only stream);
   (b) submission of questions to the Chairman of the AGM in advance of, or "live" at the AGM, and addressing of substantial and relevant questions "live" at the AGM; and
   (c) voting at the AGM (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as proxy to vote on the member's behalf at the AGM.
3. **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member who wishes to exercise his/her/its voting rights at the AGM may:**
   (a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on his/her/its behalf; or
   (b) (whether the member is an individual or a corporate) appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.
4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).
5. CPF/SRS investors:
   (a) may vote "live" via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10:00 a.m. on 14 April 2022.
6. By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 8 April 2022.

*I/We, ______________________ (Name) ______________ (NRIC/Passport No./ Company Registration No.)

of ____ (Address)
being* a member/members of TYE SOON LIMITED (the "***Company***"), hereby appoint:

Name	Address	Email address^	NRIC/Passport Number	Proportion of Shareholdings	
				No. of shares	%
and/or (delete as appropriate)					

^ Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022 in order to access the "live" audio-visual webcast or "live" audio-only stream at the AGM proceedings.

or failing *him/them, the Chairman of the 66th Annual General Meeting (the "***AGM***") of the Company as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf, at the AGM of the Company to be convened and held by way of electronic means on **Tuesday, 26 April 2022 at 10:00 a.m.** and at any adjournment thereof. *I/We direct *my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated below:

No.	Resolutions	For**	Against**	Abstain**
Ordinary Business				
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021, together with the auditors' report thereon.			
2.	To approve the directors' fees for the year ended 31 December 2021.			
3.	To re-elect Mr David Chong Tek Yew as a director.			
4.	To re-elect Mr Noel Anthony Meehan as a director.			
5.	To re-elect Ms Chua Kwee Huay Genevieve as a director.			
6.	To re-elect Ms Margaret Anne Haseltine as a director.			
7.	To declare the final dividend for the financial year ended 31 December 2021.			
8.	To re-appoint KPMG LLP as auditors and to authorise the directors to fix their remuneration.			
Special Business				
9.	General authority to the directors to issue shares and/or Instruments.			

* Delete accordingly

** Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please tick "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in the respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a tick "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in the respect of that resolution. In any other case, the proxy/ proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this ________ day of ____________________ 2022.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	
Total	

____
Signature(s) of member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES TO PROXY FORM:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by the Central Depository (Pte) Limited, he should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
2. **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member who wishes to exercise his/her/its voting rights at the AGM may:**
   (a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on his/her/its behalf; or
   (a) (whether the member is an individual or a corporate) appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.
   This proxy form for the AGM may be downloaded from the Company's website at the following URL: https://www.tyesoon.com and the SGX website at the URL: https://www.sgx.com/securities/company-announcements.
   A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022.
3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.
   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or
   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at gpb@mncsingapore.com; or
   (c) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022,
   in either case, by 10:00 a.m. on 24 April 2022, being 48 hours before the time appointed for holding the AGM.
   A member who wishes to submit an instrument appointing a proxy(ies) by post or via email must first download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022.
   Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022.
6. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending and voting at the AGM. A member who accesses the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings may revoke the appointment of a proxy(ies) at any time before voting commences and in such an event, the Company reserves the right to terminate the proxy(ies)' access to the AGM proceedings.
7. The instrument appointing a proxy(ies) must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorized in writing or, if submitted electronically via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022 be authorised by the appointor via the online process through the website. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under the common seal or under the hand of its attorney or a duly authorised officer or, if submitted electronically via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/tyesoon2022 be authorised via the online process through the website.
8. Where an instrument appointing a proxy(ies) is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
9. The Company shall be entitled to reject the instrument appointing a proxy(ies) which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

TYE SOON LIMITED

3C Toh Guan Road East
Singapore 608832
Tel : (65) 6567 8601
Fax : (65) 6567 8884

Registration No. 195700114W