

# 2024

STAMFORD TYRES  
CORPORATION LIMITED



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# CORPORATE INFORMATION

Established in the 1930s with over 90 years of existence, Stamford Tyres has grown from a small tyre shop to a global distributor of tyres and wheels spanning over 90 countries and with our own wheel factory. In the course of our progress, the Company weathered and overcame cyclical business fluctuations, the Asian Financial Crisis of the 90's and the Global Financial Crisis of the millennium.

Our expertise lies in our international distribution competence, which we have expanded throughout the world. We also have regional retail operations as well as truck and off-the-road tyre management services. We have further expanded our capabilities in the manufacturing of alloy wheels and proprietary tyre brands contract manufacturing.

The Group's international distribution network currently spans across 7 countries in Asia Pacific and Africa. Our

main business activities are in the distribution of major international tyre brands – Falken, Dunlop, Continental and Kumho. We have also strengthened our product development capabilities and introduced innovative proprietary brands, Sumo Firenza tyres, Sumo Tire and SSW wheels, which are sold globally.

We operate the most extensive retail network in Singapore and Malaysia. Through our Mega Mart and Tyre Mart outlets, we offer a comprehensive range of products that include tyres, wheels, batteries and auto accessories. We also offer workshop and tyre services.

Stamford Tyres was listed on the Second Board of Singapore Stock Exchange (then known as SGX-Sesdaq) in 1991, and was upgraded to the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST) in April 2003. Today, Stamford Tyres is one of the largest tyres and wheels distributors in South East Asia.

## BOARD OF DIRECTORS

### Executive Directors

Mrs Dawn Wee Wai Ying  
Dr Wee Li Ann

### Non-Executive & Independent Chairman

Sam Chong Keen

### Independent Directors

Kazumichi Mandai  
Caroline Wee  
Ho Fook Meng

### Founder and Senior Advisor

Wee Kok Wah

## AUDIT COMMITTEE

### Chairman

Caroline Wee

### Members

Sam Chong Keen  
Kazumichi Mandai

## REMUNERATION COMMITTEE

### Chairman

Sam Chong Keen

### Members

Caroline Wee  
Kazumichi Mandai

## NOMINATING COMMITTEE

### Chairman

Sam Chong Keen

### Members

Caroline Wee  
Dr Wee Li Ann

## COMPANY SECRETARIES

Michelle Fiona Heng  
Lim Guek Hong

## REGISTERED OFFICE

19 Lok Yang Way  
Singapore 628635  
Telephone: (65) 6268 3111  
Facsimile: (65) 6264 4708 /  
(65) 6264 0148  
Email: stcl@stamfordtyres.com  
Website: www.stamfordtyres.com

## SHARE REGISTRAR

Boardroom Corporate &  
Advisory Services Pte Ltd  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

## AUDITOR

Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583  
Audit Partner: Lim Tze Yuen  
(since the financial year ended  
30 April 2020)

## PRINCIPAL BANKERS

United Overseas Bank Limited  
Malayan Banking Berhad  
Bangkok Bank Public Company  
Limited  
Kasikornbank Public Company  
Limited  
Standard Chartered Bank  
The Hong Kong and Shanghai  
Banking Corporation Limited

# LETTER TO SHAREHOLDERS



“  
I would like to take  
this opportunity  
to express my  
appreciation to the  
management and  
staff for their hard  
work, sacrifices and  
resilience, which  
enabled the Group  
to deliver a set of  
positive results in  
FY2024.”

Dear Shareholders,

Financial year 2024 was a challenging year for the Group. The continued supply chain disruption arising from the Russia-Ukraine war and the Israel-Hamas conflict, exacerbated by the financial impact from the elevated interest rates in our key markets, dampened market sentiments in our core South East Asian and export markets. In addition to the above, the Group faced intensified market competition from low-priced Chinese tyres and wheels in its key markets.

Against the above backdrop, the Group demonstrated strong resilience and adaptability by leveraging on its financial and sourcing advantages to generate S\$6.0 million in net profit after tax in FY2024 compared to S\$4.2 million in FY2023. The net profit excluding a one-off gain on the disposal of property, plant and equipment in FY2024 was S\$4.1 million. Full year revenue was S\$184.8 million in FY2024 compared to S\$188.3 million last year, with gross profit margin at 26.3% in FY2024 compared to 26.7% in FY2023.

#### ▼ COMMITMENT TO THE GROUP'S STRATEGIES

Having committed to its main strategy of brand and product diversification, the Group has added and will continue to fine-tune its tyre brand offerings and product range in response to changes in market demand. The Group is constantly expanding its sourcing advantage in its key markets to grow a strong and comprehensive portfolio of tyre offerings, both for major brands and budget tyre brands.

A Group-wide inventory rationalisation exercise was carried out in FY2024 in support of the execution of the above strategy. This enabled the Group to refresh and expand upon its tyre offerings, as well as enabling the Group to re-deploy its working capital in key areas when the opportunity arises, in line with its strategic objectives.

# LETTER TO SHAREHOLDERS

Value-added services remain the other key focus for the Group. The Group is committed to providing timely response to changes in the market and customers' needs. These include the network of Stamford Tyres Mart retail chain in Singapore and the mobile service trucks and vans, to improve outreach to our end-customers including our commercial and fleet customers.

Commercial fleet supply and servicing in markets such as Singapore and Indonesia continue to be a promising growth area for the Group to focus on and expand its total tyre management services, tyre retreading, specialised tyres for mining application as well as other value-added services such as off-the-road tyre repair, vehicle inspection services and maintenance.

Despite import quota restrictions imposed on imported tyres on a market-wide basis by the Indonesian authorities, Indonesia remains a primary nickel producer globally and a key growth area for the Group in terms of the supply of mining tyres and related services in support of the nickel mining industry. With its inherent competitive advantage in the areas of sourcing, logistics and finance, the Group is well-positioned to capitalise on this growth area.

## FINANCIAL STRENGTH

Despite the challenging operating environment, the balance sheet of the Group remained strong. As at 30 April 2024, the cash and cash equivalents of the Group were S\$32.5 million and the Group's gearing ratio was 0.54.

## GOING FORWARD

The operating environment in the tyre business remains challenging as a result of intense competition and major geo-political and financial events globally.

In response to the challenging environment, and in line with its strategic objectives, the Group will continue to broaden and grow its product line-up and seek new value-adding opportunities.

## DIVIDEND

The Board of Directors has proposed a dividend of 1.5 cent per share (FY2023: 1.5 cent per share), and a special dividend of 0.5 cent per share (FY2023: Nil), subject to shareholders' approval at the upcoming Annual General Meeting.

## APPRECIATION

I would like to take this opportunity to express my appreciation to the management and staff for their hard work, sacrifices and resilience, which enabled the Group to deliver a set of positive results in FY2024.

I would like to thank the members of the Board of Directors for their commitment, support and valuable guidance during these challenging times. Special thanks goes to Mr Kazumichi Mandai, who will be retiring from the Board on 30 August 2024, for his many years of invaluable contribution and wise counsel.

I am grateful to our customers, suppliers, bankers and business associates for their continued support and confidence in us.

Last but not least, I would like to thank our shareholders for their constant support throughout this challenging period.

**Sam Chong Keen**  
Chairman

# BOARD OF DIRECTORS



**Sam Chong Keen**  
*Non-Executive & Independent Chairman*

Following his invaluable contributions while on the Board when Comfort Group Limited was a substantial shareholder, Mr Sam was appointed as an Independent Director of Stamford Tyres Corporation Limited in 1994. On 23 August 2012, Mr Sam was appointed as Non-Executive Chairman of Stamford Tyres Corporation Limited. Mr Sam is also Chairman of the Remuneration Committee and Nominating Committee and sits on the Board's Audit Committee. He has a wealth of management experience, having worked at senior positions in the Singapore Government Administrative Service, National Trade Union Congress (NTUC) and Intraco Limited as well as CEO positions at Comfort Group Limited, VICOM Limited, Lion Asiapac Limited, Lion Teck Chiang Limited, A-Smart Holdings Limited and Jade Technologies Holdings Limited. He was also the Political Secretary to the Minister for Education from 1988 to 1991. He served on various government boards and committees, including the Central Provident Fund Board and the National Co-operative Federation. Mr Sam is also the Non-Executive Chairman of Lion Asiapac Limited and sits on the Board of A-Smart Holdings Limited, Parkson Retail Asia Limited and SMI Vantage Ltd as an Independent Director.

Mr Sam holds a Bachelor of Arts (Honours) from the University of Oxford.



**Dawn Wee Wai Ying**  
*Executive Director*

Mrs Dawn Wee Wai Ying, the spouse of Founder and Senior Advisor Mr Wee Kok Wah, has been a Director of the Stamford Tyres Group since 1982 playing a key role in the Group's operations. Recognised as a thought leader, she leads functional teams and currently oversees the Group's operations. Prior to joining Stamford Tyres, she worked as an officer in a major local bank for eight years.

Mrs Wee holds a Bachelor of Social Science (Honours) in Economics from the then University of Singapore (now known as National University of Singapore).



**Kazumichi Mandai**  
*Independent Director*

Mr Kazumichi Mandai was appointed as an Independent Director of Stamford Tyres Corporation Limited on 1 December 2012 and is a member of the Audit Committee and Remuneration Committee. Mr Mandai started his career with Sumitomo Rubber Industries Limited (SRI) in 1974 after graduating from Kobe City University of Foreign Studies. In 2002, he was appointed as Managing Director of Sumitomo Rubber Asia (Tyre) Private Limited, Singapore, a position he held until 2007. From 2007 to 2008, Mr Mandai served as Sales Director of SRI Tire Trading Co., Tokyo. During that year, Mr Mandai completed a MBA course under SRI's Internal Curriculum run by Globis Management

Institute, Tokyo. In 2009, Mr Mandai was appointed as President of Sumitomo Rubber Latin America LTDA, Chile. He held this position until he reached his maximum age for retirement from Sumitomo Rubber Industries Limited in 2011.



**Dr Wee Li Ann**  
*Executive Director*

Dr Wee Li Ann was appointed as a Non-Executive Director in December 2009 and took on an executive directorship role in September 2018. She previously worked in healthcare management at Parkway Pantai Group from 2012 to 2015. She is a family physician in private practice. She is also a Director of Wah Holdings Pte Ltd, a substantial shareholder of the Company, where she actively manages the portfolio. She also serves on the Board of The Jane Goodall Institute of Singapore since 2020 and is the Treasurer.

Dr Wee graduated from Harvard's Kennedy School of Government with a Master of Public Administration. She holds a medical degree from Cambridge University and Bachelor of Arts from Johns Hopkins University.

# BOARD OF DIRECTORS



**Caroline Wee**  
*Independent Director*

Ms Caroline Wee was appointed as an Independent Director of Stamford Tyres Corporation Limited on 2 September 2022 and is the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. She is not related to any existing director or substantial shareholder of the Company, including the Wee family. Caroline has been managing venture capital and private equity investments in the Asia-Pacific region over the last three decades. She is currently the Investment Partner (Asia) for Circulate Capital. Prior to this, she covered the ASEAN region for US firm Advent International's Asian affiliate and was a Founding Partner of a spin-off private equity business of ING-Barings. She represented her firms on the boards of numerous companies across different stages of enterprise development.

Caroline graduated with a Bachelor of Accountancy (Hons) Degree from the National University of Singapore as a KPMG scholar. She is a Chartered Accountant (Singapore) and a Chartered Financial Analyst, and completed the Program on Negotiation at Harvard Law School.



**Ho Fook Meng**  
*Independent Director*

Mr Ho Fook Meng, was appointed as an Independent Director of Stamford Tyres Corporation Limited on 1 July 2024. He was previously on the Board of Straits Energy Resources Berhad, a company listed on the ACE market of the KLSE as an Independent & Non-Executive Director.

Mr Ho started his career in the banking and financial services industry in 1981 and has over 30 years' experience in the said industry. He specialized in lending to SMEs and mid and large corporations. As a senior banker, he is very often tapped for his expertise and wide ranging experience by his banking clients and investors in their growth and expansion strategies. He has established a very wide business network that was built over the years as a banker.

He graduated from the University of Malaya, Kuala Lumpur with a Bachelor of Economics (Honours) Degree in 1981 and holds a Master of Business Administration Degree from Kent State University, Ohio, USA.

## FOUNDER AND SENIOR ADVISOR



**Wee Kok Wah**

Mr Wee propelled the Stamford Tyres Group forward as its Managing Director and President since the 1970s after taking over the helm from his father, who founded the first Stamford Tyres entity in the 1930s as a petrol pump service station and tyre retail shop. Using his stellar business acumen and relentless passion, Mr Wee went on to steer Stamford Tyres to a public listing in 1991, and has steadily expanded its business into what it is today – an international operation in the distribution and retailing of tyres and wheels, and manufacturing of wheels. His passion for, and in-depth knowledge of, the tyre business gained him international recognition in the industry. Highly regarded in the tyre industry and the business world, he was selected as a finalist for the Ernst & Young Entrepreneur of the Year award (under the category of Services and Business products) in 2004, one of the most prestigious awards for entrepreneurs.

Mr Wee stepped down from the Board of Stamford Tyres Corporation Limited on 1 November 2021 as Managing Director and a member of the Nominating Committee to take on the role of Founder and Senior Advisor. He continues to provide invaluable guidance and counsel to the Board as well as the senior management team.

Mr Wee holds a Bachelor of Social Science in Economics and Law from the then University of Singapore (now known as National University of Singapore).

# MANAGEMENT TEAM



**Conson Sia**  
*Chief Executive Officer*  
*Stamford Tyres Group*

Conson began his career with Stamford Tyres in 1993 and initially headed the Company's operations in the Philippines. He later became the Group Finance Manager in 1999 and served as the Chief Financial Officer ("CFO") from August 2001 until September 2013. In October 2013, he assumed the role of Head of South Africa, overseeing the Group's expansion in that region until 2019. In July 2019, he took on the position of Head of Malaysia and later also became the Head of Singapore from May 2022 onwards. In acknowledgment of his significant contributions to the Group, Conson was appointed as the Chief Executive Officer-Designate ("CEO-Designate") on 1 February 2023. Following the successful completion of his 6-month tenure as CEO-Designate, he assumed the position of Chief Executive Officer, effective from 1 August 2023. He continues to oversee the operations in Malaysia.

Conson holds a Bachelor of Science in Commerce from the University of Santo Tomas, Philippines, and is a Certified Public Accountant.



**Clare Law Lay Kian**  
*Senior Vice President*  
*Head of Supply Chain, North Asia and Thailand Operations*

Clare joined Stamford Tyres in 1994. She was appointed as Senior Vice President in 2006. Clare is in charge of the Group's supply chain management system and oversees operations in Hong Kong, Vietnam, China and Thailand. With over 20 years of experience in Purchasing, Clare is also responsible for the Group's collaboration with major suppliers and contract manufacturers.

Clare holds a Bachelor of Business Degree in Transport from the Royal Melbourne Institute of Technology, Australia.



**Cham Soon Kian**  
*Senior Vice President*  
*Head of Singapore and South Africa Operations*

Soon Kian joined Stamford Tyres in 1991 as a Management Trainee. The following year, he was assigned to Malaysia to head the Malaysian operations. Under his leadership, the Malaysian operations grew to become an integrated set-up with value-added services including retail, fleet tyre management and retread facilities.

Soon Kian was promoted to Senior Vice President in 2006. He is in charge of operations in Singapore and oversees operations in South Africa.

Soon Kian is an ASEAN scholar and graduated with a Bachelor of Accountancy degree from the National University of Singapore.



# MANAGEMENT TEAM



**Colin Choo Nee Ann**  
*Senior Vice President*  
*Stamford Sport Wheels Co. Ltd*

Colin joined Stamford Tyres in 2002 and was appointed as General Manager of Stamford Tyres Distributor Co. Ltd in 2005. He was promoted to Senior Vice President in 2014. Colin is in charge of the Group's wheel manufacturing operations in Thailand.

Colin graduated from the International Islamic University with a Bachelor of Accounting (BACC) in 1994. The following year, he was awarded Association of Chartered Certified Accounts (ACCA). With his vast experience as an accountant, he was made a Member of The Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA) in 1998.



**Erwin Chua**  
*Senior Vice President*  
*Head of Indonesia Operations*

Erwin began his career with Stamford Tyres in 2005 as a Management Trainee in the Mining Division. In 2010, he was appointed General Manager of PT Stamford Tyres Distributor Indonesia, overseeing all operations including PT Stamford Tyres Indonesia in Timika. With over 18 years of experience, Erwin specializes in Off The Road (OTR) and Mining Truck Bus Radial tyres, as well as Total Tyre Management. Erwin was promoted to Senior Vice President, Head of Indonesia Operations, effective from 1 July 2024.

Erwin holds a Bachelor of Civil Engineering Degree from the University of Tarumanagara, Indonesia.



**Frank Ng Tse Lim**  
*Group Financial Controller*  
*Stamford Tyres Group*

Frank joined the Stamford Tyres Group as Finance Manager in September 2008. In 2013, he was elevated to the position of Group Financial Controller. He is currently responsible for the Group's financial operations which include compliance with accounting and regulatory standards, and corporate governance. He plays a critical role in ensuring the smooth operation of the Group's risk and management framework which covers finance, operations, statutory compliance and information technology.

Frank holds a Bachelor of Business, Double Major in Accounting and Information Technology (University of Technology, Sydney, Australia) and is also a Certified Practising Accountant since 2005.

# BUSINESS UNIT HEADS



**Larry Lee Hsin Miao**  
*Deputy General Manager  
& Head of International  
Distribution*  
Stamford Tyres International  
Pte Ltd, Singapore



**Wong Siew Peng**  
*Head of Retail*  
Stamford Tyres International  
Pte Ltd, Singapore



**Brennan Goh Wee Jin**  
*Head of Fleet*  
Stamford Tyres International  
Pte Ltd, Singapore



**Tang Kay Kay**  
*Head of Purchasing*  
Stamford Tyres International  
Pte Ltd, Singapore



**Ivan Reijan Rajoo**  
*General Manager*  
Stamford Tyres (M) Sdn Bhd,  
Malaysia



**Kasem Burejittinun**  
*General Manager*  
Stamford Tires Distributor Co  
Ltd, Thailand



**José Romero**  
*General Manager*  
Stamford Tyres (Africa) (Pty)  
Ltd, South Africa



**David Kiu Kwong Wei**  
*General Manager*  
Stamford Tyres Vietnam Co Ltd,  
Vietnam

# SENIOR PERSONNEL



**Gabriel Yong**  
*Financial Controller*  
Stamford Tyres International  
Pte Ltd, Singapore



**Ng Mei Ling**  
*Operations Manager, Fleet*  
Stamford Tyres International  
Pte Ltd, Singapore



**Nelson Yap Yen Kuan**  
*Sales Manager Fleet*  
Stamford Tyres International  
Pte Ltd, Singapore



**Michael Yiew Keng Leong**  
*Retail Area Manager*  
Stamford Tyres International  
Pte Ltd, Singapore



**Roy Lee Kok Poon**  
*Retail Area Manager*  
Stamford Tyres International  
Pte Ltd, Singapore



**Elvis Lim Tze Choon**  
*Retail Area Manager*  
Stamford Tyres International  
Pte Ltd, Singapore



**Thomas Leong Yew Por**  
*Retail Area Manager*  
Stamford Tyres International  
Pte Ltd, Singapore



**Ch'ng Lee Lee**  
*Head of Finance*  
Stamford Tyres (M) Sdn Bhd,  
Malaysia



**Ang Beng Loo**  
*Sales Manager, Sumo Firenza*  
Stamford Tyres (M) Sdn Bhd,  
Malaysia



**Ku Seng Yeow**  
*Assistant Manager*  
*Channel Development*  
Stamford Tyres (M) Sdn Bhd,  
Malaysia



**Frankie Kong Chak Wei**  
*Assistant Manager*  
*Training and Development*  
Stamford Tyres (M) Sdn Bhd,  
Malaysia



**Arif Putranto**  
*Branch Manager*  
PT Stamford Tyres Indonesia,  
Timika, Indonesia



**Conwil Soh**  
*Branch Manager*  
PT Stamford Tyres Distributor  
Indonesia



**Benka**  
*National Sales Manager*  
PT Stamford Tyres Distributor  
Indonesia

# SENIOR PERSONNEL



**Stevanus Kurnia Tjiandra**  
*National Sales Manager for SSW wheels*  
 PT Stamford Tyres Distributor Indonesia



**Tan Chee Keong**  
*Finance Manager*  
 PT Stamford Tyres Indonesia & PT Stamford Tyres Distributor Indonesia



**Gladys Barrios**  
*Financial Controller*  
 Stamford Sport Wheels Co Ltd, Thailand



**Wu Chien Hua**  
*Factory Manager*  
 Stamford Sport Wheels Co Ltd, Thailand



**Thitima Manyanont**  
*Senior Sales Manager*  
 Stamford Sport Wheels Co Ltd, Thailand



**Kitipoom Chansang**  
*Production Manager*  
 Stamford Sport Wheels Co Ltd, Thailand



**Sean Forrester**  
*Regional Sales Manager (Inland)*  
 Stamford Tyres (Africa) (Pty) Ltd, South Africa



**Muhammed Daya**  
*National Wheel Manager*  
 Stamford Tyres (Africa) (Pty) Ltd, South Africa



**Dinesh Singh**  
*Regional Sales Manager (Coastal)*  
 Stamford Tyres (Africa) (Pty) Ltd, South Africa



**Fazlin Ally**  
*Finance Manager*  
 Stamford Tyres (Africa) (Pty) Ltd, South Africa



**Liria Zhang Hua Li**  
*Branch Manager*  
 Stamford Tyres (Hong Kong) Ltd, Hong Kong



**Law Kai Quan**  
*Senior Finance Manager*  
 Stamford Tyres International Pte Ltd, Singapore



**Chan Wei Sze**  
*Marketing and Corporate Communications Manager*  
 Stamford Tyres International Pte Ltd, Singapore

# OUR PRODUCTS

## OUR PREMIUM BRANDS



Falken is manufactured by Sumitomo Rubber Industries, a leading Japanese designer and manufacturer of tyres. The Falken range has tyres for high performance cars, passenger cars, SUVs, light truck and truck radials. Falken continually introduces new and exciting products and as part of its R&D programme, Sumitomo supports many race and rally teams round the world, outfitting their competition machines with Falken Tyres.

Stamford Tyres distributes Falken in Singapore, Malaysia, Thailand, Indonesia, Brunei, Vietnam, Cambodia, Myanmar, Laos, South Africa, Hong Kong, Bangladesh, Pakistan, Mauritius, Reunion, East Timor, Nepal and New Caledonia.



Continental is a range of top-quality tyres designed and manufactured by the company of the same name headquartered in Hanover, Germany. The Continental range covers radials designed for sports and passenger cars, light truck, truck and bus radials as well as military, agriculture and industrial solid tyres. Continental supplies original equipment (OE) tyres for world-leading cars such as Porsche, BMW, Mercedes Benz and Volkswagen. Their tyres also come installed as OE on commercial vehicles such as DAF, Volvo, MAN and Scania.

Stamford Tyres distributes Continental in Singapore.



Dunlop has been at the forefront of tyre innovations, with over 130 years of tyre industry experience. Today, Dunlop has grown to become one of the world's biggest and most trusted brands. Committed to delivering superior tyres, Dunlop constantly pushes for development of new compounds and technologies through the rigours of two and four-wheeled motorsports. The product range that Dunlop offers include passenger car, SUVs, light truck, truck and bus radial, as well as industrial, agricultural, aircraft and motorcycle tyres. Dunlop supplies OE tyres for popular Japanese and European luxury vehicles such as BMW, Audi, Mercedes, Maserati, Volkswagen, Toyota, Honda, Subaru and Mazda.

Stamford Tyres, through its joint venture Tyre Pacific, distributes Dunlop in Hong Kong, Macau, Vietnam, Cambodia and Laos.



Kumho Tire Co., Inc., a leading global tyre company headquartered in South Korea, specializes in manufacturing a wide range of tyres including car, light truck, SUV, competition racing, and medium commercial truck tyres.

Kumho Tires has established a robust global presence, exporting their products worldwide and maintaining an extensive network of sales organizations across 180 countries. Stamford Tyres Hong Kong and Stamford Tyres South Africa are key distributors of Kumho tires in their respective markets, while Stamford Tyres Thailand represents the Marshall brand exclusively in the Thailand market.

## OUR PROPRIETARY BRANDS



Stamford Sport Wheels, or SSW, is our proprietary brand of alloy wheels. Our wheels are designed, manufactured and tested in-house. Our designers have created a line of wheels that offer exciting style, looks and road performance. SSW has models with diameters of 13" to 26" tailored for passenger cars and SUVs. Our wheels are produced in Thailand using the latest low pressure, tilt gravity casting methods and flow forming technology. Our wheels are also produced in accordance with internationally recognised quality and safety standards.



Sumo Firenza is our proprietary premium budget range of performance tyres, SUVs, light truck and truck/bus radials. The Sumo Firenza range consists of more than 100 models and the tyres are produced in China, Thailand and Vietnam in factories that have been selected for their consistent quality standards.

Stamford Tyres has a team of engineers and tyre designers who provide technical support and quality assurance for our tyres which are popular in Europe, Middle East, Africa, Latin America, Australia, South Africa and Asia.



Sumo Tire is our line of nylon bias tyres for light truck, truck, agriculture and earthmover applications. The tyres are designed in-house and in accordance with internationally recognised standards.

Sumo Tire is made in Asia and we offer a wide range of sizes and specifications to customers that need tyres for demanding round-the-clock operations at affordable prices.

The tyres are designed for heavy duty industrial application and are well-received internationally.

# OUR PRESENCE

## SINGAPORE

### Stamford Tyres International Pte Limited

19 Lok Yang Way, Jurong, Singapore 628635  
Tel: +65 6268 3111  
Fax: +65 6264 0148 / 4708  
E-mail: stipl@stamfordtyres.com

## MALAYSIA

### Stamford Tyres (M) Sdn Bhd

Glenmarie Main Office & Warehouse  
16 Jalan Jurunilai U1/20, Section U1 Hicom Glenmarie Industrial Park, 40150, Shah Alam, Selangor, Malaysia  
Tel: +60 3 5569 3090  
E-mail: enquiry\_my@stamfordtyres.com

## INDONESIA

### PT Stamford Tyres Distributor Indonesia

Jl. Boulevard Raya PA 19, No. 4-5, Kelapa Gading Permai, Jakarta Utara, 14240, Indonesia  
Tel: +62 21 450 4388  
Fax: +62 21 4587 7123  
E-mail: info@stamfordtyresind.co.id

### PT Stamford Tyres Indonesia

Jl. Kuala Kuningan, L.I.P. Kuala Kencana Timika – Papua, 99920, Indonesia  
Tel: +62 901 301889, +62 901 462297  
Fax: +62 901 301890  
E-mail: contact.support@stamfordtyresind.com

## THAILAND

### Stamford Tyres Distributor Co, Limited

133/135 Narathiwat Rachanakharin Road, Chongnonsi Yannawa, Bangkok, 10120, Thailand  
Tel: +662 678 2355  
Fax: +662 678 2351  
E-mail: admin@stamfordtyresthailand.com

## SOUTH AFRICA

### Stamford Tyres (Africa) (Pty) Limited

**Cape Town Office**  
8 Ferrule Avenue, Montague Gardens, Milnerton, Cape Town, South Africa, 7441  
Tel: +0860 522 322  
Fax: +2710 001 7339  
E-mail: telesales@stamford.co.za

### Durban Office

7 Stanhope Place, Briardene, Durban, KwaZulu Natal, South Africa, 4051  
Tel: +27 31 700 5942

### Johannesburg Office

ERF 460, 4 Brine Avenue, Chlookop Ext 1, Johannesburg, South Africa 1619  
Tel: +2711 393 7124/5  
Fax: +2786 514 2816

## VIETNAM

### Stamford Tyres Vietnam Company Limited

17/6A Phan Huy Ich Ward 14, Go Vap District, Ho Chi Minh City, Vietnam  
Tel: +84 8 3943 0558  
Fax: +84-8 3831 0218

## HONG KONG

### Stamford Tyres (Hong Kong) Limited

15th Floor, Sandoz Centre 178/182 Texaco Road, Tsuen Wan, N.T. Hong Kong, SAR  
Tel: +852 2407 0996  
Fax: +852 2408 6261

## MANUFACTURING PLANT

## THAILAND

### Stamford Sport Wheels Company Limited

111/2, 5,8,9 Moo 2, Highway 340 Suphanburi Road, Tambon Saiyai Amphur Sainoi, Nonthaburi, 11150 Thailand  
Tel: +662 967 7100  
Fax: +662 967 7143  
E-mail: sales@stamfordwheels.com

## JOINT VENTURE COMPANIES

## HONG KONG

### Tyre Pacific (HK) Limited

15th Floor, Sandoz Centre 178/182 Texaco Road, Tsuen Wan, N.T. Hong Kong, SAR  
Tel: +852 2407 8268  
Fax: +852 2407 5020

## INDIA

### Falken Tyre India Private Limited

Plot No. 112, Phase 1, Udhhyog Vihar, Labour Chock, Gurgaon Sadar Bazar, Gurgaon-122001, Haryana, India

## STAMFORD TYRES TRUCK CENTRES

## SINGAPORE

### Truck Centres

Opening Hours: 8:30am – 6:00pm (Monday – Saturday)  
\*Closed on Sunday and Public Holidays  
E-mail: stfm@stamfordtyres.com

### Jurong Truck Centre

21 Lok Yang Way Singapore 628636  
Tel: +65 6268 3112  
Fax: +65 6262 1027

### Changi Truck Centre

31 Loyang Way Singapore 508729  
Tel: +65 6862 2289  
Fax: +65 6542 8078

### Tuas Truck Centre

110 Tuas South Avenue 3 #01-02/03 The Index, Singapore, 637369  
Tel: +65 6265 7680  
Fax: +65 6265 7685

## MALAYSIA

### Westport Truck Centre

117, Jalan Perigi Nenas 8/10 Taman Perindustrian Pulau Indah, Pelabuhan Barat, 42920 Port Klang, Selangor Malaysia  
Tel: +60 12 330 5599  
E-mail: enquiry\_STTC@stamfordtyres.com

### SR Industries (M) Sdn Bhd

No 19, Jalan Ros Merah 1/1, Taman Johor Jaya, 81100, Johor Bahru, Johor  
Tel: 011-5360 9829

## STAMFORD TYRES MART RETAIL OUTLETS

## SINGAPORE

### Opening Hours:

9:00am – 6:30pm  
Monday – Saturday  
For Sundays and Public Holidays, please call STARVANS at 8797 3355  
E-mail: customerservice@stamfordtyres.com

### Jurong Mega Mart

19 Lok Yang Way, Jurong Singapore 628635  
Tel: +65 6262 3355  
Fax: +65 6262 1494  
Opening Hours: Monday to Saturday 8:30am to 6:30pm

### Changi Mega Mart

31 Loyang Way Singapore 508729  
Tel: +65 6542 3355  
Fax: +65 6543 1403

### East Coast Mega Mart

355 East Coast Road, Singapore 428972  
Tel: +65 6440 3355  
Fax: +65 6345 1547

### MacPherson Mega Mart

455 MacPherson Road Singapore 368173  
Tel: +65 6841 3355  
Fax: +65 6742 8167

### Ang Mo Kio Mega Mart

Blk 10 #01-14 Ang Mo Kio Industry Park 2A Ang Mo Kio Auto Point Singapore 568047  
Tel: +65 6483 3355  
Fax: +65 6481 5370

### Bukit Batok Mega Mart

50 Bukit Batok St. 23 #02-19 Midview Building Singapore 659578  
Tel: +65 6261 3355  
Fax: +65 6267 8912



**South Africa**

**Malaysia**

**Singapore**

**Thailand**

**Vietnam**

**Indonesia**

**Hong Kong/China**

**Serangoon Gardens Mega Mart**  
49 Serangoon Garden Way  
Singapore 555944  
Tel: +65 6385 3355

**Kaki Bukit Synergy Mega Mart**  
23 Kaki Bukit Rd 4  
#01-12/13  
Singapore 417801  
Tel: +65 6702 3355  
Fax: +65 6341 6993

**Tampines Mega Mart**  
Blk 9006 Tampines St 93  
#01-196  
Singapore 528840  
Tel: +65 6286 3355  
Fax: +65 6784 4202

**Kaki Bukit Mega Mart**  
Kaki Bukit Industrial Estate  
10 Kaki Bukit Road 2,  
#01-11/12  
First East Centre  
Singapore 417868  
Tel: +65 6636 3355  
Fax: +65 6636 4751

**Bukit Merah Mega Mart**  
Blk 1004, Bukit Merah Lane 3,  
Unit 01-17 & 01-19  
Singapore 159720  
Tel: +65 6258 3355

**Woodlands Mega Mart**  
No.10 Admiralty Street  
#01-28 North Link Building  
Singapore 757695  
Tel: 6555 3555  
Fax: +65 6481 6103

**Revv Jurong Mega Mart**  
1 Corporation Drive  
#01-06 Singapore 619775  
Tel : +65 6963 3355

**Dunearn Mega Mart**  
130 Dunearn Rd  
Singapore 309436  
Tel: +65 6284 3355

**Jalan Ahmad Ibrahim Mega Mart**  
400, Jalan Ahmad Ibrahim,  
Singapore 629153  
Tel: 6513 6327

**Sin Ming Mega Mart**  
Blk 8 Sin Ming Industrial Estate  
Sector C  
#01-52 Singpoare 575643  
Tel: 6738 8766

**STAMFORD TYRES  
24-HOUR MOBILE  
RECOVERY  
SERVICES**

**24-hour STAR Vans and  
Mobile Truck Recovery  
Service**  
Available 24 hours a day,  
7 days a week, 365 days  
a year

**STAR VANS**

**Stamford Tyres Auto  
Rescue Vans (Tyre Shop  
on Wheels)**  
Tel: +65 8797 3355

**24-Hour Mobile Truck  
Recovery Service**  
Tel: +65 8858 3355

**STAMFORD TYRES  
TYRE MART  
EXPRESS  
(OVERSEAS)**

**MALAYSIA**

**Cheras Tyre Mart**  
No. 182, Jalan Mahkota,  
Taman Maluri Cheras, 55100  
Kuala Lumpur, Malaysia  
Tel: +60 3 9201 1528  
E-mail: enquiry\_my@stamfordtyres.com

**Glenmarie Tyre Mart**  
16 Jalan Jurunilai U1/20  
Section U1 Hicom Glenmarie  
Industrial Park  
40150 Shah Alam,  
Selangor, Malaysia  
Tel: +60 3 5569 3094  
Fax: +60 3 5569 3096  
E-mail: enquiry\_my@stamfordtyres.com

**Alor Setar Tyre Mart**  
No 309, Jalan Gangsa  
Mergong,  
Kawasan Perusahaan  
Mergong, Mergong,  
05150, Alor Setar, Kedah.  
Tel : 010-374 0513

**INDONESIA**

**Kelapa Gading Tyre Mart**  
Jl. Boulevard Raya PA 19  
No. 4-5 Kelapa Gading Permai  
Jakarta 14240, Indonesia  
Tel: +62 21 451 5682/  
450 4388  
Fax: +62 21 450 4384  
E-mail: info@stamfordtyresind.co.id

# FINANCIAL AND OPERATIONS REVIEW

## GENERAL BUSINESS ENVIRONMENT

Financial year 2024 was a challenging year for the Group. The continued supply chain disruption arising from the Russia-Ukraine war, the Israel-Hamas conflict, and the financial impact from the elevated interest rates in our key markets, dampened market sentiments in our core South East Asian and export markets. In addition to the above, the Group also faced intensified market competition from low-priced Chinese tyres and wheels in its key markets.

The Russia-Ukraine war which has dragged on since February 2022, caused supply chain disruption, particularly to shipping and logistics routes throughout Eastern Europe. This was further exacerbated by the Israel-Hamas conflict which has escalated since October 2023, further disrupting



FK520L launch dinner event in Singapore, for our esteemed Falken tyre dealers in June 2024

trade and shipping routes between Europe and South East Asia. These, coupled with high interest rates prevalent throughout the financial year, severely dampened market sentiments and impacted sales in our core South East Asian markets as well as global export markets.

## FINANCIAL AND OPERATIONS REVIEW

For the financial year ended 30 April 2024, the Group's revenue was S\$184.8 million compared to S\$188.3 million last financial year. South East Asia continued to be the core market of the Group, accounting for 88% of its revenue.



Stamford Tyres' booth at the Tyre Expo Asia 2024 in Bangkok, May 2024, featuring our extensive range of tyres, SSW wheels, and our Sumo Firenza battery range



# FINANCIAL AND OPERATIONS REVIEW

Demand for major brand tyres that the Group distributes, namely Falken, Dunlop, Continental and Kumho remains strong. Sumo Firenza proprietary brand tyres and SSW proprietary brand wheels continue to enjoy stable demand in Singapore, Malaysia, Indonesia and Thailand. In response to the changing markets, the Group has diversified its topline and sourcing of Sumo Firenza and Chinese budget tyres, mainly in the truck and commercial tyres segment. The Group continues to be focused on leveraging on its established brand name and core strength of delivering timely response to the market and customer needs.

Gross profit for the Group was lower at S\$48.7 million compared to S\$50.4 million in the last financial year. Gross profit margin decreased slightly from 26.7% in FY2023 to 26.3% in FY2024, mainly due to higher cost of tyres.

Operating expenses decreased by 4.6% to S\$49.1 million compared to S\$51.5 million in the last financial year. This was mainly due to: net write-back of allowance for doubtful receivables from the continued credit assessment in accordance with SFRS(I) 9 and the recovery of debts previously provided for; net write-back of provision for inventory obsolescence from the sale of slow-moving stocks previously provided for as well as lower foreign exchange cost; offset against higher staff cost, finance cost, utilities and maintenance cost and marketing and distribution cost.

The share of results of joint ventures amounted to a net profit of S\$0.8 million, compared to a net profit of S\$1.4 million last year, mainly attributable to lower sales by the Hong Kong joint venture.

Including a one-off gain from the disposal of property, plant and equipment amounting to S\$1.9 million in FY2024, the Group's net profit for the year was S\$6.0 million compared to S\$4.2 million in FY2023.

A Group-wide inventory rationalisation exercise was carried out during the financial year, that had significantly contributed to the generation of S\$19.9 million in cash flows from operating activities in FY2024. This enabled the Group to refresh and expand upon its tyre offerings, as well as enabling the Group to re-deploy its working capital in key areas in accordance with its main strategy of brand and product diversification.

## THE GROUP

The distribution network of the Group comprises more than 5,000

dealers and distribution centres in 7 countries. These distribution centres are located in Singapore, Malaysia, Indonesia, Thailand, South Africa, Hong Kong, and Vietnam.

## SINGAPORE

Total revenue generated in Singapore includes retail chain operations, truck tyre centres, local wholesaling as well as the export of tyres and wheels to countries other than the 7 countries mentioned above. Singapore's contribution amounted to 42% of the Group's total revenue.

There are currently 16 Stamford Tyres Mart retail centres and workshops island-wide, providing customers with services such as wheel balancing, wheel alignment, car maintenance programs and aerodynamic kits. We have also complemented our retail operations with four 24-hour mobile service vans to reach out to our customers nationwide, with the capability to perform tyre change and balancing as well as battery and oil change on-site.



Continental Tyres & Tea Event October 2023 in Singapore, for our esteemed dealers.

# FINANCIAL AND OPERATIONS REVIEW

For commercial customers, Stamford Tyres provides total tyre management services and support to fleet owners which helps them reduce vehicle downtime. Besides our existing truck centres in Jurong, Changi and Tuas, we have a fleet of 10 mobile service trucks to provide our commercial customers with emergency on-the-road tyre change.

## ▼ MALAYSIA

Malaysia remained a significant market to the Group, contributing 10% of the Group's revenue and we have more than 1,000 dealers in the country.

Our tyres and wheel distribution operations are carried out from our main warehouse facility at Shah Alam, Selangor. We are continuously looking for opportunities to expand our value-added services in Malaysia.

## ▼ THAILAND

We have two operating subsidiaries in Thailand:

- Stamford Sport Wheels Co Ltd ("SSW"), which operates two factories manufacturing aluminium alloy wheels; and
- Stamford Tires Distributor Co Ltd ("STD"), a wholesaler of tyres and wheels.



Successful collaboration with CKL Performance Parts Sdn Bhd at Autoshow Malaysia 2024 in May 2024, showcasing Falken tyres and Rays wheels



Wild Wild West themed Dunlop Dealers' Dinner in Hong Kong, in August 2023, organized by Tyre Pacific Hong Kong



SSW Racing Team sponsorship for Kalong TurboTeam at the Thailand Super Series, Chang International Circuit, Thailand, in May 2024

Higher production costs, as well as the weakening of the Thai Baht against the Singapore Dollar, had negatively impacted the profitability of the SSW factories in FY2024. On a positive note, SSW products continue to enjoy strong demand in South East Asia, particularly in Thailand, Indonesia and Malaysia, as we continue to

build on our SSW branding and marketing in the digital space. We have approximately 800 dealers for Falken and Sumo Firenza tyres, SSW and commercial tyres in our local distribution network.

The combined revenue of both subsidiaries contributed 15% to the Group's revenue in FY2024.

# FINANCIAL AND OPERATIONS REVIEW



As part of our CSR initiative in Thailand, in January 2024, SSW supported school children on Children's Day by providing stationery, school uniforms, and bags to students at Chumchon Wat Ratniyom and Demak Aoprathum schools



Our tyre engineer conducting inspections at PT Darma Henwa site in Banjarmasin, South Kalimantan, Indonesia

We are continuously working on enhancing our marketing and branding activities to expand our dealers footprint of tyres and wheels in Thailand, as well as enhancing the product design and sale of SSW wheels into export markets.

## INDONESIA

Indonesia contributed 18% to the Group's revenue in FY2024. The Group continues to capitalise on strong consumer demand

in Indonesia and to grow our passenger tyre and wheels distribution network. We currently have a comprehensive network of warehouses and distribution points within Indonesia covering Jakarta, Surabaya, Semarang, Medan, Balikpapan, Banjarmasin, Makassar and Timika.

Indonesia will continue to extend its network to be closer to its commercial fleet and mining customers, and to provide more direct and value-added services. We are currently offering bigger-sized radial earthmover tyres up to 63" to support the mining sector. In Timika, Irian Jaya, we have expanded our services to include off-the-road tyre repair and fitment, heavy vehicle inspection, vehicle assets logistics and management as well as on-site technical tyre and equipment manpower management. We have set up tyre consignment and technical centres in Morowali (Central Sulawesi) and Konawe (South East Sulawesi).

Indonesia remains a primary nickel producer for the global market and a key growth area for the Group in terms of the supply of mining tyres and related services for the nickel mining industry. With its inherent competitive advantage in the areas of sourcing, logistics and finance, the Group is well-positioned to capitalise on this growth area.



Tyre repair in action at our Timika site in Indonesia

# FINANCIAL AND OPERATIONS REVIEW

## ▼ SOUTH AFRICA

South Africa remains an important region outside South East Asia for the Group, contributing 10% of the Group's revenue in FY2024. We have three major warehouses in three cities (Cape Town, Durban and Johannesburg) and approximately 1,000 dealers. The passenger car tyres market is stable and truck and earthmover tyres remain our key focus segments with the recovery of the mining sector.

## ▼ GOING FORWARD

The Group will leverage on its established brand name and focus on its core strengths in the distribution of tyres and wheels in South East Asia, South Africa as well as the markets covered by our joint-venture companies, namely Hong Kong, Macau and Indo-China.

We will continue to:

- Drive organic topline growth via brand and product diversification.
- Deliver timely response to market needs and trends.
- Defend gross profit margin.
- Contain operating costs and rationalise current assets.



SSW booth elegantly displaying our latest rims at the Killarney Motor Show in Cape Town, South Africa, in November 2023



Grand Opening of B-Quik's (a close collaborator with STD in the promotion and retailing of Sumo Fireza tyres and SSW wheels) new branch at Kanchanapisek-Thap Chang, Bangkok in January 2024



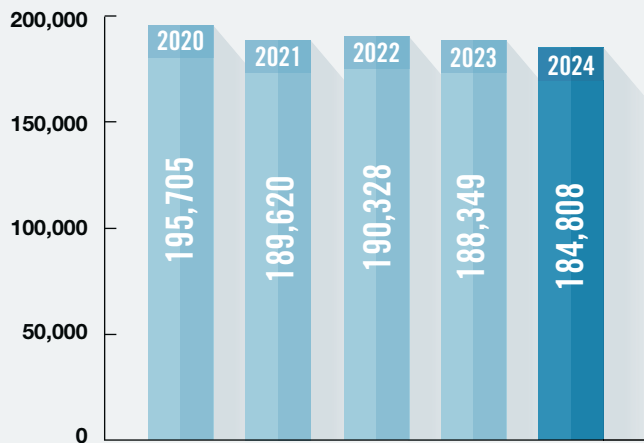
SSW and B-Quik booth presenting their latest offerings at IMX 2023 event in Jakarta in September 2023



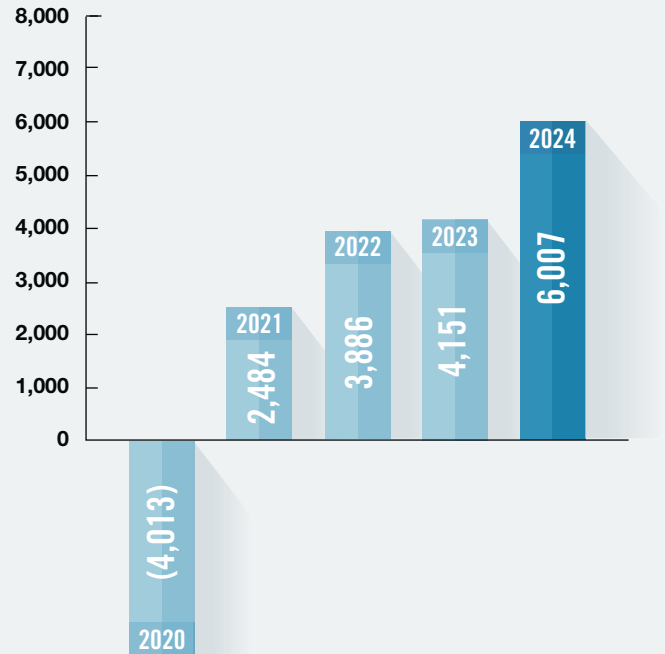
Kumho Dealer Luncheon hosted by Tyre Pacific Hong Kong in Hong Kong, in April 2024

# FINANCIAL HIGHLIGHTS

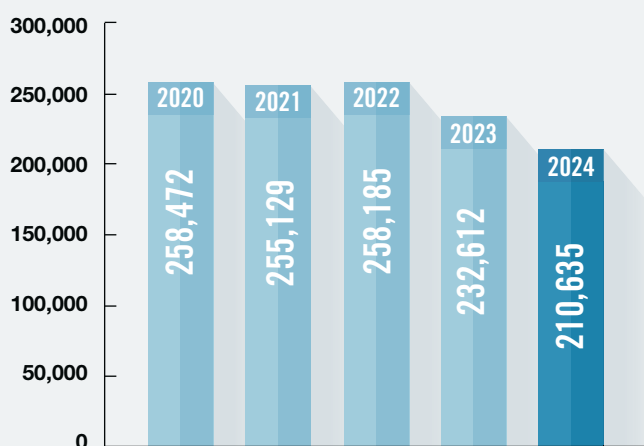
**GROUP TURNOVER**  
(S\$'000)



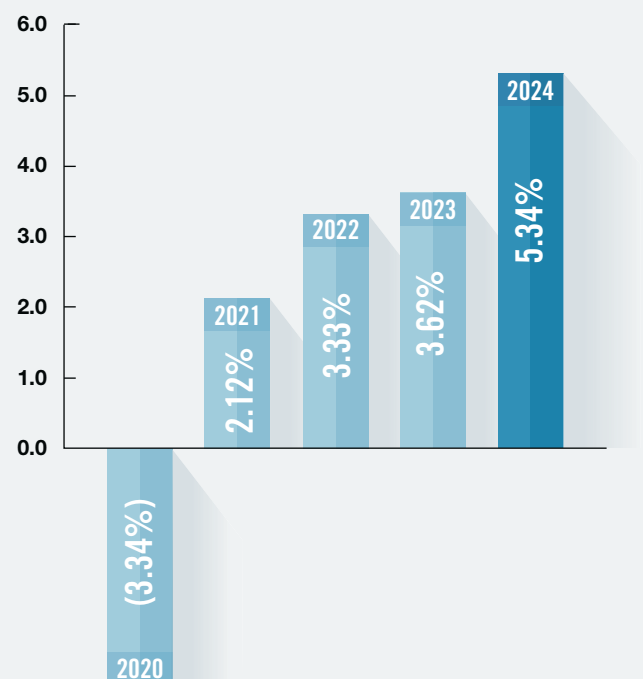
**PROFIT AFTER TAX**  
(S\$'000)



**TOTAL ASSETS**  
(S\$'000)



**RETURN ON SHAREHOLDERS EQUITY (%)**



# FLOTEC WHEELS



HB

MODEL  
**F102**

SPEC 15X7  
18X8.5



FP/BK/GCBK

MODEL  
**F115**

SPEC 18X8.5



HS

MODEL  
**F118**

SPEC 19X8.5  
19X9.5

**FLOW FORMING TECHNOLOGY**

[www.flotecwheels.com](http://www.flotecwheels.com)



Stamford Tyres Retail Singapore



@stamfordtyresg



[www.stamfordtyres.com](http://www.stamfordtyres.com)

**STAMFORD TYRES**

Available at all Stamford Tyre Marts, Authorised Dealers.

STAMFORD TYRES INTERNATIONAL PTE LTD

19, Lok Yang Way, Jurong, Singapore 628635 Tel : (65) 6262-3355 FAX : (65) 6264-0148/6264-4708

Email : [stipl@stamfordtyres.com](mailto:stipl@stamfordtyres.com) [www.stamfordtyres.com](http://www.stamfordtyres.com)

# CORPORATE GOVERNANCE REPORT

Stamford Tyres Corporation Limited (the “**Company**”) is committed to maintaining high corporate governance standards and sound corporate practices within the Company and its subsidiaries (the “**Group**”) to ensure that effective self-regulation practices are in place to enhance corporate performance and accountability. This report outlines the Company’s main corporate governance practices with reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”).

The Board of Directors (the “**Board**”) is pleased to confirm that for the financial year ended 30 April 2024, the Company has adhered to the principles and provisions as set out in the Code and where the Company’s practices vary from any of the provisions of the Code, explanations for the deviation and how the Group’s practices are consistent with the intent of the relevant principle, are provided in the sections below.

Rule 710

## 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.**

As at the date of this Annual Report, the Board comprises six directors, of whom four are independent directors and they are:

	<b>Board</b>	<b>AC</b>	<b>NC</b>	<b>RC</b>
Sam Chong Keen	Chairman	Member	Chairman	Chairman
Mrs Dawn Wee Wai Ying	Member	-	-	-
Dr. Wee Li Ann	Member	-	Member	-
Kazumichi Mandai	Member	Member	-	Member
Caroline Wee	Member	Chairman	Member	Member
Ho Fook Meng*	Member	-	-	-

\* Mr Ho Fook Meng was appointed as Non-Executive Independent Director on 1 July 2024

Mr Sam Chong Keen is the Non-Executive Independent Chairman. Mrs Dawn Wee Wai Ying and Dr Wee Li Ann are the Executive Directors. Mr Mandai Kazumichi, Ms Caroline Wee and Mr Ho Fook Meng are Non-Executive Independent Directors.

Details of the directors’ qualifications, background and working experience are set out under the “**Board of Directors**” section of this Annual Report.

The Board oversees the business affairs of the Group, sets overall corporate strategy and directions, approves budgets, and reviews the Group’s performance. The Board is collectively responsible for the long-term success of the Group. Each director exercises his independent judgement to act in good faith and in the best interest of the Group for the creation of long-term value for shareholders. The Board works with Management to achieve this objective and Management remains accountable to the Board and plays an important role in providing Board members with complete, adequate, and timely information to assist the directors in the fulfilment of their responsibilities.

Provision  
1.1

# CORPORATE GOVERNANCE REPORT (CONT'D)

The Board sets appropriate tone-from-the-top to uphold ethics and integrity within the Group and ensures that directors are not placed in situations where there is a conflict between their duties to the Company and their own personal interests.

*Provision*  
1.1

Each director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company, as soon as practicable after the relevant facts have come to his knowledge. Where a director has a conflict or potential conflict of interest in relation to any matter, he is required to immediately declare his interest, recuse himself and refrain from participating in discussions regarding a transaction or proposed transaction in which he has an interest or is conflicted, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he should abstain from voting in relation to the conflict-related matters.

## **Board Orientation, Training and Updates**

Incoming new directors are given proper guidance and orientation (including on-site visits to the Group's operational facilities) upon their appointment, to familiarise them with the Group's business, operations, financial performance and key management personnel of the Group as well as corporate governance practices to facilitate the effective discharge of their duties.

*Provision*  
1.2

Newly appointed directors will be given a formal letter explaining his duties and obligations as a director. They will also be briefed by Management on the Group's business, its strategic directions as well as its corporate governance policies. Orientation programmes and familiarisation visits are organised, if necessary, to facilitate a better understanding of the Group's operations.

If a newly appointed director has no prior experience as a director of a company listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**"), he is required to attend courses and training organised by institutions such as Singapore Institute of Directors ("**SID**"), the Accounting and Corporate Regulatory Authority ("**ACRA**") and the SGX-ST at the Company's expense. He/She will also be encouraged to attend at the Company's expense, courses relating to the Singapore regulatory environment and audit essentials.

As part of the board renewal process and recognising the importance of building a diverse Board while balancing the need to avoid losing institutional memory to achieve long-term sustainable development, Mr Ho Fook Meng ("**Mr Ho**") joined the Board as a Non-Executive Independent Director on 1 July 2024. The Company believes that Mr Ho will be able to provide new perspectives and diversity to the Board as well as contribute to the core competencies of the Board.

Mr Ho will be attending the Listed Entity Director ("**LED**") Programme core modules comprising LED 1 to LED 9 conducted by SID.

Directors have the opportunity to visit the Group's operations here and overseas and meet Management to gain a better understanding of the Group's business operations globally. All directors are encouraged to continually keep abreast of developments in regulatory, legal and accounting frameworks that are relevant to the Group through the extension of opportunities for participation in relevant training courses, seminars and workshops where applicable, at the Company's expense. Appropriate external trainings will be arranged where necessary.

*Provision*  
1.2



# CORPORATE GOVERNANCE REPORT (CONT'D)

Directors are regularly updated on the Group's business activities and regulatory and industry specific environments in which the Group operates during the Board meetings. Changes to regulations and accounting standards are monitored closely by Management. The Board as a whole, is updated regularly on risk management, corporate governance and key changes in the relevant regulatory requirements and accounting standards. New releases issued by the SGX-ST and ACRA which are relevant to the directors are circulated to the Board so that they are kept updated on pertinent matters relating to the relevant regulatory requirements and their key changes such as listing rules, corporate governance, risk management, financial reporting standards and the Companies Act 1967 (the "Act").

*Provision  
1.6*

All Board members (except for newly appointed director, Mr Ho Fook Meng) have completed the mandated sustainability training course organised by SID as prescribed by SGX-ST pursuant to Rule 720(7) of the SGX-ST Listing Rules.

*Rule 720(7)*

## **Principal Duties of the Board**

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group. It works closely with Management, its external and internal auditors to make objective decisions in the interest of the Group.

In addition to its statutory duties, the principal functions of the Board include:

- a) supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic policies and direction;
- b) formulating and approving the Group's financial objectives and monitoring its performance such as reviewing and approving of results announcements and approving of annual financial statements;
- c) reviewing and approving the Group's annual budgets, major funding proposals, investment/divestment proposals and corporate or financial restructuring;
- d) reviewing the adequacy and effectiveness of the Group's risk management and ensuring that management maintains a sound system of internal controls framework (including financial, operational and management systems to safeguard shareholders' investments and the Group's assets;
- e) reviewing and approving of interested person transactions;
- f) ensuring that necessary financial and human capital resources are available for the Group to meet its objectives;
- g) reviewing and endorsing the framework of remuneration for the Board and key management personnel as recommended by the Remuneration Committee ("RC");
- h) approving the nominations to the Board of Directors and appointment of key management personnel, as recommended by the Nominating Committee ("NC");
- i) considering sustainability issues (e.g., environmental and social factors, as part of its strategic formulation); and

assuming responsibility for corporate governance and compliance with the Act and the rules and requirements of relevant regulatory bodies.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## **Matters Requiring Board Approval**

The Board has adopted a set of internal guidelines on matters requiring board approval. Matters that are specifically reserved for the approval of the Board include, among others, any material acquisitions and disposals of assets, corporate or financial restructuring, share issuances and proposing of dividends, annual budgets, significant legal and financial issues, announceable matters, interested person transactions, succession planning, appointment and replacement of directors and key management personnel, determination of their remuneration, and other matters as may be considered by the Board from time to time.

*Provision*  
1.3

The Board also monitors operating and financial performance and oversees the processes for risk management, financial reporting, and compliance, and evaluating the adequacy of internal controls.

## **Delegation to Board Committees**

The Board has delegated specific responsibilities to three committees namely, the Audit Committee (“AC”), the NC and the RC to assist in the execution of its responsibilities. Each Committee has its own written terms of reference which clearly sets out its objectives, duties, powers and responsibilities and which has been amended to be in line with the Code. All Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. Minutes of all Board Committees have been circulated to the Board so that directors are aware of and are kept updated as to the proceedings and matters discussed during the Committees’ meetings.

*Provision*  
1.4

While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

## **Attendance at Board and Committee Meetings**

The Board conducts regular scheduled meetings on a quarterly basis. The Board and the Board Committees meet regularly based on a meeting schedule planned in advance of each financial year so as to ensure maximum attendance by all participants. Ad-hoc meetings are convened as warranted by circumstances. If a director is unable to attend meetings in person, telephonic or video conference participation at meetings is allowed under the Company’s Constitution. Between board meetings, important matters concerning the Company are also put to the Board for its decision via circular resolutions for directors’ approval together with supporting memoranda to enable the directors to make informed decisions.

*Provision*  
1.5  
*Provision*  
1.6

# CORPORATE GOVERNANCE REPORT (CONT'D)

The attendance of directors at Board and Committee Meetings held since May 2023 while they were members as well as at the Annual General Meeting (“AGM”) of the Company held in August 2023 are set out below:

Provision  
1.5

Meetings of:	Board	AC	NC	RC	AGM
No. of Meetings held:	5	4	2	2	1
Name of Director:	Attended	Attended	Attended	Attended	Attended
Sam Chong Keen	5	4	2	2	1
Mrs Dawn Wee Wai Ying	5	-	-	-	1
Dr. Wee Li Ann	5	-	2	-	1
Leslie Mah Kim Loong <sup>#</sup>	1 <sup>#</sup>	1 <sup>#</sup>	1 <sup>#</sup>	1 <sup>#</sup>	1 <sup>#</sup>
Kazumichi Mandai	5	4	-	2	1
Caroline Wee <sup>*</sup>	5	4	2	2	1
Ho Fook Meng <sup>@</sup>	-	-	-	-	-

<sup>#</sup> Mr Leslie Mah Kim Loong retired as Director, AC Chairman, NC member and RC member at the AGM held on 31 August 2023.

<sup>\*</sup> Ms Caroline Wee was appointed as the AC Chairman, a member of the NC and RC on 1 September 2023 in place of Mr Mah.

<sup>@</sup> Mr Ho Fook Meng joined the Board as a Non-Executive Independent Director on 1 July 2024.

In addition to the above, the Independent Directors had also met with the internal auditors and external auditors without the presence of the Executive Directors or Management at least once in FY2024.

During FY2024, the Non-Executive Independent Directors met amongst themselves with or without the presence of the Executive Directors and the management team on an ad-hoc basis to approve and/or discuss specific issues or matters relating to the Group. Such informal discussion and meetings are not included in the above table.

## Multiple Board Representations

All directors are required to declare their board representations and ensure that sufficient time and attention are given to the affairs of the Group. The NC will review the multiple board representations held by the directors on an annual basis to ensure that sufficient time and attention is given to the affairs of the Group.

Provision  
1.5

The NC has assessed that each director in the Company is able to and has been adequately carrying out his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. The Committee also took into consideration the Company's existing practice of directors being assessed by each other as an additional check and balance on the performance of individual directors and that a director should have self-responsibility to determine whether he is able to discharge his duties properly and effectively as a director when taking on additional listed company board seats. The NC, with concurrence from the Board, has adopted a guide that a director should not have in aggregate more than five (5) listed company board representations to be able to devote sufficient time and attention to the affairs of the Company. None of the directors have exceeded this limit.

Provision  
1.5

# CORPORATE GOVERNANCE REPORT (CONT'D)

## **Access to Information**

Directors are given full access to the management team and the Company Secretary, all Board and Board Committee minutes and all approval and information papers.

*Provision*  
1.6

Board members are provided with quarterly management reports and from time to time, they are furnished with all relevant information on material events and transactions to enable them to be fully cognisant of the decisions and actions of the Company's Executive Management. Detailed board papers are prepared for each Board meeting. The board papers include sufficient information from Management on financial, business and corporate issues and are normally circulated in advance of each meeting to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting.

The directors are also regularly updated on the business activities of the Group and when there are significant developments or events relating to the Group's business operations.

Management has access to the directors for guidance or exchange of views outside of the formal environment of the Board meetings.

The Company provides for the directors, individually or as a group, to have separate and independent access to the Company Secretary at all times and they have been provided with the phone numbers and e-mail particulars of the Company Secretary. Each director has the right to seek independent legal and other professional advice where necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil her/his duties and responsibilities as a director and after consultation with the Chairman of the Board.

*Provision*  
1.7

The Company Secretary attends all Board and Committee meetings and ensures Board procedures are followed. The role of the Company Secretary has been clearly defined which includes, *inter alia*, advising the Board on all matters regarding the proper functioning of the Board, compliance with the Company's Constitution, the Act, relevant provisions of the Securities and Futures Act and the Listing Manual of the SGX-ST. The Company Secretary assists the Board in implementing and strengthening corporate governance policies and procedures.

Under the direction of the Chairman, the Company Secretary ensures good information flow to and within the Board and the Board Committees and between Management and the Non-Executive Directors. During FY2024, the Company Secretary attended meetings of the Board and its Committees and the minutes of such meetings were circulated to all members of the Board and Board Committees. The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

## **BOARD COMPOSITION & 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.***

There is an appropriate level of independence and diversity of thought and background in the Board's composition to enable it to make decisions in the best interest of the Company. As of 30 April 2024, the Board comprises six board members, of whom four are independent and non-executive directors.

*Rule*  
210(5)(c)

# CORPORATE GOVERNANCE REPORT (CONT'D)

The composition of the Board and independence of each director is assessed and reviewed annually by the NC to ensure that the Board has the appropriate mix of expertise and experience to govern and manage the Group's affairs.

An independent director is one who is independent in conduct, character and judgment and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that can interfere, or be reasonably perceived to interfere with the exercise of the director's independent business judgment to the best interests of the Company.

*Provision  
2.1*

The NC conducted its annual review of the directors' independence and is satisfied that the Company complies with Guideline 2.1 of the Code and Rule 210(5)(c) of the Listing Manual of SGX-ST which requires independent directors to consist of at least one-third of the Board.

*Provisions  
2.1, 4.4  
and Rule  
210(5)(c)*

Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be independent. The NC and the Board took into account the existence of relationships or circumstances, including those identified by the SGX-ST Listing Rule 210(5)(d) and the Code's Practice Guidance ("**Practice Guidance**"), that are relevant in determining a director's independence and considered whether a director has business relationships with the Group, its substantial shareholders or its officers and if so, whether such relationships could interfere or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the interest of the Group. A director will not be considered independent if he/she is employed by the Company or any of its related corporations for the current or any of the past three (3) financial years or if he/she has any immediate family members who are employed by the Company or any of its related corporations for the past three (3) financial years and whose remuneration is determined by the RC or if he has been a director of the Company for an aggregate period of more than nine years. Such director may continue to be independent until the conclusion of the Company's annual general meeting in 2024.

*Rule  
210(5)(d)*

The Company's process of determining whether a director is independent includes the use of a declaration form on independence which each independent director is required to complete and submit to the NC for its annual review. The results of the self-assessment are then collated by the Company Secretary and reported to the Board.

For FY2024, the NC has assessed the independence of Mr Sam Chong Keen, Mr Kazumichi Mandai, Ms Caroline Wee and Mr Ho Fook Meng and was satisfied that there were no relationship or other factors such as financial assistance, past association, business dealings, being a representative of a shareholder, financial dependence, relationship with the Group or the Group's management, which would impair or compromise their independent judgement or which would deem them not to be independent. The NC is of the view that the Board has sufficient independent element and its composition is appropriate to facilitate effective decision-making.

Each independent director had recused himself or herself in the determination of his or her own independence.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## **Proportion of Non-Executive Independent Directors**

Provision 2.2 of the 2018 Code requires independent directors to make up a majority of the Board where the Chairman is not independent. Currently, Mr Sam Chong Keen, Chairman of the Board, is considered an independent director and out of the six directors on the Board, four are independent directors.

*Provision  
2.2*

The NC and the Board are of the opinion that there is an appropriate level of independence as the Board is able to exercise objective judgment independently from Management as all key issues and strategies are thoroughly reviewed and discussed by all Board members and constructively challenged by the independent directors. The NC and the Board are of the view that the independence of independent directors must be based on the substance of their professionalism, integrity and objectivity and not merely based on form such as the number of independent directors that must make up a majority of the Board.

No individual or small group of individuals dominate the decisions of the Board.

As more than half of the Board comprised independent and non-executive directors in FY2024 and the Chairman is a non-executive independent director, the NC is of the view that the Board has sufficient independent elements and its composition is appropriate to facilitate effective decision-making and aid the development of the Group's strategic processes, review the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance and operations, as an appropriate check and balance.

*Provision  
2.2 and 2.3*

The non-executive independent directors, have constructively challenged and helped Management develop proposals on business strategies for the Company and the Group, taking into consideration the long-term interests of the Group and its stakeholders. The non-executive independent directors also reviewed the performance of Management in achieving agreed goals and objectives for the Company and the Group, and monitored the reporting of performance. Their views and opinions also provide different perspectives to the Group's business. The Company is in compliance with Rule 210(5)(c) of the Listing Manual of the SGX-ST, which requires the Board to have at least two non-executive directors who are independent and free of any material business or financial connection with the Company.

*Rule  
210(5)(c)*

To discharge its oversight responsibilities, the Board must be an effective Board which can lead and control the business of the Group. There is a process of refreshing the Board progressively over time so that the experience of longer serving directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointees bring to the Board's deliberation.

## **Independence of Directors Who Have Served on the Board beyond Nine (9) Years**

Particular attention is given to reviewing and assessing the independence of any director who has served on the Board beyond nine years from the date of his/her appointment.

As at 30 April 2024, two independent directors, Mr Sam Chong Keen and Mr Mandai Kazumichi, have served on the Board for more than nine years from the date of their respective first appointment.

# CORPORATE GOVERNANCE REPORT (CONT'D)

With effect from 11 January 2023, Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, which is applicable for an issuer's annual general meeting for the financial year ending on or after 31 December 2023, provides that a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing) and such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. As such, Mr Sam Chong Keen and Mr Mandai Kazumichi, continue to be considered independent until the conclusion of the Company's Annual General Meeting to be held on 30 August 2024 ("**2024 AGM**").

The NC and Board have determined that Mr Sam Chong Keen and Mr Kazumichi Mandai continue to remain objective and independent-minded in Board deliberations. As Chairman of the Board, Mr Sam provides stability to the Board and the Group has benefited from the counsel and wealth of experience of Mr Sam Chong Keen and Mr Kazumichi Mandai. Each of them has, over time, not only gained valuable insight into the Group, its business, markets and industry but has also brought the breadth and depth of their respective business experience to the Company. They have provided the Board and the various Board Committees on which they serve, pertinent counsel and guidance to facilitate sound decision-making. They have each not hesitated to express their own viewpoint as well as seek clarifications from Management on issues they deem necessary and each of them is able to exercise objective judgement on corporate matters independently, particularly from Management. Their length of service has not in any way interfered with their exercise of independent judgment nor hindered their ability to act in the best interests of the Company.

Taking into account the above, after due consideration and careful assessment, and also having weighed the need for Board refreshment against tenure for relative benefit, the NC and the Board are of the view that each of Mr Sam Chong Keen and Mr Kazumichi Mandai are able to discharge their duties independently with integrity and competence.

Mr Sam Chong Keen and Mr Kazumichi Mandai have each abstained from all NC and Board deliberations and decisions relating to their continued independence.

The Board also recognises that independent directors may over time develop significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. They are of the view that the independence of the independent directors must be based on their substance of their professionalism, integrity and objectivity and not merely based on form such as the number of years which they have served on the Board. The NC, with the concurrence of the Board also weighed the need for Board refreshment against tenure for relative benefit. As it is in the interest of the Company to refresh the Board progressively, the NC is taking active steps to ensure that board renewal is conducted in an orderly manner, to avoid losing institutional memory.

*Rule  
210(5)*

As part of the board renewal process, Mr Kazumichi Mandai, who is due to retire by rotation pursuant to Regulation 111 of the Constitution, will not be seeking re-election and will retire from the Board of Directors at the conclusion of the forthcoming AGM on 30 August 2024. Mr Mandai has been a director of the Company since 2012. The Board and Management would like to express their heartfelt gratitude to Mr Mandai for his invaluable contributions to the Group over the years.

Meanwhile, Mr Ho Fook Meng was appointed as Non-Executive Independent Director on 1 July 2024 and the NC will continue to take the necessary actions to renew the Board progressively.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## **Board Size and Board Diversity**

The NC is of the view that the size of the Board and its Board Committees is appropriate, taking into account the nature and scope of the Group's operations, the core competencies, qualifications, skills and broad range of industry knowledge and business experience of the Directors to govern and contribute to the effectiveness and success of the Group. The NC reviews the size of the Board as well as opportunities to refresh the Board from time to time.

*Provision  
2.4*

The Company's Board Diversity Policy sets out its approach to achieve diversity on the Board. The Company recognises and embraces the benefits of diversity of experience, age, skill sets, gender and ethnics on the Board and views board diversity as an essential element to support the attainment of its strategic objectives and sustainable development. This is achieved by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the directors to avoid groupthink and foster constructive debate.

*Rule  
710A(1)  
and (2)*

In reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of directors, the NC will consider all aspects of diversity including diversity of background, experience, gender, age, and other relevant factors such as distinguishing qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

Every year, the NC conducts its review of the composition of the Board, which comprises members of both genders from different backgrounds and ethnicity and whose core competencies, qualifications, skills, and experiences, meet the requirements of the Group at the point in time. The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure there is diversity on the Board when progressively renewing the Board.

In terms of the Board's composition, the Company seeks to have a Board that comprises directors who, as a group, not only provide an appropriate balance and have diversity of professional experience, skills and knowledge but also of other aspects such as gender, age, ethnicity and culture, geographical background and nationalities.

However, the NC and Board does not intend, pursuant to the Board Diversity Policy, to appoint directors solely based on factors such as gender, age, ethnicity etc, merely to fulfill token representation on the Board or simply to meet quotas. In the Board's view, the fundamental principle is that the candidate must be of the right fit, taking into account the needs and future strategies of the Group's businesses, and must meet the relevant needs and vision of the Board and the Company at the material time.

The current Board composition reflects the Company's commitment to board diversity. The Board comprise directors who as a group provide an appropriate balance and diversity of skills and experience including financial, industrial and business management and collectively possess the necessary core competences, qualifications, skills and experience to lead and govern the Group effectively. Each director provides a valuable network of industry contacts which are considered essential to the Group and was appointed on the strength of his/her calibre, experience, skill and stature.



# CORPORATE GOVERNANCE REPORT (CONT'D)

As at the date of this Annual Report, the directors are between the ages of 53 to 76 and half the Board members are female directors. In terms of independence, there is a strong element of oversight on the Board, as there are four non-executive independent directors representing over 66% of the total board membership. Whilst the majority of the Board members are Singapore citizens, there is a Japanese director and a Malaysian director on the Board. In addition, the Board comprises members with varying lengths of tenure, demonstrating a good balance between long-serving directors and recent appointees, ensuring a blend of extensive experience with fresh perspectives.

The Board concurred with the NC's view that the size of the Board and the Board Committees is appropriate for the needs and demands of the Company's and the Group's operations. In terms of diversity, the Board members with their combined business, management, financial, and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

The Board's composition enables Management to benefit from a diverse and objective external perspective on issues raised before the Board, and the directors as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity.

The NC and the Board have assessed the current level of diversity on the Board to be satisfactory and given the current size of the Board and the nature of the Group's business at present, the Board does not propose to set specific diversity targets or concrete timelines for achieving board diversity targets. Instead, the Company takes the approach that maintaining a satisfactory level of diversity is an ongoing process which may need to be updated as the business of the Group develops. This will be disclosed in future corporate governance reports as appropriate.

The NC and the Board will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure there is diversity on the Board.

Details of the directors' qualifications, background and working experience are set out under the "**Board of Directors**" section of this annual report.

Where appropriate and necessary, the independent directors have discussions, and meet without the Management's presence, on matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning and the remuneration of the Executive Directors and key management personnel.

*Provision  
2.5*

The Board has no dissenting view on the Chairman's Letter to Shareholders for the financial year in review.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)

**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 Chairman and CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. *Provision 3.1*

The Chairman is a non-executive appointment and is separate from the office of the CEO. There is a clear segregation of the roles and responsibilities between the Chairman and the CEO to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

As the Chairman and CEO are not related, no Lead Independent Director was appointed. *Rule 1207(10A)*

The Chairman leads the Board and is responsible for the strategic direction of the Group, the workings of the Board and communicating the performance of the Company and the Group to the Board and shareholders. The Chairman encourages active and effective engagement, participation and contribution from all Directors and facilitates constructive relations among and between them and Management. *Provision 3.2*

At general meetings of shareholders, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management.

The Executive Directors and the CEO bear full executive responsibility for the Group’s operations, and together with the team of key management personnel, are responsible for the day-to-day management of the Group and executing the Group’s strategies and policies. The CEO attends the quarterly AC and Board meetings at the invitation of the AC and Board and updates them on strategic and operational aspects of the Group’s business. The performance of the CEO is reviewed periodically by the RC.

Separately, Mr Wee Kok Wah, who was appointed as Founder and Senior Advisor on 1 November 2021, provides invaluable guidance and counsel to the members of the Board as well as the senior management team. Prior to this appointment, Mr Wee was the Managing Director of the Company.

### **Lead Independent Director**

The Code encourages the appointment of a Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially where the Chairman is not independent. *Provision 3.3*

As Mr Sam Chong Keen of the Board is an independent director, the Board is of the view that the appointment of a Lead Independent Director is not necessary.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## 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.**

### **NC Composition and Role**

The NC comprises three directors, the majority of whom, including the Chairman, are independent directors. The NC Chairman is Mr Sam Chong Keen and the other members are Dr Wee Li Ann and Ms Caroline Wee. *Provisions 1.4 and 4.2  
Rule 1207(10B)*

The NC is guided by written terms of reference approved by the Board and its principal functions are to establish a formal and transparent process on matters relating to and including: *Provision 4.1*

- (a) making recommendations to the Board on relevant matters relating to:
  - (i) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
  - (ii) the process and criteria for evaluation of the performance of the Board, its Board Committees and directors;
  - (iii) the review of training and professional development programmes for the Board and its directors;
  - (iv) the appointment and re-appointment of directors (including alternate directors, if any);
- (b) reviewing and determining annually, and as and when circumstances require, if a director is independent, in accordance with the Code and any other salient factors; and
- (c) where a director or proposed director has multiple board representations, deciding whether the director is able to and has been adequately carrying out his duties as a director taking into consideration the director's number of listed company board representations and other principal commitments.

### **Nomination and selection of Directors**

The NC is responsible for recommending identified candidates to the Board to fill vacancies arising from resignation, retirement or any other reasons or if there is a need to appoint additional directors with the required skill, knowledge or experience to the Board in order to fill any identified competency gap in the Board. Suitable candidates for Board membership are then identified through, *inter alia*, recommendations from current Board members, substantial shareholders, management or through third-party referrals. *Provision 4.3*

Board renewal is a continuous process and is a crucial element of the Group's corporate governance process. In this regard, the NC reviews annually the composition of the Board and Committees, which includes size and mix, and recommends to the Board the selection and appointment of new directors with a view to identify any gaps in the Board's skills set taking into account the Group's strategy and business operations. The NC seeks to refresh the Board membership progressively and has taken active steps in this regard to ensure that this is done in an orderly manner, to avoid losing institutional memory.

# CORPORATE GOVERNANCE REPORT (CONT'D)

The selection criterion includes integrity, diversity of competencies, expertise, industry experience and financial literacy. The NC and the Board will interview short-listed candidates before discussing and approving the final appointment. For existing directors who retire and stand for re-election, based on the evaluation of these directors, the NC will make recommendations for the re-nomination of such directors.

The Company has the following process for the selection and appointment of new directors:

- (i) the NC recommends to the Board a suitable size of the Board; and evaluates the balance of skills, knowledge and experience of Board members required to add value and facilitate effective decision-making, taking into consideration the scope and nature of the Group's operations;
- (ii) the NC considers the channels for seeking suitable candidates and draws up a list of potential candidates. Sources may include internal promotion, recommendations from directors/substantial shareholders/Management or external search consultants;
- (iii) short-listed candidates will be required to furnish their curriculum vitae stating in detail their qualification, working experience, employment history, and to complete certain prescribed forms to enable the NC to assess the candidate's independence status;
- (iv) the NC evaluates the candidates' capabilities by taking into consideration certain criteria such as diversity of skills, experience, background, gender, age, ethnicity and other relevant factors and how the candidates fit into the overall desired competency matrix of the Board; and
- (v) the NC makes recommendation to the Board for approval. The Board is to ensure that the selected candidate is aware of the expectations and the level of commitment required.

All directors must submit themselves for re-nomination and re-election at least once every three years. The Company's Constitution provides for one-third of the directors to retire by rotation and be subject to re-election at every AGM. A newly appointed director must also subject himself/herself to retirement and re-election at the AGM immediately following his/her appointment. Thereafter, he/she is subject to retirement by rotation at least once every three years. *Rule 720(5)*

Key information of each director is set out on pages 4 to 5 of this report and the dates of their initial appointment and last re-appointment/re-election are set out below:

Name of Director	Appointment	Date of initial appointment	Date of last re-appointment/re-election
Sam Chong Keen	Non-Executive Independent Director	9 December 1994	30 September 2020
Mrs Dawn Wee Wai Ying	Executive Director	11 October 1989	29 September 2021
Dr Wee Li Ann	Executive Director	9 December 2009	31 August 2022
Kazumichi Mandai	Non-Executive Independent Director	1 December 2012	31 August 2022
Caroline Wee	Non-Executive Independent Director	2 September 2022	31 August 2023
Ho Fook Meng	Non-Executive Independent Director	1 July 2024	-

# CORPORATE GOVERNANCE REPORT (CONT'D)

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual, Mr Sam Chong Keen, who has served on the Board as a non-executive independent director for an aggregate period of more than nine years, will no longer be eligible to be an independent director of the Company at the conclusion of the Company's 2024 AGM. Accordingly, Mr Sam Chong Keen will be re-designated as the Non-Executive Non-Independent Chairman immediately after the conclusion of the 2024 AGM. *Rule 210(5)*

As Mr Ho Fook Meng was appointed on 1 July 2024, he will be retiring at the coming AGM on 30 August 2024 pursuant to Regulation 115 of the Company's Constitution. The Directors due for re-nomination and re-appointment at the forthcoming AGM under Regulation 111 of the Company's Constitution are Mrs Dawn Wee Wai Ying and Mr Kazumichi Mandai. Mr Ho Fook Meng and Mrs Dawn Wee Wai Ying have offered themselves up for re-election. As part of the board renewal process, Mr Kazumichi Mandai will not be seeking re-election and will retire from the Board of Directors upon the conclusion of the AGM on 30 August 2024. He will also relinquish his position as a member of the AC and RC.

Having assessed the contribution and performance of Mrs Dawn Wee Wai Ying and Mr Ho Fook Meng, the NC has recommended the re-election of the two directors who are due to retire at the forthcoming AGM. The Board has accepted the recommendations of the NC. Each director had recused herself/himself relating to the recommendation on her/his re-election as director of the Company. *Rule 720(5)*

Subject to their re-election:

- (a) Mrs Dawn Wee Wai Ying will continue to serve as Executive Director.
- (b) Mr Ho Fook Meng will continue to serve as a Non-Executive and Independent Director.

The requisite information pursuant Appendix 7.4.1 of the SGX-ST Listing Manual pertaining to the retiring Directors can be found on pages 142 to 144 of this Annual Report. *Rule 720(6)*

## **Continuous review of Directors' independence**

The NC is charged with determining annually, and as and when circumstances require, the independence of each independent director, having regard to the circumstances set forth in Provision 2.1 of the Code, its Practice Guidance and Rule 210(5)(d) of the Listing Manual of the SGX-ST. *Provision 4.4*

Each independent director of the Company will confirm his independence (or otherwise) based on a checklist annually. The checklist is drawn up based on the guidelines provided under the Code. In FY2024, the NC had reviewed the independence of the independent directors, having regard to the circumstances set forth in Provision 2.1 of the Code, its Practice Guidance and the SGX-ST Listing Manual.

As described under the section on Board Independence, the Board, after taking into consideration the views of the NC, is of the view that Mr Sam Chong Keen, Mr Kazumichi Mandai, Ms Caroline Wee and Mr Ho Fook Meng are independent, and that no individual or small group of individuals dominate the Board's decision making.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## **Directors' time commitments**

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the Company. As part of the assessment of the performance of each individual director, there is consideration of whether sufficient time and attention has been given by the director to the affairs of the Company. The NC is satisfied that all directors were able to and have adequately carried out their duties as a director of the Company for FY2024.

*Provision*  
4.5

The NC also believes that contributions from each director can be reflected in other ways other than the reporting of attendances of each director at the Board and Board Committees meetings as well as the frequency of such meetings. A director would have been appointed on the strength of his experience and his potential to contribute to the proper guidance of the Group and its business. To focus on a director's attendance at formal meetings alone may lead to a narrow view of a director's contribution. It may also not do justice to his contributions, which can be in many forms, including Management's access to him for guidance or exchange of views outside the formal environment of the Board.

The listed company directorships and principal commitments of each director are disclosed on pages 4 to 5 of the Annual Report.

The NC does not encourage the appointment of alternate directors and none of the directors has an alternate director.

## **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 NC, has with the approval of the Board, established performance criteria and evaluation procedures for evaluation and assessment of the effectiveness and performance of the Board, the Committees as well as the contribution by the Chairman and for each individual Director. The NC evaluates and assesses the effectiveness of the Board taking into consideration appropriate performance criteria and upon its recommendation, the Board makes a formal annual assessment of its effectiveness as a whole, its Board Committees and each Director.

*Provision*  
5.1

The NC has implemented a formal appraisal process to assess the performance and effectiveness of the Board as a whole annually. It focuses on a set of performance criteria which includes the evaluation of the size and composition of the Board, the Board's access to information and Board accountability. The findings of such evaluations were analysed and discussed with a view to identifying areas for improvement and implementing certain recommendations to further enhance the effectiveness of the Board. In its evaluation, the NC considers the expertise and experience of each Board member, their attendance, participation and contributions to the Board both inside and outside of Board meetings which can be in many forms, including Management's access to him for guidance or exchange of views outside the formal environment of the Board.

# CORPORATE GOVERNANCE REPORT (CONT'D)

Each director submits an assessment of the Board and the Board Committees, and a peer assessment of each of the other directors to assess the contributions by the Chairman and each individual director to the effectiveness of the Board. These detailed forms assess directors in various different areas and competencies, including their attendance and contributions at meetings, preparedness for meetings etc. The evaluation of the Board and the Board Committees focus on a set of performance criteria approved by the Board which includes the size and composition of the Board, Board independence, the Board's access to information, Board's accountability, and Board Committee performance in relation to discharging their responsibilities as set out in their respective terms of reference. The responses are collated by the external Company Secretary and a consolidated report is submitted to the Board. The responses are then discussed by the Board to determine the areas for improvement and enhancement of the effectiveness of the Board and its Board Committees.

*Provision*  
5.2

Following the review in FY2024, the Board is of the view that the Board and its Board Committees operate effectively and that each director is contributing to the overall effectiveness of the Board and its Board Committees.

No external facilitator was involved in the Board evaluation process in FY2024.

## REMUNERATION MATTERS

### PROCEDURES FOR DEVELOPING REMUNERATION POLICIES AND LEVEL AND MIX OF REMUNERATION

***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.***

***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.***

#### ***Composition and Role***

The RC comprises three non-executive and independent directors. It is chaired by Mr Sam Chong Keen and the members are Mr Kazumichi Mandai and Ms Caroline Wee.

*Provisions*  
1.4 and 6.2  
*Rule*  
1207(10B)

The RC is guided by written terms of reference approved by the Board and its principal responsibilities are:

*Provision*  
6.1

- (a) reviewing and making recommendations to the Board on:
  - (i) a comprehensive framework of remuneration and guidelines for the Board and key management personnel of the Group; and

# CORPORATE GOVERNANCE REPORT (CONT'D)

- (ii) the specific remuneration packages for each director, CEO as well as for the key management personnel,

and in doing so the RC considers all aspects of remuneration, including termination terms, to ensure they are fair;

- (b) reviewing the Company's obligations arising in the event of termination of the Executive Directors, CEO and key management personnel's contracts of service;
- (c) where an external remuneration consultant is appointed, reviewing whether the remuneration consultant has any relationship with the Company that could affect his or her independence and objectivity; and
- (d) reviewing annually the remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds \$100,000 during the year.

The RC has explicit authority to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters when necessary. During the financial year, the RC did not engage the service of an external remuneration consultant.

*Provision  
6.4*

## **Remuneration Framework**

The RC reviews and recommends to the Board the framework of remuneration for key executives and for directors serving on the Board and Board committees. The review of specific remuneration packages includes fees, salaries, bonuses and incentives. It also administers the Company's Employee Share Option Schemes and Performance Share Schemes, if any. Although the recommendations are made in consultation with Management, the remuneration packages are ultimately approved by the Board. No director is involved in deciding his or her own remuneration. In setting the remuneration framework, the RC has considered all aspects of remuneration. The RC aims to be fair and avoids rewarding poor performance.

*Provision  
6.3 and 7.1*

Remuneration for key executives is based on corporate and individual performance with certain key executives entitled to profit-sharing bonuses based on certain profit on a realized basis. There are appropriate and meaningful measures in place for the purposes of assessing the performance of the Executive Directors and key management personnel. Although the recommendations are made in consultation with Management, the remuneration packages are ultimately approved by the Board. No Director is involved in deciding his own remuneration.

In performing its function, the RC endeavours to establish an appropriate remuneration policy to attract, retain and motivate the Executive Directors and key management personnel whilst at the same time ensuring that the reward in each case takes into account individual performance as well as corporate performance.

Executive Directors have service contracts which include terms for termination under appropriate notice and retirement or post-employment benefits.

Non-Executive Directors are paid directors' fees, which consist of a basic retainer fee as director and an additional fee for serving on any of the Board Committees. The fees paid to directors take into consideration the knowledge and expertise of each individual director, the responsibilities vested upon them and the effort and time commitment required from them given the complexities of the business and the business structure. Such aggregated fees are put up for shareholders' approval at the AGM.

*Provision  
7.2*



# CORPORATE GOVERNANCE REPORT (CONT'D)

The Board concurred with the RC that the proposed directors' fees for the year ending 30 April 2025 are appropriate and not excessive, taking into consideration the level of contributions by the directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors. The payment is subject to approval of the shareholders at each AGM. No individual director is involved in deciding his own remuneration.

In performing its function, the RC endeavours to establish an appropriate remuneration policy to attract, retain and motivate key management personnel and Executive Directors, while at the same time ensuring that the reward in each case takes into account, individual performance as well as corporate performance. The corporate and individual performance-related elements of remuneration are designed to align the interests of Executive Directors and key management personnel with those of shareholders and other stakeholders and to promote the long-term success of the Group.

*Provision*  
7.3

At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from Executive Directors and key management executives in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The RC will consider, if required, whether there is a requirement to institute such contractual provisions to allow the Company to reclaim the incentive components of the remuneration of the Executive Directors and key management personnel paid in prior years in such exceptional circumstances.

Except as disclosed below and in the Directors' Statement and Financial Statements, no material contracts (including loans) of the Company or its subsidiaries involving the interests of any of the directors or controlling shareholders, subsisted at the end of the financial year or had been entered into since the end of the previous financial year.

## 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.***

Notwithstanding that it is a variation from Provision 8.1 of the Code, the Company wishes to disclose the remuneration of the Executive Directors in bands of \$250,000 for FY2024. The Company is of the view that the intent of Principle 8 was met, as the remuneration policies and the procedure for setting remuneration applicable to the Executive Directors are described above, and the level and mix of remuneration is disclosed in the table below.

*Provision*  
8.1(a)

The Board supports and is aware of the need for transparency. However, after deliberation and debate, the Board is of the view that as the remuneration packages are confidential and sensitive in nature, full disclosure of the specific remuneration of each individual director and the Group's key management personnel (who are not directors) is not in the best interest of the Company. *Inter alia*, the Board has taken into account the very sensitive nature of the matter, the relative size of the Group, the highly competitive business environment the Group operates in, the competitive pressures in the talent market and the irrevocable negative impact such disclosure may have on the Group and which would place the Group in a competitively disadvantageous position.

# CORPORATE GOVERNANCE REPORT (CONT'D)

Details of remuneration and benefits of directors and key management personnel for the financial year ended 30 April 2024 which will provide sufficient overview of the remuneration of directors and key management personnel as set out below:-

*Provision  
8.1(a)  
and (b)*

	<b>Directors' fees %</b>	<b>Fixed salary and benefits %</b>	<b>Performance related bonus %</b>	<b>Total %</b>
<b>Executive Directors</b>				
<b><i>Between \$250,000 and \$500,000</i></b>				
Mrs Dawn Wee Wai Ying	-	80	20	100
Dr Wee Li Ann	-	82	18	100
<b>Non-Executive Directors</b>				
<b><i>Below \$100,000</i></b>				
Sam Chong Keen	100	-	-	100
Leslie Mah Kim Loong <sup>#</sup>	100	-	-	100
Kazumichi Mandai	100	-	-	100
Caroline Wee	100	-	-	100
<b>CEO</b>				
<b><i>Between \$250,000 and \$500,000</i></b>				
Conson Tiu Sia	-	89	11	100
<b>Key Management Personnel</b>				
<b><i>Between \$250,000 and \$500,000</i></b>				
Cham Soon Kian	-	94	6	100
Clare Law Lay Kian	-	73	27	100
<b><i>Below \$250,000</i></b>				
Colin Choo Nee Ann	-	94	6	100
Frank Ng Tse Lim	-	92	8	100

<sup>#</sup> Mr Leslie Mah Kim Loong retired as a Non-Executive Independent Director on 31 August 2023.

\* As Mr Ho Fook Meng joined the Board as a Non-Executive Independent Director on 1 July 2024, he was not paid any directors' fees for FY2024.

## **Key Management Personnel**

The Company is of the view that the intent of Principle 8 of the Code 2018 was met, as the remuneration policies and the procedure for setting remuneration applicable to the key management personnel of the Company are described above, and the level and mix of remuneration are disclosed above.

*Provision  
8.1(b)*

Given the challenging and highly competitive industry conditions in which the Group operates in and in the interest of maintaining good morale and a strong spirit of teamwork within the Group, the Company has weighed the advantages and disadvantages of the disclosure relating to the remuneration of the five top key management personnel (who are not directors) of the Group for the financial year ended 30 April 2024 and believe that such disclosure may be prejudicial to its business interest given the highly competitive business environment it is operating in, the tight labour market as well as the competitive pressures in the talent market. As such, to support the Company's efforts to attract and retain executive talents, the disclosure relating to the remuneration of the CEO and the top four key management personnel (who are not directors) of the Group is only set out in bands of \$250,000. Their profiles are found on pages 6 to 7 of this Report.

# CORPORATE GOVERNANCE REPORT (CONT'D)

The Company believes that the remuneration information as disclosed above will be sufficient for shareholders to have an adequate appreciation of the remuneration of the Key Management Personnel and wishes to maintain confidentiality of remuneration in the interest of maintaining good morale and a strong spirit of teamwork within the Group.

## **Employees related to substantial shareholder, Director or CEO.**

Other than as described below, there are no employees of the Group who are immediate family members of a director or the CEO and whose remuneration exceeds \$100,000 for the financial year. *Provision*  
8.2

Mr Wee Kok Wah took on the role of Founder and Senior Advisor with effect from 1 November 2021 and his remuneration in FY2024 was \$758,000. Mr Wee Kok Wah who is a substantial shareholder of the Company, is the spouse of Mrs Dawn Wee Wai Ying and father of Dr Wee Li Ann, both Executive Directors of the Company.

All forms of remuneration and other payments and benefit (if any), paid by the Company and its subsidiaries/ subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements, to Directors and key management personnel of the Company are disclosed in the tables above. *Provision*  
8.3

Details of the Company's Employee Share Option Schemes and Share Performance Schemes, if any, will be provided in the Directors' Statement. *Rule*  
1207(16)

## **ACCOUNTABILITY & AUDIT**

### **RISK MANAGEMENT AND INTERNAL CONTROLS**

***Principle 9: The Board is responsible for 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 cognisant of its responsibility for maintaining a sound system of internal controls to safeguard the investment of its shareholders and the assets and business of the Group. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation and the AC assumes the duties and responsibilities of the risk management function to specifically address these issues. *Provision*  
9.1

#### ***Risk Management***

As proper risk management is a significant component of a sound system of internal control, the Group has put in place a strategic Enterprise Risk Management ("**ERM**") framework since FY2007. The Board recognises the importance of establishing a formal ERM Framework to facilitate the governance of risks and monitoring the effectiveness of internal controls.

In addition, the Group has set up an executive Risk Management Committee ("**RMC**") to oversee that appropriate risk management policies are put in place and there are processes to evaluate the risks monitored under the ERM framework. The RMC, comprising members of the Senior Management team, is responsible for setting the direction of corporate risk management and monitoring the implementation of risk management policies and procedures.

# CORPORATE GOVERNANCE REPORT (CONT'D)

The RMC has established an enhanced risk management policy to provide guidance to Management on key risk parameters. The significant risks in the Group's business, including mitigating measures, were also reviewed by the RMC and reported to the AC and the Board. Risk registers are maintained by the business and operational units which identify the key risks facing the Group's business and the internal controls in place to manage those risks. These risks have been categorised as strategic, operational, financial or compliance risks and the main areas of financial risk, faced by the Group are foreign currency exchange risk, interest rate risk, credit risk and liquidity risk.

The RMC together with the Executive Director and Group Financial Controller have confirmed to the AC and the Board the adequacy and effectiveness of the risk management system and internal controls.

The AC, with the assistance of the Internal and External Auditors, reviews and reports to the Board on the adequacy of the Company's system of internal controls, including financial, operational, compliance and information technology controls and taking into consideration the risk management perspective.

The AC may examine whatever aspects it deems appropriate of the Group's financial affairs, its internal and external audits and its exposure to risks of a regulatory or legal nature. It keeps under review the effectiveness of the Company's system of accounting and internal financial controls, for which the directors are responsible. It also keeps under review the Company's programme to monitor compliance with its legal, regulatory and contractual obligations.

**For the financial year under review, the Board has received written assurance from:**

*Provision  
9.2*

- (a) the Executive Director and the Group Financial Controller that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and
- (b) the Executive Director and other key management personnel who are responsible regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board recognises the need and is responsible for maintaining a system of internal controls and processes to safeguard shareholders' investments and the Group's assets. The AC monitors the effectiveness of the internal control systems and procedures and risk management systems. During the year, the Board and AC reviewed the effectiveness of the Company's internal control procedures and risk management systems.

The system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. While acknowledging their responsibility for the system of internal controls, the directors recognise that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or mis-statements, poor judgment in decision-making, human error, losses, fraud or other irregularities.

# CORPORATE GOVERNANCE REPORT (CONT'D)

Rule  
1207(10)

Based on the internal controls established and maintained by the Group, work performed by the internal auditor, and the statutory audit conducted by the external auditor, and reviews performed by Management, RMC and various Board committees, the Board, with the concurrence of the AC, is of the opinion that the Group's framework of internal controls (including financial, operational, compliance and information technology controls) and risk management systems, are adequate and effective to meet the needs of the Group's existing business objectives and provide reasonable assurance of the integrity and effectiveness of the Group in safeguarding its assets and shareholders' value.

There was no material weakness in risk management and internal controls noted as at 30 April 2024.

## Risk management policies

The Group has set up objectives to manage the risks that arise from the normal course of its operations. The significant risks are summarised below:

### (i) General business risk

The Group's major business is distribution of tyres and wheels. The Group is reliant on a few key suppliers for the supply of certain major brand of tyres. Some of these suppliers have granted exclusive distribution rights. Although the Group has a strong relationship with the principals (some exceeding 40 years), there is no assurance that the principals will continue to appoint the Group as their exclusive distribution agent in the future. Should any of the major principals decide to discontinue the distribution rights in the future, the Group could lose some of its market share and this could then have adverse financial impact on the Group. To mitigate this risk, the Group has been focusing on developing its own range of proprietary 'in-house' brands like Sumo Firenza, Sumo Tire and SSW to become less reliant on its principals.

As in any other business environment, the Group's assets are exposed to various risks arising from normal operations and natural disasters. Especially, the Group's inventory is highly flammable and susceptible to the risk of fire. It is the Group's practice to annually assess these risks and/or exposure to ensure that the Group is protected from potential monetary loss. In addition to other preventive measures, the Group ensures that adequate insurance coverage is maintained at all times to mitigate such risks except where the cost of insuring the asset is considered prohibitive in relation to the risks identified.

### (ii) Product liability claims

The Group is exposed to claims from its customers for products sold by the Group which contain defects or found to be unfit for their intended use. The Group may be required to make financial compensation to its customers in such circumstances. The Group's principals are well established in the market place and their products are usually tested for safety before being marketed. The Group continues to spend considerable effort in ensuring the quality of its products and services. The Group provides its employees with relevant training, on a regular basis, to uphold the quality of services provided to its customers. The Group has no history of any significant claim made by its customers.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## (iii) Credit and inventory risk

The Group faces normal business risks associated with collection of trade receivables and inventory obsolescence. The Group's exposure to credit risks arises mainly from sales made to distributors and retailers in various geographical locations. The Group has tight credit control policies and procedures to evaluate the credit worthiness of customers before credit is granted and to prevent significant concentration of credit risk. The Group also has adequate policies and procedures to minimise the risk of inventory obsolescence. The risk of inventory obsolescence may arise from changes in consumer preference and technology. It is the Group's policy to maintain optimum inventory level at all times. Inventory level is monitored regularly and slow-moving inventories are quickly identified for early disposal. The Group has also put in place processes to procure inventories in an effective manner to prevent excess inventories on hand.

The financial risk management objectives and policies are discussed in Note 35 to the financial statements.

## AUDIT COMMITTEE

**Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

### AC Composition and Role

The AC comprises three non-executive and independent directors. It is chaired by Ms Caroline Wee and the members are Mr Sam Chong Keen and Mr Kazumichi Mandai. *Provision 1.4 & 10.2 Rule 1207(10B)*

The profiles of each AC members are set out on pages 4 to 5 of this Annual Report. The Board is of the view that the members of the AC have recent and relevant accounting or related financial management knowledge, expertise and experience to discharge their responsibilities properly. *Provision 10.2*

None of the AC members are former partners or directors of, or have any financial interests in, the Company's existing auditing firm or auditing corporation. *Provision 10.3*

The role of the AC is to assist the Board in overseeing the adequacy of the overall internal control functions, the internal audit functions within the Group, the relationship of those functions to external audit, the scope of audit by the external auditor as well as their independence. *Provision 10.1*

The AC is guided by written terms of reference approved by the Board and its duties include: *Provision 10.1*

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- (c) reviewing the assurance from the Executive Director and the Group Financial Controller on the financial records and financial statements;

## CORPORATE GOVERNANCE REPORT (CONT'D)

- (d) 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;
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the Company's external audit;
- (f) reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;
- (g) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- (h) deciding on the appointment, termination and remuneration of the head of the internal audit function, if any, as the primary reporting line of the internal audit function is to the AC;
- (i) meeting with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually;
- (j) reviewing and recommending the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation;
- (k) reviewing any matters relating to suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, which has or is likely to have a material impact on the Company's or Group's operating results and/or financial position, and the findings of any internal investigations, and Management's response thereto, discussing such matters with the external auditor and, at an appropriate time, reporting the matter to the Board;
- (l) carrying out the functions set out in Section 201B of the Companies Act;
- (m) with reference to the Practice Guidance, having explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management, full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions; and
- (n) reporting to the Board the significant issues and judgements that the AC considered in relation to the financial statements, and how these issues were addressed.

The AC has been given full access and obtained the co-operation from the Management of the Company. The AC has the explicit authority to investigate any matter within its terms of reference. It also has full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

Quarterly (where applicable), half year and full year results are reviewed by the AC prior to their submission to the Board as are interested person transactions that fall within the scope of Chapter 9 of the Listing Manual of the SGX-ST.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## **Internal Audit**

The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal audit function is outsourced to Yang Lee & Associates (“YLA”), an external professional firm. The internal auditor conducts regular audit of internal control systems of the Group’s companies, recommends necessary improvements and enhancements, and reports directly to the AC. The AC reviews and approves the annual internal audit plan. The internal auditor has unrestricted access to documents, records and personnel, including the AC and has appropriate standing within the Company.

*Provision  
10.4*

The AC examines the effectiveness of the Group’s internal control systems. The many assurance mechanisms operating are supplemented by the internal auditor’s reviews of the effectiveness of the Group’s material internal controls, including financial, operational and compliance and information technology controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC reviews the effectiveness of the actions taken by Management on the recommendations made by the internal auditors in this respect.

YLA is guided by the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and staffed with professionals with the relevant qualifications and experience. The AC is satisfied that the Company’s internal audit function is independent, effective and adequately resourced to perform its functions and is staffed by suitably qualified and experienced professionals.

*Rule  
1207(10C)*

## **External Auditors**

The Company’s external auditor is Ernst & Young LLP (“EY”), an accounting firm registered with the Accounting and Corporate Regulatory Authority of Singapore.

Updates on the changes in accounting standards and treatment are prepared by the external auditor and circulated to members of the AC periodically for information.

To keep abreast of the changes in financial reporting standards and related issues which have a direct impact on financial statements, discussions are held with the external auditor where applicable, when they attend the AC Meetings.

The external auditor has full access to the AC which can conduct or authorise investigations into any matters within its terms of reference. The AC also has full access to and co-operation from Management and the discretion to invite any director or executive officer to attend its meetings and has reasonable resources to enable it to discharge its functions. Minutes of the AC meetings are regularly submitted to the Board for its information and review.

The AC confirms that it has reviewed the nature and extent of all audit and non-audit services performed by the external auditor, to establish if their independence and objectivity as external auditor of the Company, had in any way been compromised. EY did not provide any significant non-audit services in FY2024. The fees payable to EY are disclosed on page 91 of this Annual Report.

*Rule  
1207(6)(b)*



# CORPORATE GOVERNANCE REPORT (CONT'D)

The AC has also reviewed and confirmed that EY is a suitable audit firm to meet the Company's audit obligations, after taking into consideration the Audit Quality Indicators Disclosure Framework published by the ACRA and having regard to the adequacy of resources and experience of the firm and the assigned audit engagement partner, EY's other audit engagements, size and complexity of the Stamford Tyres Group, number and experience of supervisory and professional staff assigned to the audit.

*Rules 712  
and 715*

Accordingly, the AC recommended to the Board the re-appointment of EY as external auditor of the Group for the year ending 30 April 2025. EY has been engaged to audit the accounts of the Company and its Singapore-incorporated subsidiaries. The accounts of the significant foreign-incorporated subsidiaries are audited by EY member firms in the respective countries. The Group has complied with Rules 712 and 715 of the Listing Manual in relation to its auditing firms.

## **AC's Activities in FY 2024**

The AC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements.

Provision 1.4 of the Code recommends, *inter alia*, that a summary of the AC's activities be disclosed in the annual report. The AC performs the functions specified in Section 201B of the Act, the Listing Manual of the SGX-ST and the Code. The AC met four times during FY2024. The AC reviewed and approved the internal audit plan for execution.

*Provision  
1.4*

In FY2024, the Group with the assistance of its internal auditors carried out an internal review of key operating cycles of its Malaysian subsidiary. Material non-compliance or lapses in internal controls together with corrective measures recommended by internal and external auditors were reported to the AC.

The AC also reviewed the effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors. The systems of internal controls and risk management are continually being refined by management, the AC and the Board.

The AC has met with the internal and external auditors separately without the presence of Management for the year in review. In addition, updates on changes in accounting standards and treatment are prepared by the external auditor and circulated to the members of the AC periodically for information.

*Provision  
10.5*

# CORPORATE GOVERNANCE REPORT (CONT'D)

## **Significant financial statement reporting matters**

The significant issues considered by the AC in relation to financial statements during the year ended 30 April 2024 are detailed below, alongside the actions taken by the AC to address these issues.

<b>Significant matters considered</b>	<b>How these issues were addressed by the AC</b>
<p><b>Impairment assessment of investments in subsidiaries, joint ventures and associate</b></p>	<p>The AC considered management's approach and analysis in assessing the carrying values of its investments in subsidiaries, joint ventures, and associate.</p> <p>The AC also considered the reasonableness of the assumptions used and judgements made on cash flow forecasts, discount rates and growth rates used, and was satisfied that these were appropriate.</p> <p>The external auditor has included the appropriateness of the carrying values of investments as a key audit matter in its Auditor's Report for the year ended 30 April 2024. This is on page 59 of the Annual Report.</p>
<p><b>Managing inventory and obsolescence risk</b></p>	<p>The AC considered the approach and methodology applied to the allowance for inventory obsolescence.</p> <p>The AC discussed the above with the external auditor to consider the reasonableness, appropriateness of analysis and assessments and disclosures made by Management and was satisfied that these were appropriate.</p> <p>The external auditor has included managing inventory and obsolescence risk as a key audit matter in its Auditor's Report for the year ended 30 April 2024. This is on page 58 of the Annual Report.</p>
<p><b>Recoverability of trade receivables</b></p>	<p>The AC considered the approach and methodology relating to the monitoring and collectability of trade receivables and Management's assessment in providing allowance for expected credit loss and the disclosures made.</p> <p>The AC discussed the above with the Management and external auditor to consider the reasonableness of the assessment and was satisfied that these were appropriate.</p> <p>The AC also reviewed the audit report and findings presented by the external auditor at the year-end meeting.</p> <p>The external auditor has included allowance for expected credit loss as a key audit matter in its Auditor's Report for the year ended 30 April 2024. This is on page 58 of the Annual Report.</p>

# CORPORATE GOVERNANCE REPORT (CONT'D)

## **Whistle Blowing Policy**

The AC has put in place a “whistle blowing” or Corporate Ethics Compliance policy. The policy provides a channel for staff and third parties to confidentially report violations of the Group’s Code of Ethics, business conduct, and improprieties in financial accounting, trade practices, conflict of interest, employee discrimination and health and safety. Reports can be made on an anonymous basis directly to the AC. Appropriate investigation will be carried out and the informant (if not anonymous) will be informed of the results. The objective is to ensure that arrangements are in place for independent investigations of such matters and for appropriate follow up action. The AC is responsible for oversight and monitoring of whistleblowing and the AC reviews all whistleblowing complaints, if any, at its quarterly and half-yearly meetings to ensure independence, thorough investigation and appropriate follow-up actions are taken. The Company is committed to ensuring that whistle-blowers will be treated fairly and protected against detrimental or unfair treatment for whistleblowing in good faith.

There was no whistle-blower complaint received by the Group in respect of FY2024.

## **SHAREHOLDERS’ RIGHTS AND ENGAGEMENT**

### **SHAREHOLDER RIGHTS, CONDUCT OF SHAREHOLDERS 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.***

#### **Conduct of General Meetings and Interaction with Shareholders**

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders. All shareholders are informed through notices of general meetings sent by post and such notices are also advertised in newspapers and made available on the SGX-ST’s website. To embrace sustainability, the Company has stopped sending printed copies of annual reports and circulars to all shareholders. Instead, the Company will only send notices of AGMs and EGMs, proxy forms and request forms (requesting for printed copies of the annual reports and/or circulars, if any) to all shareholders. Shareholders are able to access all annual reports and circulars, including any documents relating to the AGMs and EGMs on the Company’s website and SGX-ST’s website. Printed copies of annual reports and/or circulars, if any, will be sent to shareholders upon receipt of the request forms.

*Provision  
11.1*

All registered shareholders of the Company are invited and encouraged to attend and vote at general meetings. At the general meeting, shareholders have the opportunity to vote in person or by proxy and will be informed of voting procedures.

Participation of shareholders is encouraged at the AGM through the open question and answer session. The directors and Management will be available to address any queries or concerns on matters relating to the Company and the external auditor will also be present to address shareholders’ queries about the conduct of audit and the preparation and content of the auditor’s report.

*Provision  
11.1 and  
11.3*

# CORPORATE GOVERNANCE REPORT (CONT'D)

The Board has developed several channels, such as the Group's website, email or fax, for shareholders who are not able to attend the AGM to contribute their feedback and inputs regarding the Company and its operations.

Every matter requiring shareholders' approval is proposed as a separate resolution on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled" the Company will explain the reasons and material implications in the notice of meeting.

*Provision  
11.2*

Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Proxy forms are sent with the Notice of meeting to all shareholders. Except for a shareholder who is a Relevant Intermediary as defined under Section 181(6) of the Act, a shareholder may appoint up to two proxies to attend and vote on his behalf at the general meeting through proxy forms deposited 72 hours before the meeting.

Provision 11.4 of the 2018 Code provides that the Company's constitution (or other constitutive documents) allows for absentia voting at general meetings of shareholders. Principle 11 of the 2018 Code provides, *inter alia*, that 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. Voting in absentia by mail, facsimile, or email, is currently not permitted by the Company's Constitution, which constitutes a variation from Provision 11.4 of the 2018 Code. The Company is of the view that the intent of Principle 11 was met, as the existing arrangement whereby shareholders have the opportunity to vote by proxy is adequate in enabling shareholders to exercise their rights and have the opportunity to vote. Moreover, to allow voting in absentia by mail, facsimile, or email would require careful consideration of various factors, including the integrity of information and authentication of the identity of shareholders. The Company will take into account any measures and legislations that may be introduced by the relevant authorities as a result of the current environment in formulating the framework and procedures to effect additional methods of voting.

*Provision  
11.4*

To promote greater transparency and effective participation, the Company has conducted the voting of all its resolutions by poll at all general meetings since 2012. Upon the conclusion of the general meetings, the detailed voting results, including the total number of votes cast for or against each resolution tabled, are announced at the general meetings and via SGX-ST's website. The Company will consider measures and legislations that may be introduced by the relevant authorities as a result of the current environment in formulating the framework and procedures to effect additional methods of voting.

The Directors, Management and the external auditor are present and available at the general meetings to address any queries or concerns on matters relating to the Group and its operations.

*Provision  
11.3*

The 2023 AGM was held in a wholly physical format. The entire Board was present at the 2023 AGM. All key executives (or executives of equivalent rank) and the External Auditor attended the AGM as well.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## **Dividend Policy**

While the Company has not formally instituted a dividend policy, it has a good track record of paying annual dividends to shareholders. In proposing any dividend payout and/or determining the form, frequency and/or the amount of such dividend payout, the Board will take into account, *inter alia*, the Group's financial position, retained earnings, results of operation and cash flow, the Group's expected working capital requirements, the Group's expected capital expenditure and future expansion and investment plans and other funding requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

*Provision*  
11.6

The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend payout.

The declaration and payment of any dividend will be recommended by the directors and the final dividend (if any) will be subject to approval by shareholders.

## **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.***

Communication with shareholders and the investment community is maintained through regular dissemination of information such as announcements on half-yearly and full year results, press releases on the SGXNet and the Company's corporate website.

*Provision*  
12.1, 12.2  
and 12.3

To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed in a comprehensive, accurate and timely basis via SGXNet especially information pertaining to the Company's business development and financial performance which could have a material impact on the price or value of its shares so as to enable shareholders to make informed decisions in respect of their investments in the Company.

Although the Company does not have an investor relations policy, the Company has an Investor Relations Section on its corporate website which shareholders and other stakeholders may contact the Company with feedback or questions and there are procedures in place for following up and responding to stakeholders' queries as soon as applicable.

General meetings have been and are still the principal forum for dialogue with shareholders. Shareholders' views are sought at general meetings and shareholders are given the opportunity to air their view and ask the directors and management questions regarding the Company and the Group.

The Company is committed to treating all shareholders fairly and equitably and keep all shareholders and other stakeholders informed of its corporate activities, including changes in the Company or its business which would be likely to materially affect the price or value of its shares on a timely basis.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## 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 values input from all of its stakeholder groups and uses a variety of channels and platforms, including the corporate website at [www.stamfordtyres.com](http://www.stamfordtyres.com), to engage with them as well as receive their feedback. The Company identifies stakeholders as groups that have an impact or have the potential to be impacted by its business, as well as those external organisations that have expertise in aspects that the Company consider material.

*Provision  
13.1*

The Company's efforts on sustainability are focussed on creating sustainable value for our key stakeholders, which include communities, customers, staff, regulators, shareholders and vendors. More details will be disclosed in the standalone Sustainability Report for the financial year ended 30 April 2024 which will be issued not later than 4 months after the end of the financial year.

*Provision  
13.2*

Shareholders are encouraged to attend the Company's general meetings to ensure a greater level of shareholder participation and for them to be kept up to date on the strategies and goals of the Group. Annual reports, notices of annual general meetings and circulars and notices pertaining to any Extraordinary General Meetings of the Company are sent to all shareholders by post or by electronic transmission in accordance with the Act, the SGX-ST Listing Manual and the Company's Constitution.

To facilitate participation by shareholders, the Company's Constitution allows shareholders to attend and vote at general meetings of the Company by proxies. A shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the general meetings while a member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the general meetings through proxy forms deposited 72 hours before the meeting. Notices of general meetings are advertised in the newspapers and available on the SGX-ST's website.

The Company does not practice selective disclosure. Shareholders are kept informed of the developments in the Group's businesses and operations through announcements via SGXnet as well as through the annual report. Announcements are made as soon as possible to ensure timely dissemination of the information to shareholders and the public. Results and the annual reports are announced or issued within the mandatory periods.

*Provision  
13.3*

To further enhance its communication with investors, the Company's website [www.stamfordtyres.com](http://www.stamfordtyres.com) allows the public to access information on the Group directly. The Company's website is updated regularly and contains various information on the Company and the Group and serves as an important resource for investors and all stakeholders.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## OTHER CORPORATE GOVERNANCE MATTERS

### DEALINGS IN SECURITIES

The Group has put in place an internal compliance code which prohibits dealings in the securities of the Company by the Company, directors and employees while in possession of unpublished material price-sensitive information, and during the one month preceding, and up to the time of announcement of the Company's results for the first half financial year (both dates inclusive) and the Company's full financial year (the "**Compliance Code**").

*Rule  
1207(19)*

As the Company had ceased quarterly reporting since financial year ended 30 April 2020, the Compliance Code has been updated whereby the Company, directors and employees of the Group are not permitted to deal with the securities of the Company during the period beginning one month before the announcement of the half year and full year financial statements results and ending on the date of the announcement.

The Compliance Code also discourages all the directors and employees of the Group to deal in securities on short-term considerations. Directors are required to report securities dealings within two business days of such dealings, to the Company Secretary, who will assist to make the necessary announcements via the SGXNet.

In addition, directors and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period and report securities dealings to the Company Secretary accordingly.

*Rule  
1207(19)(B)*

### MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts of the Company or any of its subsidiaries involving the interest of any director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

*Rule  
1207(8)*

### INTERESTED PERSON TRANSACTIONS

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders. All interested person transactions are subject to review by the AC to ensure compliance.

*Rule  
1207(17)  
1207(18)*

# CORPORATE GOVERNANCE REPORT (CONT'D)

The following interested person transactions were conducted during the year:-

Name of interested person	Aggregate value of all interested person transactions conducted during the financial year (excluding transactions below \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	\$'000	\$'000
Wee Kok Wah <sup>(1)</sup>	758	Nil

(1) Paid to Mr Wee Kok Wah for his role as Founder and Senior Advisor. Mr Wee is a controlling and substantial shareholder of the Company and is the husband of Mrs Dawn Wee and the father of Dr Wee Li Ann.

The Company does not have a shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

Save as disclosed above, there were no other significant interested person transactions (excluding transactions less than \$100,000) during the financial year ended 30 April 2024.

## OTHER DISCLOSURE REQUIREMENTS

There are no material developments after the preliminary announcement that would affect the performance of the Group.

## CORPORATE SOCIAL RESPONSIBILITY

As companies that embrace the tenets of good governance, including accountability, transparency and sustainability, are more likely to engender investor confidence and achieve long-term sustainable business performance, details of the Group's sustainability practices, including the corporate social responsibility initiatives during FY2024, will be set out in the Company's Sustainability Report that will be issued for FY2024.



# DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Stamford Tyres Corporation Limited (the "Company") and its subsidiary companies (collectively, the "Group"), and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 April 2024.

## Opinion of the Directors

In the opinion of the Directors,

- (i) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated statement of cash flow together with notes thereto 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 30 April 2024 and of the financial performance of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due.

## Directors

The Directors of the Company in office at the date of this statement are:

Sam Chong Keen	(Chairman)
Mrs Dawn Wee Wai Ying	(Executive Director)
Dr Wee Li Ann	(Executive Director)
Kazumichi Mandai	
Caroline Wee	
Ho Fook Meng	(Appointed on 1 July 2024)

## Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act 1967, (the "Act") an interest in shares and share options of the Company, as stated below:

Name of Director	Direct interest		Deemed interest	
	At 1.5.2023	At 30.4.2024	At 1.5.2023	At 30.4.2024
<b>Ordinary shares of the Company</b>				
Mrs Dawn Wee Wai Ying	14,537,567	14,537,567	79,128,306	79,128,306
Dr Wee Li Ann	10,000	10,000	10,000	10,000

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 May 2024.

By virtue of Section 7 of the Act, Mrs Dawn Wee Wai Ying is deemed to have an interest in the ordinary shares of all the subsidiary companies at the beginning and at the end of the financial year.

No other Director who held office at the end of the financial year had interests in shares or debentures of the Company's subsidiary companies.

# DIRECTORS' STATEMENT (CONT'D)

## Share options

No options were issued by the Company or any of its subsidiaries during the financial year. As at 30 April 2024 and 30 April 2023, there were no options on the unissued shares of the Company or any of its subsidiaries which were outstanding.

## Arrangements to enable directors to acquire shares and debentures

Except as disclosed above, 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 or debentures of the Company or any other body corporate.

## Audit Committee

The Audit Committee comprises Non-Executive and Independent Directors, Ms Caroline Wee (who chairs the Audit Committee), Mr Sam Chong Keen and Mr Kazumichi Mandai.

The Committee meets at least 4 times a year and performs its functions in accordance with the Act.

The Committee reviews the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditor. It meets with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Group's system of internal accounting and financial controls. All major findings and recommendations are brought to the attention of the Board of Directors. The Committee also reviews the annual financial statements of the Company and of the Group and the auditor's report thereon before submission to the Board, as well as interested person transactions.

## Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Mrs Dawn Wee Wai Ying  
Director

Dr Wee Li Ann  
Director

31 July 2024

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 April 2024

To the members of Stamford Tyres Corporation Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Stamford Tyres Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 April 2024, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity 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)") 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 30 April 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company 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 *Auditor's 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 ("ACRA") *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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITOR'S REPORT (CONT'D)

For the financial year ended 30 April 2024

To the members of Stamford Tyres Corporation Limited

## Key Audit Matters (cont'd)

### ***Allowance for inventory obsolescence***

The Group has significant inventories and makes an allowance for inventory obsolescence when there is a risk that the inventories may be sold below their carrying amounts. The carrying amounts of inventories and the allowance for inventory obsolescence were included in Note 17 *Inventories* to the financial statements.

The Group's allowance for inventory obsolescence is subject to changes in the economic and market conditions, which may result in excess, slow-moving or obsolete inventories that may be sold at prices below costs. The allowance for inventory obsolescence is a key audit matter as significant judgement is required for the estimation of the net realisable value ("NRV") of inventories and the resultant allowance for obsolescence. The estimation is made after taking into consideration observed margins from sales made at or after year end and current and expected consumer demand. The Group's accounting policy on inventory and the critical accounting estimates and judgements are disclosed in Note 2.15 *Inventories* and Note 3(a)(ii) *Allowance for inventory obsolescence* to the financial statements respectively.

As part of our audit, we evaluated the reasonableness of assumptions and estimates made by management in determining the allowance for inventory obsolescence, including economic and current market conditions. We analysed the aging profile of the inventory on hand, disaggregated by type, which is then corroborated with management's identification and assessment of allowance for inventory obsolescence in light of expected consumer demand. We assessed the determination of NRV for selected samples by comparing them to the unit selling price subsequent to the year end and management's obsolescence allowance. For inventories subsequently sold with negative gross margins, we assessed if the allowance for these inventories are adequate. We also assessed the adequacy of the disclosures related to inventory in Note 17 *Inventories* to the financial statements.

### ***Allowance for expected credit loss on trade receivables***

The Group has significant trade receivables and makes an allowance for expected credit loss ("ECL") where there is a risk that the amounts are not collectable. The carrying amounts of trade receivables and the ECL were included in Note 18 *Trade receivables* to the financial statements.

The Group determines ECL of trade receivables by making debtor-specific assessment of ECL and uses a provision matrix for the remaining group of debtors that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic conditions. As this assessment requires significant management judgement, we determined this to be a key audit matter. The Group's accounting policy on allowance for ECL is disclosed in Note 2.13 *Impairment of financial assets* to the financial statements and the critical accounting estimates and judgements are stated in Note 3(a)(iv) *Allowance for expected credit loss of trade receivables* to the financial statements.

We evaluated the processes and controls relating to the monitoring of trade receivables and considered ageing to identify collection risks, including management's considerations of the impact that current market condition has on the customers. We requested for confirmations and checked for evidence of receipts subsequent to the year end for selected debtors, as well as any major reversal of sales or return of goods after year end. We discussed with management about the status of long overdue trade receivables balances and management's consideration of debtors' specific profiles and risks. We also evaluated management's assumptions and inputs used in the computation of ECL and assessed the reasonableness of management's assumptions used in establishing the forward-looking adjustments by understanding their assessment of future market conditions. We also assessed the adequacy of the Group's disclosures in Note 18 *Trade receivables*, Note 35(c) *Credit risk* and Note 35(d) *Liquidity risk* to the financial statements.

# INDEPENDENT AUDITOR'S REPORT (CONT'D)

For the financial year ended 30 April 2024

To the members of Stamford Tyres Corporation Limited

## Key Audit Matters (cont'd)

### ***Impairment assessment of investments in subsidiaries, joint ventures and associate***

The Group and the Company have significant investments in subsidiaries, joint ventures and an associate. The carrying amounts of these investments were included in Note 14 *Investment in subsidiaries and amounts due from/(to) subsidiary companies*, Note 15 *Joint venture companies* and Note 16 *Associated company* to the financial statements respectively.

The financial performance of the subsidiaries, joint ventures and associate are dependent on the economic and market conditions in which they operate in. Management monitors the performance of these entities and an assessment for impairment is carried out when there are indicators of impairment. The impairment assessment is determined using value-in-use calculation involving the preparation of discounted cash flow forecasts to determine their recoverable amounts. The assessment for impairment is considered a key audit matter as management exercises significant judgement in making assumptions and estimates for the preparation of the discounted cash flow forecasts. The Group's accounting policies on impairment of these investments are disclosed in Note 2.9 *Impairment of non-financial assets*, Note 2.10 *Subsidiaries* and Note 2.11 *Joint ventures and associate* to the financial statements. The critical accounting estimates and judgements made in arriving at the assumptions used in the preparation of the discounted cash flow forecasts by management are stated in Note 3(a)(iii) *Impairment of non-financial assets* to the financial statements.

We assessed whether there is any impairment indicators for the investments in subsidiaries, joint ventures and associates, as well as the loan and other receivables from subsidiaries. For those entities with indicators of impairment, we reviewed the process by which management's discounted cash flow forecasts were prepared. We obtained an understanding from management on their assessment of the impact the current market condition has on the operations of those entities. We tested the robustness of management's discounted cash flow forecasts by comparing previous forecasts to actual results and validated key inputs used, such as the forecasted revenue, expenses, discount rate and growth rates, to historical and external market data in light of current market conditions to assess the reasonableness of the forecast. We involved our internal specialist to assist in assessing the reasonableness of the growth rates and the discount rate assumptions used in the value-in-use computation. We assessed the sensitivity of the discounted cash flow forecasts based on reasonably possible changes to the key assumptions and also checked the mathematical accuracy of the underlying calculations. We also assessed the adequacy of the disclosures in Note 14 *Investment in subsidiaries and amounts due from/(to) subsidiary companies*, Note 15 *Joint venture companies* and Note 16 *Associated company* to the financial statements.

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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 AUDITOR'S REPORT (CONT'D)

For the financial year ended 30 April 2024

To the members of Stamford Tyres Corporation Limited

## 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.

## Auditor's 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 auditor's 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 control 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 control.
- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT (CONT'D)

For the financial year ended 30 April 2024

To the members of Stamford Tyres Corporation Limited

## Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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.
- 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 control 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 to 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 auditor's report unless law or regulation precludes 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 auditor's report is Lim Tze Yuen.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

31 July 2024

# CONSOLIDATED INCOME STATEMENT

For the financial year ended 30 April 2024

(In Singapore Dollar)

	Note	2024 \$'000	2023 \$'000
Revenue	4	184,808	188,349
Other revenue	5	5,461	5,511
<b>Total revenue</b>		190,269	193,860
<b>Costs and other material items</b>			
Cost of goods sold	6	136,119	137,996
Salaries and employees' benefits	7	22,204	21,928
Marketing and distribution		6,516	6,402
Utilities, repairs and maintenance		5,865	5,695
Finance costs	8	4,827	4,571
Depreciation of property, plant and equipment and right-of-use assets		4,881	5,396
Lease expenses	13	1,942	1,431
Other operating expenses		2,866	6,072
Gain on disposal of property, plant and equipment		(1,945)	(120)
		(183,275)	(189,371)
Share of results of joint ventures	15	831	1,409
<b>Profit before taxation</b>	9	7,825	5,898
Taxation	10	(1,818)	(1,747)
<b>Profit for the financial year</b>		<u>6,007</u>	<u>4,151</u>
<b>Attributable to:</b>			
Equity holders of the Company		<u>6,007</u>	<u>4,151</u>
<b>Earnings per share:</b>			
- basic and diluted (cents)	11	<u>2.53</u>	<u>1.75</u>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 April 2024  
(In Singapore Dollar)

	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<b>Net profit for the financial year</b>	<u>6,007</u>	<u>4,151</u>
<b>Other comprehensive income:</b>		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation adjustments arising on consolidation	<u>(3,320)</u>	<u>(4,100)</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>(3,320)</u>	<u>(4,100)</u>
<b>Total comprehensive income for the year</b>	<u><u>2,687</u></u>	<u><u>51</u></u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	<u><u>2,687</u></u>	<u><u>51</u></u>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# BALANCE SHEETS

As at 30 April 2024  
(In Singapore Dollar)

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	12	45,888	51,782	–	–
Right-of-use assets	13	7,102	8,929	–	–
Investment in subsidiaries	14	–	–	41,615	41,615
Amounts due from subsidiary companies	14	–	–	12,807	13,806
Joint venture companies	15	13,071	14,106	1,571	1,571
Associated company	16	208	221	–	–
Deferred tax assets	29	2,761	3,303	–	–
		69,030	78,341	55,993	56,992
<b>Current assets</b>					
Inventories	17	68,541	85,277	–	–
Trade receivables	18	30,397	30,885	–	–
Derivatives	19	16	201	–	49
Other receivables	20	3,585	3,648	96	93
Prepayments and advances	20	6,522	3,966	28	23
Amounts due from subsidiary companies	14	–	–	1,000	2,005
Cash and cash equivalents	21	32,544	30,294	1,738	1,212
		141,605	154,271	2,862	3,382
<b>Current liabilities</b>					
Trade payables	22	11,990	11,971	–	–
Trust receipts (secured)	23	33,500	38,160	–	–
Derivatives	19	192	32	–	–
Other payables	24	13,997	15,878	582	503
Loans (secured)	25	17,629	25,346	1,286	1,260
Hire-purchase liabilities	26	151	137	–	–
Provisions	27	306	621	–	–
Lease liabilities	13	1,151	1,535	–	–
Provision for taxation		1,507	1,979	44	71
		80,423	95,659	1,912	1,834
<b>Net current assets</b>		61,182	58,612	950	1,548
<b>Non-current liabilities</b>					
Amounts due to subsidiary companies	14	–	–	12,438	13,202
Hire-purchase liabilities	26	199	204	–	–
Provisions	27	853	865	–	–
Long-term loans (secured)	28	8,957	13,290	107	1,394
Lease liabilities	13	6,575	7,954	–	–
Deferred tax liabilities	29	1,665	1,803	108	108
		18,249	24,116	12,653	14,704
		111,963	112,837	44,290	43,836
<b>Equity</b>					
Share capital	30	36,244	36,244	36,244	36,244
Reserves	31	75,719	76,593	8,046	7,592
		111,963	112,837	44,290	43,836

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 April 2024

(In Singapore Dollar)

	Note	Equity, total \$'000	Equity attributable to owners of the Company, total \$'000	Share capital \$'000	Revenue reserve \$'000	Other reserves, total \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Discount on acquisition of non- controlling interest \$'000
<b>Group</b>									
Balance at 1 May 2022		116,347	116,347	36,244	98,874	(18,771)	675	(19,648)	202
Profit for the financial year		4,151	4,151	-	4,151	-	-	-	-
Other comprehensive income for the financial year		(4,100)	(4,100)	-	-	(4,100)	-	(4,100)	-
Total comprehensive income for the financial year		51	51	-	4,151	(4,100)	-	(4,100)	-
<i>Contributions by and distributions to owners</i>									
Dividend on ordinary shares	32	(3,561)	(3,561)	-	(3,561)	-	-	-	-
Total contributions by and distributions to owners		(3,561)	(3,561)	-	(3,561)	-	-	-	-
Balance at 30 April 2023 and 1 May 2023		112,837	112,837	36,244	99,464	(22,871)	675	(23,748)	202
Profit for the financial year		6,007	6,007	-	6,007	-	-	-	-
Other comprehensive income for the financial year		(3,320)	(3,320)	-	-	(3,320)	-	(3,320)	-
Total comprehensive income for the financial year		2,687	2,687	-	6,007	(3,320)	-	(3,320)	-
<i>Contributions by and distributions to owners</i>									
Dividend on ordinary shares	32	(3,561)	(3,561)	-	(3,561)	-	-	-	-
Total contributions by and distributions to owners		(3,561)	(3,561)	-	(3,561)	-	-	-	-
Balance at 30 April 2024		111,963	111,963	36,244	101,910	(26,191)	675	(27,068)	202

The details of the nature of the reserves are set out in Note 31.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

		Equity attributable to owners of the			
	Note	Equity, total \$'000	Company, total \$'000	Share capital \$'000	
Company				Revenue reserve \$'000	
Balance at 1 April 2022		41,729	41,729	36,244	5,485
Profit for the financial year		5,668	5,668	–	5,668
Total comprehensive income for the financial year		5,668	5,668	–	5,668
<i>Contributions by and distributions to owners</i>					
Dividend on ordinary shares	32	(3,561)	(3,561)	–	(3,561)
Total contributions by and distributions to owners		(3,561)	(3,561)	–	(3,561)
Balance at 30 April 2023 and 1 May 2023		43,836	43,836	36,244	7,592
Profit for the financial year		4,015	4,015	–	4,015
Total comprehensive income for the financial year		4,015	4,015	–	4,015
<i>Contributions by and distributions to owners</i>					
Dividend on ordinary shares	32	(3,561)	(3,561)	–	(3,561)
Total contributions by and distributions to owners		(3,561)	(3,561)	–	(3,561)
Balance at 30 April 2024		44,290	44,290	36,244	8,046

The details of the nature of the reserves are set out in Note 31.

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# CONSOLIDATED STATEMENT OF CASH FLOW

For the financial year ended 30 April 2024

(In Singapore Dollar)

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities:</b>			
Profit before taxation		7,825	5,898
Adjustments for:			
Depreciation of property, plant and equipment	12	4,854	5,215
Depreciation of right-of-use assets	13	1,819	2,153
Gain on disposal of property, plant and equipment	9	(1,945)	(120)
Property, plant and equipment written off	9	2	4
Fair value loss/(gain) on derivatives	9	345	(465)
Bad debts written off/(recovered)	18	1	(11)
Unrealised foreign exchange adjustment		(2,890)	(2,654)
Interest income	5	(528)	(332)
(Write-back of)/provision for product warranties	27	(77)	387
Interest expense	8	4,827	4,571
Share of results of joint ventures	15	(831)	(1,409)
<b>Operating cash flows before changes in working capital</b>		<u>13,402</u>	<u>13,237</u>
Decrease in inventories		16,736	9,502
(Increase)/decrease in receivables		(2,006)	5,082
Decrease in payables		(2,076)	(2,597)
<b>Cash flows generated from operations</b>		<u>26,056</u>	<u>25,224</u>
Interest received	5	528	332
Interest paid	8	(4,827)	(4,571)
Income tax paid		(1,886)	(2,475)
<b>Net cash flows generated from operating activities</b>		<u>19,871</u>	<u>18,510</u>
<b>Cash flows from investing activities:</b>			
Proceeds from disposal of property, plant and equipment		4,020	144
Dividend received from joint venture company	15	1,894	2,444
Purchase of property, plant and equipment		(2,016)	(1,626)
<b>Net cash flows from investing activities</b>		<u>3,898</u>	<u>962</u>
<b>Cash flows from financing activities:</b>			
Repayment of trust receipts, net	28	(3,009)	(11,982)
(Repayment of)/proceeds from short-term loans, net	28	(5,045)	1,096
Repayment of hire purchase creditors, net	28	(146)	(132)
Dividend paid to shareholders	32	(3,561)	(3,561)
Repayment of long-term loans	28	(6,669)	(6,659)
Principal element of lease payments	28	(2,190)	(1,973)
<b>Net cash flows used in financing activities</b>		<u>(20,620)</u>	<u>(23,211)</u>
Net increase/(decrease) in cash and cash equivalents		3,149	(3,739)
Cash and cash equivalents at beginning of financial year		30,294	35,836
Effects of exchange rate changes on cash and cash equivalents at beginning of financial year		(899)	(1,803)
<b>Cash and cash equivalents at end of financial year</b>	21	<u>32,544</u>	<u>30,294</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 1. Corporation information

Stamford Tyres Corporation Limited is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

Its registered office and principal place of business is at 19 Lok Yang Way, Singapore 628635.

The principal activity of the Company is that of an investment holding company and the principal activities of the subsidiary companies consist of the wholesale and retail of tyres and wheels, design and contract manufacturing of tyres for proprietary brands, tyre retreading, equipment trading, servicing of motor vehicles, and manufacturing and sale of aluminium alloy wheels. Details of the subsidiary companies are set out in Note 40 *Subsidiary, associated and joint venture companies*.

## 2. Material accounting policy information

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The financial statements have been prepared on a historical cost basis except for certain financial instruments and financial assets that have been measured at their fair values.

The financial statements are presented in Singapore Dollar (“\$”) and all values are rounded to the nearest thousand (“\$’000”) except when otherwise indicated.

### 2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 May 2023. The adoption of these new and revised standards did not have any material effect on the financial performance or position of the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-21: Lack of exchangeability	1 January 2025
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

### 2.4 Basis of consolidation and business combinations

#### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.4 Basis of consolidation and business combinations (cont'd)

#### (a) Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

#### (b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.4 Basis of consolidation and business combinations (cont'd)

#### (b) Business combinations and goodwill (cont'd)

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

### 2.5 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

### 2.6 Foreign currency

The Group's consolidated financial statements are presented in Singapore Dollar, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on monetary items that for part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.6 Foreign currency (cont'd)

#### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore Dollar at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

### 2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.19.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

The initial cost of property, plant and equipment comprises its net purchase price after deducting for any trade discount and rebates, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the asset to its working condition and location for its intended use. The costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period of purposes other than to produce inventories during that period are capitalised. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to profit or loss in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.7 Property, plant and equipment (cont'd)

Depreciation is calculated so as to write off the cost of the assets on a straight-line basis over the estimated useful lives of the assets concerned. The principal rates used for this purpose are:

Leasehold land and buildings	–	over their lease period, ranging from 1.7% to 5.6% per annum
Leasehold improvements	–	5% to 10% per annum
Motor vehicles	–	20% per annum
Plant and equipment	–	10% to 20% per annum
Computer hardware and software	–	33⅓% per annum
Furniture and fittings	–	10% per annum

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Freehold land has an unlimited useful life and is therefore not depreciated.

Depreciation expense is charged in profit or loss up to the month of disposal or write off. Fully depreciated assets are retained in the financial statements until they are no longer in use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at the end of each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

### 2.8 Leases

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

#### (a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.8 Leases (cont'd)

#### (a) As lessee (cont'd)

##### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Leasehold land	–	30 to 60 years
Others	–	2 to 3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.9 *Impairment of non-financial assets*.

##### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Note 13.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.8 Leases (cont'd)

#### (a) As lessee (cont'd)

##### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12-months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### (b) As intermediate lessor (sublease)

The Group leases an underlying asset under a head lease arrangement and subleases the same asset under operating leases to third parties as an intermediate lessor. If the head lease is a short-term lease, the sublease shall be classified as an operating lease. When the sublease is assessed as an operating lease, the Group recognise lease income from the sublease in profit or loss within "Other Revenue". The right-of-use asset relating to the head lease is not derecognised.

### 2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

### 2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less any impairment losses. Details of the subsidiary companies are set out in Note 40.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.11 Joint ventures and associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

The Group account for its investments in associate and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate or joint ventures. The profit or loss reflects the share of results of the operations of the associate or joint ventures. Distributions received from joint ventures or associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses in an associate or joint venture equals or exceeds its carrying amount of investment, together with any long-term interests that form part thereof, the Group discontinues recognising its further losses.

After the Company's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.11 Joint ventures and associate (cont'd)

The financial statements of the joint venture are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

(i) Joint venture with different year end

The financial statements of the joint venture are prepared as of the same reporting date as the Group unless it is impracticable to do so. When the financial statements of a joint venture used in applying the equity method are prepared as of a different reporting date from that of the Group, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group. In any case, the difference between the end of the reporting period of the joint venture and that of the investor shall be no more than three months. The length of the reporting periods and any difference between the ends of the reporting periods shall be the same from period to period.

When the financial statements of a joint venture used in applying the equity method are as of a reporting date or for a period that is different from that of the Group, the reporting date of the financial statements of the joint venture and the reason for using a different reporting date or different period shall be disclosed.

In the Company's separate financial statements, investments in associated companies or joint ventures are accounted for at cost less impairment losses. Details of the associated company and joint ventures are set out in Note 40.

### 2.12 Financial instruments

(a) *Financial assets*

*Initial recognition and measurement*

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.12 Financial instruments (cont'd)

(a) *Financial assets (cont'd)*

*Subsequent measurement*

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

(iii) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

(iv) Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

*De-recognition*

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.12 Financial instruments (cont'd)

#### (b) Financial liabilities

##### *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### *De-recognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### 2.13 Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default ("a lifetime ECL").

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group determines impairment of trade receivables by making debtor-specific assessment of expected credit loss, and uses a provision matrix for the remaining group of debtors that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic conditions.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.13 Impairment of financial assets (cont'd)

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group uses the probability of default approach for non-trade amounts and loans due from ultimate holding company and related companies. To estimate the loss allowance for credit losses, the Group perform recoverability assessments to derive the difference between contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, including cash flows from the sale of collateral that are integral to the contractual terms. The fair value of the collateral and forecast economic conditions in the recoverability assessment is a significant estimate where changes in which can result in different levels of allowances.

### 2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### 2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost method and includes all costs in bringing the inventories to their present location and condition. In the case of manufactured and retread products, and work-in-progress, cost includes all direct expenditure and production overheads based on normal operating capacity. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from the existing state to a finished condition.

An allowance is made where necessary for obsolete, slow-moving and defective inventories.

### 2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.17 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

### 2.18 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

### 2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.20 Employee benefits

#### (a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution schemes are recognised as an expense in the period in which the related service is performed.

#### (b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of each reporting period.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.21 Hire-purchases

Hire-purchases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the hire-purchase item, are capitalised at the present value of the minimum hire-purchase payments at the inception of the hire-purchase term. Any initial direct costs are also added to the amount capitalised. Hire-purchase payments are apportioned between the finance charges and reduction of the hire-purchase liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Depreciation on the relevant assets is charged to profit or loss on the basis outlined in Note 2.7.

### 2.22 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) Sales and services of tyres and wheels

The Group sells and provides services of tyres and wheels. Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price.

The Group accounts for promised services to be performed in the future as a separate performance obligation to which the Group allocates a portion of the transaction price. The portion of the transaction price allocated to the promised services to be performed in the future is initially recorded as a contract liability and recognised as revenue when the obligation is fulfilled.

For its bill-and-hold arrangements, even though the Group has not yet delivered the goods to the customer, it has satisfied its performance obligation as control of the goods have been transferred to the customer, and all of the following criteria are met: the reason for the bill-and-hold arrangement is substantive, the goods are identified separately as belonging to the customer, the goods currently are ready for physical transfer to the customer, and the Group does not have the ability to use the goods or to direct it to another customer.

For its consignment arrangements, although the goods have been delivered to the customer, the Company retains control of the goods and satisfies its performance obligation only upon the sale of the goods to the end-customer of the customer.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.22 Revenue recognition (cont'd)

(b) *Rental income*

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) *Dividend income*

Dividend income is recognised when the Group's right to receive payments is established.

(d) *Interest income*

Interest income is recognised using the effective interest method.

### 2.23 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associate and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.23 Taxes (cont'd)

#### (b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of the deductible temporary differences associated with investments in subsidiaries, associate and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or acquisition.

#### (c) *Sales tax*

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.24 Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to manage its risks associated with foreign currency and interest rate fluctuations.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

### 2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their regions which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 2.26 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.27 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

### 2.28 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 2. Material accounting policy information (cont'd)

### 2.28 Contingencies (cont'd)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

## 3. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

### (a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (i) Useful lives of leasehold improvements, motor vehicles and plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over their respective estimated economic useful lives. Management estimates the useful lives of these leasehold improvement, motor vehicle and plant and equipment to be within 3 to 20 years. The carrying amount of the Group's total leasehold improvement, motor vehicles and plant and equipment as at 30 April 2024 was \$8,768,000 (2023: \$10,042,000). Changes in the expected level of usage, technological developments as well as consumer preferences could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised and could have an impact on the profit in future years.

#### (ii) Allowance for inventory obsolescence

Allowance for inventory obsolescence is estimated based on the best available facts and circumstances at the end of each reporting period, including but not limited to, the inventories' own physical conditions, their expected market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The allowance is re-evaluated and adjusted as additional information received affects the amount estimated. The carrying amount of the inventories as at 30 April 2024 is \$68,541,000 (2023: \$85,277,000).



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 3. Significant accounting estimates and judgements (cont'd)

### (a) Key sources of estimation uncertainty (cont'd)

#### (iii) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

No impairment loss in the investment in subsidiaries was recognised for the Company in the current and previous financial year. Further details are given in Note 14 to the financial statements.

No impairment loss in the investment in a joint venture was recognised in the financial statements in the current and previous financial year. Further details are given in Note 15 to the financial statements.

#### (iv) Allowance for expected credit loss of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of the Group's trade receivables after allowance for expected credit loss as at 30 April 2024 is \$30,397,000 (2023: \$30,885,000).

The information about the ECLs on the Group's trade receivables are disclosed in Note 35(c).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 3. Significant accounting estimates and judgements (cont'd)

### (b) Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

#### (i) Income taxes

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's provision for taxation, deferred tax assets and deferred tax liabilities at 30 April 2024 were \$1,507,000 (2023: \$1,979,000), \$2,761,000 (2023: \$3,303,000) and \$1,665,000 (2023: \$1,803,000), respectively.

## 4. Revenue

	Group	
	2024	2023
	\$'000	\$'000
Tyres and wheels:		
- Wholesale and distribution	137,393	138,415
- Retail and fleet	47,415	49,934
	<u>184,808</u>	<u>188,349</u>

The satisfaction of performance obligation of the above revenue streams are at a point in time.

#### Judgement and methods used in estimating revenue

For sale of tyres with complimentary services, the Group uses its historical experience with the utilisation rates to estimate the number of tyre rotation services that are expected to be provided in the future.

For bill-and-hold sales of tyres, management has exercised judgement in the estimation of the amount of expected custodial services revenue that have yet to be earned. In making these estimates, management takes into consideration warehouse rental rates based on geographical areas, space required and duration of rent.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 4. Revenue (cont'd)

### Contract balances

Information about receivables and contract liabilities from contracts with customers is disclosed as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Receivables from contracts with customers (Note 18)	30,397	30,885
Contract liabilities (Note 22)	<u>1,178</u>	<u>1,334</u>

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for sale of bill-and-hold tyres, sale of tyres with complimentary services and advances received from customers. Contract liabilities are recognised as revenue as the Group performs under the contract. Significant change in contract liabilities is due to a change in time frame for a performance obligation to be satisfied.

### Transaction price allocated to remaining performance obligation

The Group expects to recognise \$1,062,000 (2023: \$1,226,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 30 April 2024 (2023: 30 April 2023) within one year and \$116,000 (2023: \$108,000) more than one year.

## 5. Other revenue

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Interest income from bank deposits	528	332
Sundry income	1,403	1,435
Logistic service income	2,907	3,235
Rental income from sublease	609	342
Government grants in respect of employment support	14	167
	<u>5,461</u>	<u>5,511</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 6. Cost of goods sold

	Group	
	2024	2023
	\$'000	\$'000
Includes:		
Inventories recognised as an expense in cost of goods sold	129,944	132,122

## 7. Salaries and employees' benefits

	Group	
	2024	2023
	\$'000	\$'000
Employee benefits expenses (including executive directors):		
- Salaries, wages and bonuses	20,655	20,146
- Contributions to defined contribution plans	957	1,078
- Others	4,975	4,606
	<u>26,587</u>	<u>25,830</u>

Employee benefits are included in the following line items in profit or loss:

- Cost of goods sold	4,383	3,902
- Salaries and employee benefits	22,204	21,928
	<u>26,587</u>	<u>25,830</u>

## 8. Finance costs

	Group	
	2024	2023
	\$'000	\$'000
Interest expense on financial liabilities carried at amortised cost:		
- Bank overdrafts, trust receipts and hire-purchase liabilities	2,656	2,221
- Bank loans	1,841	1,993
- Lease liabilities	330	357
	<u>4,827</u>	<u>4,571</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 9. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	Note	Group	
		2024 \$'000	2023 \$'000
Depreciation of property, plant and equipment (inclusive of charges included in cost of goods sold)	12	4,854	5,215
Depreciation of right-of-use assets	13	1,819	2,153
Foreign exchange loss		1,065	2,220
(Write-back of)/allowance for inventory obsolescence		(485)	2,701
Fair value loss/(gain) on derivatives		345	(465)
Gain on disposal of property, plant and equipment		(1,945)	(120)
Property, plant and equipment written off		2	4
Bad debts written off/(recovered)	18	1	(11)
Write-back of expected credit loss	18	(1,780)	(2,300)
Audit fees:			
- Auditors of the Company		550	499
- Other auditors		203	153

There are no non-audit fees paid to the auditors of the Company during the current and preceding financial years.

## 10. Taxation

### Major components of income tax expense

The major components of income tax expense for the years ended 30 April 2024 and 2023 are:

	Note	Group	
		2024 \$'000	2023 \$'000
Income statement			
Current income taxation			
- Current year		1,205	2,443
- Under/(over)-provision of tax in respect of prior years		40	(72)
		1,245	2,371
Deferred income taxation			
- Origination and reversal of temporary differences	29	316	(625)
- Under-provision of tax in respect of prior years	29	12	-
		328	(625)
Withholding tax		245	1
Income tax expenses recognised in profit or loss		1,818	1,747

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 10. Taxation (cont'd)

### *Relationship between tax expense and accounting profit*

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 April 2024 and 2023 are as follows:

	Group	
	2024	2023
	\$'000	\$'000
Profit before taxation	7,825	5,898
Less: Share of results of joint ventures*	(831)	(1,409)
	6,994	4,489
Taxation at statutory tax rate of 17% (2023: 17%)	1,189	763
Adjustments:		
- Effects of different tax rates in other countries	42	209
- Expenses not deductible for income tax purposes	418	736
- Benefits from previously unrecognised tax losses	(155)	(37)
- Deferred tax assets not recognised in the current year	-	158
- Partial tax exemption and tax relief	(34)	(34)
- Withholding tax	245	1
- Others	61	23
- Under/(over)-provision of tax in respect of prior years	52	(72)
Taxation	1,818	1,747

\*These are presented net of tax in profit or loss.

As at 30 April 2024, the Group, primarily through its subsidiary companies, has unutilised tax losses of approximately \$20,074,000 (2023: \$20,736,000) which may, subject to the agreement with the relevant tax authorities, be carried forward and utilised to set-off against future taxable profits. Except for an amount of \$864,000 (2023: \$1,279,000) which would expire in between 2025 and 2032 (2023: between 2024 and 2031), there is no time limit imposed on the utilisation of the remaining tax losses. The potential tax benefit of approximately \$6,049,000 (2023: \$6,209,000) arising from the unutilised tax losses has not been recognised in the financial statements due to the uncertainty of its recoverability.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 11. Earnings per share

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 30 April 2024 and 2023:

	Group	
	2024	2023
	\$'000	\$'000
<b><i>Group earnings used for the calculation of earnings per share:</i></b>		
Profit net of tax attributable to Owners of the Company used in the computation of basic earnings per share	<u>6,007</u>	<u>4,151</u>
	'000	'000
<b><i>Number of shares used for the calculation of basic and diluted earnings per share:</i></b>		
Weighted average number of ordinary shares in issue used for the calculation of basic earnings per share	<u>237,386</u>	<u>237,386</u>

Basic earnings per share is calculated on the Group's profit for the financial year attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

Diluted earnings per share is calculated on the same basis as basic earnings per share as there are no dilutive potential ordinary shares as at 30 April 2024 and 2023.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 12. Property, plant and equipment

Group	Freehold land \$'000	Leasehold land and buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Construction-in-progress \$'000	Total \$'000
<b>Cost:</b>							
At 1 May 2022	12,167	56,008	11,223	88,715	7,859	2,055	178,027
Additions	-	-	58	1,514	228	-	1,800
Disposals/write-off	-	-	-	(197)	(389)	-	(586)
Foreign currency translation adjustment	(668)	(408)	(214)	(2,001)	(274)	-	(3,565)
Reclassification	-	2,055	-	-	-	(2,055)	-
At 30 April 2023 and 1 May 2023	11,499	57,655	11,067	88,031	7,424	-	175,676
Additions	-	87	223	1,477	375	-	2,162
Disposals/write-off	-	(2,921)	(258)	(1,334)	(426)	-	(4,939)
Foreign currency translation adjustment	(563)	(418)	(243)	(3,493)	(164)	-	(4,881)
At 30 April 2024	10,936	54,403	10,789	84,681	7,209	-	168,018
<b>Accumulated depreciation and impairment:</b>							
At 1 May 2022	-	25,633	10,320	78,737	6,920	-	121,610
Charge for the financial year	-	1,999	273	2,605	338	-	5,215
Disposals/write-off	-	-	-	(189)	(369)	-	(558)
Foreign currency translation adjustment	-	(218)	(192)	(1,724)	(239)	-	(2,373)
At 30 April 2023 and 1 May 2023	-	27,414	10,401	79,429	6,650	-	123,894
Charge for the financial year	-	1,978	220	2,347	309	-	4,854
Disposals/write-off	-	(858)	(258)	(1,326)	(420)	-	(2,862)
Foreign currency translation adjustment	-	(315)	(217)	(3,079)	(145)	-	(3,756)
At 30 April 2024	-	28,219	10,146	77,371	6,394	-	122,130
<b>Net book value:</b>							
At 30 April 2024	10,936	26,184	643	7,310	815	-	45,888
At 30 April 2023	11,499	30,241	666	8,602	774	-	51,782

### Depreciation charge included in cost of goods sold

Depreciation charge amounting to \$1,792,000 (2023: \$1,972,000) was included in cost of goods sold during the financial year.

### Assets pledged as security

The Group's property, plant and equipment with a total net book value of \$34,625,000 as at 30 April 2024 (2023: \$38,756,000) are subject to legal mortgages and floating charges referred to in Notes 25 and 28.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 12. Property, plant and equipment (cont'd)

### *Assets held under hire-purchase*

Additions to plant and equipment for the financial year includes \$158,000 (2023: \$174,000) acquired under hire-purchase agreements. The carrying amount of plant and equipment acquired under hire-purchase agreements amounted to \$489,000 as at 30 April 2024 (2023: \$457,000). These assets are pledged as security for the related hire-purchase liabilities referred to in Note 26.

## 13. Leases

The Group's leases consist primarily of leasehold land, buildings and motor vehicles. The Group also has certain leases of buildings and office equipment with lease terms of 12-months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

	2024	2023
	\$'000	\$'000
(a) <i>Right-of-use assets – carrying amount</i>		
Leasehold land	5,910	6,383
Buildings/warehouse	938	2,185
Motor vehicles	254	361
	<u>7,102</u>	<u>8,929</u>
(b) <i>Depreciation charge during the year</i>		
Leasehold land	473	473
Buildings/warehouse	1,135	1,399
Motor vehicles	211	281
	<u>1,819</u>	<u>2,153</u>
(c) <i>Lease liabilities – carrying amount</i>		
Current	1,151	1,535
Non-current	6,575	7,954
	<u>7,726</u>	<u>9,489</u>
(d) <i>Interest expense on lease liabilities</i>	<u>330</u>	<u>357</u>
(e) <i>Lease expenses not capitalised in lease liabilities</i>		
Expense relating to short-term and low value leases	1,750	1,323
Expense relating to subleases	192	108
	<u>4,462</u>	<u>3,761</u>
(f) <i>Total cash outflow relating to leases</i>	<u>4,462</u>	<u>3,761</u>
(g) <i>Addition to right-of-use assets during the year</i>	<u>485</u>	<u>2,376</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 14. Investment in subsidiaries and amounts due from/(to) subsidiary companies

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<b>Cost of investment</b>		
Unquoted equity shares, at cost	93,490	88,631
Less: Impairment loss	(51,875)	(47,016)
	<u>41,615</u>	<u>41,615</u>
Movement in impairment loss accounts:		
At 1 May	47,016	47,016
Charge for the financial year	4,859	–
At 30 April	<u>51,875</u>	<u>47,016</u>

During the year, the Company has injected \$4,859,000 into a subsidiary. The Company carried out an impairment assessment on the recoverable amount of its investments in subsidiaries. An impairment loss of \$4,859,000 (2023: \$Nil) for the investment in subsidiary was recognised in “Other operating expenses” line item of profit or loss of the Company for the financial year as the subsidiary had turned dormant.

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<b>Amounts due from/(to) subsidiary companies</b>		
Loan to a subsidiary company (unsecured)	13,767	13,767
Amounts due from subsidiary companies (non-trade)	3,978	5,902
	<u>17,745</u>	<u>19,669</u>
Less: Allowance for expected credit loss	(3,938)	(3,858)
Amounts due from subsidiary companies	<u>13,807</u>	<u>15,811</u>
- Current	1,000	2,005
- Non-current	<u>12,807</u>	<u>13,806</u>
Amounts due to subsidiary companies (non-trade)		
- Non-current	(12,438)	(13,202)
	<u>(12,438)</u>	<u>(13,202)</u>

Movement in allowance for expected credit loss on non-trade receivables amounts due from subsidiary companies:

At 1 May	3,858	3,951
Allowance for the financial year	24	12
Exchange differences	56	(105)
At 30 April	<u>3,938</u>	<u>3,858</u>

For the year ended 30 April 2024, an impairment loss of \$24,000 (2023: \$12,000) was recognised in profit or loss of the Company following a debt recovery assessment performed on amounts due from subsidiary companies as at 30 April 2024.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 14. Investment in subsidiaries and amounts due from/(to) subsidiary companies (cont'd)

The amounts due from subsidiary companies (non-trade) are unsecured, non-interest bearing and repayable upon demand and are to be settled in cash.

The loan to a subsidiary company is unsecured, bears fixed interest at 2.89% (2023: 2.89%) per annum, with no repayment terms and is repayable only when the cash flows of the subsidiary company permits. The amount is not expected to be repaid in the next 12-months as the subsidiary company cannot repay this loan to the Company until the subsidiary company has repaid certain term loans it obtained from the banks (Note 28).

Details of the subsidiary companies are set out in Note 40.

## 15. Joint venture companies

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Unquoted equity shares, at cost	6,567	6,567	6,567	6,567
Share of post-acquisition reserves	8,240	9,301	–	–
Foreign currency translation adjustment	(1,736)	(1,762)	–	–
	<u>13,071</u>	<u>14,106</u>	<u>6,567</u>	<u>6,567</u>
Less: Impairment loss	–	–	(4,996)	(4,996)
	<u>13,071</u>	<u>14,106</u>	<u>1,571</u>	<u>1,571</u>

The Company carried out an impairment assessment on the recoverable amount of its investments in joint ventures and have assessed that the current book values at Group and Company levels are appropriate. Accordingly, no impairment was recognised for the Company and the Group for the current and previous financial year.

The investment in the joint venture in Falken Tyre India Private Limited was fully impaired since prior years as the Group is of view that the market disruptions arising from the ongoing import restrictions in India has significantly affected the financial viability of the joint venture.

Movement in investment in joint ventures during the year:

	Group	
	2024 \$'000	2023 \$'000
At 1 May	14,106	15,771
Share of results from joint venture	831	1,409
Dividend received	(1,894)	(2,444)
Exchange and other adjustments	28	(630)
At 30 April	<u>13,071</u>	<u>14,106</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 15. Joint venture companies (cont'd)

Set out below is the joint venture which is material to the Group as at 30 April 2024 and 2023.

	<b>Tyre Pacific (HK) Limited</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<b><i>Summarised balance sheet</i></b>		
Cash and cash equivalents	22,140	19,876
Other current assets	11,118	15,192
Total current assets	<u>33,258</u>	<u>35,068</u>
Non-current assets	2,178	2,320
Total assets	<u>35,436</u>	<u>37,388</u>
Current financial liabilities (excluding trade, other payables and provisions)	2,248	1,564
Other current liabilities	7,046	7,612
Total current liabilities	<u>9,294</u>	<u>9,176</u>
Non-current liabilities	–	–
Total liabilities	<u>9,294</u>	<u>9,176</u>
Net assets	<u>26,142</u>	<u>28,212</u>
<b><i>Summarised statement of comprehensive income</i></b>		
Revenue	21,550	26,600
Cost of goods sold	(15,618)	(18,098)
Depreciation and amortisation	(252)	(484)
Interest expense	(58)	(154)
Other expenditure	(3,652)	(4,242)
Profit before tax	<u>1,970</u>	<u>3,622</u>
Income tax expense	(308)	(804)
Total comprehensive income	<u>1,662</u>	<u>2,818</u>

A reconciliation of the summarised financial information to the carrying amount of Tyre Pacific (HK) Limited is as follows:

	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<b><i>Tyre Pacific (HK) Limited</i></b>		
Net assets	26,142	28,212
Group's equity interest	50%	50%
Group share of net assets	<u>13,071</u>	<u>14,106</u>

As at 30 April 2024, the Group has not recognised its share losses from Falken Tyre India Private Limited amounting to \$17,000 (2023: \$173,000) as the Group's cumulative shares of losses has exceeded its interest in the entity. The cumulative unrecognised losses of the entity are \$190,000 (2023: \$173,000) as at balance sheet date.

Details of the joint venture companies are set out in Note 40.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 16. Associated company

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Unquoted equity shares, at cost	72	72	72	72
Share of post-acquisition reserves	341	341	-	-
Foreign currency translation adjustment	(205)	(192)	-	-
	<u>208</u>	<u>221</u>	<u>72</u>	<u>72</u>
Less: Impairment loss	-	-	(72)	(72)
	<u>208</u>	<u>221</u>	<u>-</u>	<u>-</u>

The summarised financial information of the associated company which is individually immaterial are as follows:

	2024 \$'000	2023 \$'000
<b>Assets and liabilities:</b>		
Total assets	426	454
Total liabilities	(2)	(2)
Net assets	<u>424</u>	<u>452</u>

Details of the associated company are set out in Note 40.

## 17. Inventories

	Group	
	2024 \$'000	2023 \$'000
Inventories for sale	60,567	73,005
Raw materials	5,673	10,451
Work-in-progress – aluminium alloy wheels	2,301	1,821
Total inventories at lower of cost or net realisable value	<u>68,541</u>	<u>85,277</u>
Inventories for sale are stated after deducting allowance for obsolescence of:	<u>14,649</u>	<u>16,557</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 18. Trade receivables

	Group	
	2024	2023
	\$'000	\$'000
External parties	34,748	37,436
Less: Allowance for expected credit loss	(4,351)	(6,551)
	<u>30,397</u>	<u>30,885</u>
Bad debts written off/(recovered)	<u>1</u>	<u>(11)</u>

Trade receivables are denominated in the following currencies:

Singapore Dollar	6,494	6,320
Indonesian Rupiah	6,022	5,390
Thai Baht	4,986	6,871
United States Dollar	4,177	2,420
Malaysian Ringgit	3,988	5,199
South African Rand	2,360	2,659
Euro	1,208	962
Hong Kong Dollar	594	566
Australian Dollar	382	166
Others	186	332
	<u>30,397</u>	<u>30,885</u>

External trade receivables are non-interest bearing which are generally on 30 to 120 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. At the end of the reporting period, trade receivables arising from export sales amounting to \$126,000 (2023: \$202,000) are supported by letters of credits issued by banks in countries where the customers are based.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 18. Trade receivables (cont'd)

### *Expected credit loss*

The movement in allowance for expected credit loss of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2024	2023
	\$'000	\$'000
Movement in allowance accounts:		
At 1 May	6,551	12,105
Write-back for the financial year (Note 9)	(1,780)	(2,300)
Written off	(133)	(2,806)
Exchange differences	(287)	(448)
At 30 April	4,351	6,551

## 19. Derivatives

	Group			
	Fair value			
	Assets	Liabilities	Assets	Liabilities
	2024	2024	2023	2023
	\$'000	\$'000	\$'000	\$'000
Non-hedging instrument				
- Forward currency contracts	16	(192)	201	(32)

	Company			
	Fair value			
	Assets	Liabilities	Assets	Liabilities
	2024	2024	2023	2023
	\$'000	\$'000	\$'000	\$'000
Non-hedging instrument				
- Forward currency contracts	-	-	49	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 19. Derivatives (cont'd)

### *Foreign exchange forward contracts*

The Group and the Company use foreign currency contracts to manage the risk against currency fluctuations in connection with payments to overseas suppliers and receipts from overseas customers and inter-company receivables and payables. The contractual amounts to be paid or received and contractual exchange rates of the outstanding contracts at the end of each reporting period are as follows:

	<b>Group</b>	
	<b>Contractual/notional amounts</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
To sell Singapore Dollar for:		
- United States Dollar	225	195
	<u>225</u>	<u>195</u>
To sell South African Rand for:		
- United States Dollar	707	545
	<u>707</u>	<u>545</u>
To sell Thai Baht for:		
- United States Dollar	144	108
- Singapore Dollar	27	57
- Chinese Renminbi	-	19
	<u>171</u>	<u>184</u>
To buy Singapore Dollar for:		
- United States Dollar	3,575	4,561
- Indonesian Rupiah	3,406	-
- Euro	1,017	880
- South African Rand	663	1,115
- Australian Dollar	481	4,943
	<u>9,142</u>	<u>11,499</u>
To buy Thai Baht for:		
- United States Dollar	3,252	2,426
- Singapore Dollar	1,229	1,373
- Australian Dollar	555	772
	<u>5,036</u>	<u>4,571</u>
	<b>Company</b>	
	<b>Contractual/notional amounts</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
To buy Singapore Dollar for:		
- Australian Dollar	-	2,219
	<u>-</u>	<u>2,219</u>



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

### 20. Other receivables, prepayments and advances

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Financial assets</b>				
Amounts due from joint venture company	58	57	58	57
Sundry receivables	2,911	2,914	247	245
Deposits to suppliers	692	722	–	–
Staff loans	134	165	–	–
	<u>3,795</u>	<u>3,858</u>	<u>305</u>	<u>302</u>
Less: Allowance for expected credit loss	(210)	(210)	(209)	(209)
	<u>3,585</u>	<u>3,648</u>	<u>96</u>	<u>93</u>
<b>Non-financial assets</b>				
<i>Prepayments and advances</i>				
Prepaid operating expenses	3,546	2,463	28	23
Advance payment for purchases	2,976	1,503	–	–
	<u>6,522</u>	<u>3,966</u>	<u>28</u>	<u>23</u>
Movement in allowance accounts:				
At 30 April	<u>210</u>	<u>210</u>	<u>209</u>	<u>209</u>

The deposits to suppliers are unsecured and interest-free. The deposits are refundable at the end of the manufacturing contracts.

Staff loans are unsecured, bear interest at rates at 6.50% (2023: 6.50%) per annum and repayable within the next 12-months.

The advance payment for purchases is unsecured, interest-free and is deductible against the amount payable on purchases from these suppliers.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 21. Cash and cash equivalents

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at bank and on hand	32,544	30,294	1,738	1,212

Cash and cash equivalents are denominated in the following currencies:

Malaysian Ringgit	12,308	12,880	–	–
Thai Baht	4,584	2,245	–	–
Singapore Dollar	3,769	5,137	1,735	1,208
Hong Kong Dollar	3,374	3,981	–	–
South African Rand	3,028	1,927	–	–
Indonesian Rupiah	3,011	2,570	–	–
United States Dollar	1,870	650	3	4
Australian Dollar	251	350	–	–
Others	349	554	–	–
	<u>32,544</u>	<u>30,294</u>	<u>1,738</u>	<u>1,212</u>

Cash at bank earns interest at floating rates based on daily bank deposits rates ranging from 0.10% to 3.00% (2023: 0.05% to 3.00%) per annum.

## 22. Trade payables

	Group	
	2024 \$'000	2023 \$'000
External parties	9,865	9,736
Contract liabilities (Note 4)	1,178	1,334
Others	947	901
	<u>11,990</u>	<u>11,971</u>

Trade payables are denominated in the following currencies:

Singapore Dollar	2,917	3,390
Euro	2,509	2,022
United States Dollar	1,892	1,282
South African Rand	1,439	837
Indonesian Rupiah	1,107	1,776
Thai Baht	858	768
Malaysian Ringgit	845	1,022
Australian Dollar	6	49
Others	417	825
	<u>11,990</u>	<u>11,971</u>

These amounts are non-interest bearing. Trade payables are normally settled on 120 days terms.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

### 23. Trust receipts (secured)

Trust receipts have maturity dates of up to 6 (2023: 6)-months and are secured by corporate guarantees from the Company, a negative pledge over the assets, excluding its leasehold buildings, of subsidiary companies. These facilities are subject to compliance with certain financial covenants.

The trust receipts bear interest at rates ranging from 3.00% to 13.25% (2023: 0.83% to 12.50%) per annum. The weighted average interest rate of the Group's trust receipts is 6.95% (2023: 5.90%) per annum.

Trust receipts are denominated in the following currencies:

	Group	
	2024 \$'000	2023 \$'000
Singapore Dollar	9,806	7,744
Thai Baht	9,367	15,342
Indonesian Rupiah	8,677	8,461
South African Rand	3,797	5,485
Malaysian Ringgit	1,067	1,128
Vietnamese Dong	786	–
	<u>33,500</u>	<u>38,160</u>

### 24. Other payables

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b><i>Financial liabilities</i></b>				
Amounts due to associated company	279	292	89	89
Payroll and staff related expenses	4,704	4,116	–	–
Sundry payables	4,955	5,147	–	–
Accrued operating expenses	4,059	6,323	493	414
	<u>13,997</u>	<u>15,878</u>	<u>582</u>	<u>503</u>

The non-trade amounts due to the associated company are unsecured, interest-free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 25. Loans (secured)

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Short-term loans (revolving credit facilities)		6,302	11,474	–	–
Long-term loans – current portion	28	11,327	13,872	1,286	1,260
		<u>17,629</u>	<u>25,346</u>	<u>1,286</u>	<u>1,260</u>

The short-term loans are secured by negative pledge over the assets of certain subsidiary companies and corporate guarantees from their companies, excluding their hire-purchase assets. The short-term loans bear interest at rates ranging from 3.65% to 9.30% (2023: 1.70% to 9.50%) per annum. The weighted average interest rate of the Group's short-term loans is 5.52% (2023: 4.06%) per annum.

Short-term loans are denominated in the following currencies:

	Group			
	Effective interest rate		2024 \$'000	2023 \$'000
	2024 %	2023 %		
Singapore Dollar loans	5.71	4.22	4,000	9,400
Thai Baht loans	4.64	3.43	1,764	1,787
Vietnamese Dong loans	6.39	6.81	538	287
			<u>6,302</u>	<u>11,474</u>

## 26. Hire-purchase liabilities

The future minimum payments under hire-purchase agreements to acquire motor vehicles and plant and equipment are as follows:

	Group			
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
	2024 \$'000	2024 \$'000	2023 \$'000	2023 \$'000
Within one year	189	151	176	137
After one year but not more than five years	238	199	235	204
Total minimum hire-purchase payments	<u>427</u>	<u>350</u>	<u>411</u>	<u>341</u>
Less: Amounts representing finance charges	(77)	–	(70)	–
Present value of minimum hire-purchase payments	<u>350</u>	<u>350</u>	<u>341</u>	<u>341</u>

Effective interest rates on the hire-purchase arrangements range from 2.85% to 12.25% (2023: 3.77% to 12.92%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 27. Provisions

	Group	
	2024 \$'000	2023 \$'000
<b>Current liabilities:</b>		
<i>Provision for product warranties</i>		
At 1 May	621	378
(Write-back of)/provision for the year	(77)	387
Provision utilised during the year	(238)	(144)
At 30 April	<u>306</u>	<u>621</u>

A provision is recognised for expected warranty claims on proprietary products sold during the financial year based on past experience of the level of returns.

### **Non-current liabilities:**

<i>Provision for reinstatement cost</i>		
At 1 May	865	865
Write-back of provision for the year	(12)	–
At 30 April	<u>853</u>	<u>865</u>

Provision for reinstatement cost refers to the estimated cost of dismantling, removing and restoring the leasehold properties at the end of the lease term.

## 28. Long-term loans (secured)

	Group			
	Effective interest rate		2024 \$'000	2023 \$'000
	2024 %	2023 %		
<b>Current</b>				
Singapore Dollar loans	6.30	4.86	11,069	13,586
Malaysian Ringgit loans	5.07	4.38	258	286
			<u>11,327</u>	<u>13,872</u>
<b>Non-current</b>				
Singapore Dollar loans	6.30	4.86	5,189	9,068
Malaysian Ringgit loans	5.07	4.38	3,768	4,222
			<u>8,957</u>	<u>13,290</u>
	Company			
	Effective interest rate		2024 \$'000	2023 \$'000
	2024 %	2023 %		
<b>Current</b>				
Singapore Dollar loans	2.10	2.02	<u>1,286</u>	<u>1,260</u>
<b>Non-current</b>				
Singapore Dollar loans	2.10	2.02	<u>107</u>	<u>1,394</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 28. Long-term loans (secured) (cont'd)

All loans are subject to compliance with financial covenants and are secured by corporate guarantees from the Company, property, plant and equipment of certain subsidiary companies and negative pledge over the assets of certain subsidiaries, excluding their hire-purchase assets.

Included in the Group's Singapore dollar loans as at 30 April 2024 are 3 loans (2023: 4 loans) with current and non-current portions amounting to \$8,880,000 (2023: \$11,103,000) and \$2,327,000 (2023: \$3,718,000), respectively, where the subsidiary company shall not repay the loan from the Company (Note 14) until these loans are repaid.

A reconciliation of liabilities arising from financing activities is as follows:

	Non-cash changes				2024 \$'000
	2023 \$'000	Cash flows \$'000	Foreign exchange movement \$'000	Other \$'000	
Long-term loans					
(Current and non-current)	27,162	(6,669)	(209)	–	20,284
Short-term loans	11,474	(5,045)	(127)	–	6,302
Trust receipts	38,160	(3,009)	(1,651)	–	33,500
Hire-purchase liabilities					
(Current and non-current)	341	(146)	(3)	158	350
Lease liabilities					
(Current and non-current)	9,489	(2,190)	(58)	485	7,726
	86,626	(17,059)	(2,048)	643	68,162
	Non-cash changes				2023 \$'000
	2022 \$'000	Cash flows \$'000	Foreign exchange movement \$'000	Other \$'000	
Long-term loans					
(Current and non-current)	34,142	(6,659)	(321)	–	27,162
Short-term loans	10,445	1,096	(67)	–	11,474
Trust receipts	51,905	(11,982)	(1,763)	–	38,160
Hire-purchase liabilities					
(Current and non-current)	322	(132)	(23)	174	341
Lease liabilities					
(Current and non-current)	9,111	(1,973)	(81)	2,432	9,489
	105,925	(19,650)	(2,255)	2,606	86,626

The 'Other' column relates to the addition of new hire purchases and new leases during the year.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 29. Deferred taxation

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At 1 May		1,500	898	(108)	(108)
Foreign currency translation adjustment		(76)	(23)	-	-
Origination and reversal of temporary differences	10	(316)	625	-	-
Under-provision of deferred tax expense in respect of prior years	10	(12)	-	-	-
At 30 April		<u>1,096</u>	<u>1,500</u>	<u>(108)</u>	<u>(108)</u>
Represented by:					
- Deferred tax assets		2,761	3,303	-	-
- Deferred tax liabilities		(1,665)	(1,803)	(108)	(108)
		<u>1,096</u>	<u>1,500</u>	<u>(108)</u>	<u>(108)</u>

The deferred tax assets and liabilities arise from the following temporary differences:

	Group							Total \$'000
	Property, plant and equipment \$'000	Receivables \$'000	Inventories \$'000	Unremitted foreign-sourced income \$'000	Provision, accruals and others \$'000	Right-of-use assets \$'000	Lease liabilities \$'000	
<b>2024</b>								
At 1 May	(499)	9	2,269	(1,028)	749	-	-	1,500
Movement for the year	3	(143)	(447)	-	171	1,175	(1,075)	(316)
Adjustments in respect of previous financial year	-	-	-	-	(12)	-	-	(12)
Foreign currency translation adjustment	3	19	(58)	-	(40)	-	-	(76)
At 30 April	<u>(493)</u>	<u>(115)</u>	<u>1,764</u>	<u>(1,028)</u>	<u>868</u>	<u>1,175</u>	<u>(1,075)</u>	<u>1,096</u>
<b>2023</b>								
At 1 May	(498)	349	2,066	(1,107)	88	-	-	898
Movement for the year	-	(336)	225	79	657	-	-	625
Foreign currency translation adjustment	(1)	(4)	(22)	-	4	-	-	(23)
At 30 April	<u>(499)</u>	<u>9</u>	<u>2,269</u>	<u>(1,028)</u>	<u>749</u>	<u>-</u>	<u>-</u>	<u>1,500</u>

The deferred tax liabilities of the Company relate to unremitted foreign-sourced income.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 30. Share capital

	Number of shares 2024 '000	Group and Company		Share capital 2023 \$'000
		Share capital 2024 \$'000	Number of shares 2023 '000	
Issued and fully paid:				
At beginning and end of financial year	237,386	36,244	237,386	36,244

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote without restriction. The ordinary shares have no par value.

## 31. Reserves – Group and Company

### (a) Capital reserve

Capital reserve represents proceeds from issuance of warrants and non-distributable amounts set aside in compliance with local laws of certain overseas subsidiary company.

### (b) Revenue reserve

This represents the accumulated profits less distributions made to the shareholders of the Company.

### (c) Foreign currency translation reserve

This comprises foreign exchange differences arising from the translation of the financial statements of overseas subsidiary, associated and joint venture companies and from the translation of long-term inter-company advances which are effectively part of net investments in the subsidiary companies.

### (d) Discount on acquisition of non-controlling interest

The discount on acquisition of non-controlling interest represents the difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid that is recognised directly in equity and attributed to the parent. Such changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The movement in the reserves are shown in the statements of changes in equity.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 32. Dividend

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Final exempt (one-tier) dividend of 1.5 (2023: 1.5) cent, per share in respect of the previous financial year	3,561	3,561
Dividend declared and paid during the year	<u>3,561</u>	<u>3,561</u>

The directors have proposed but not recognised as a liability, a final exempt (one-tier) dividend of 1.5 cent (2023: 1.5 cent) per share and a special exempt dividend of 0.5 cent (2023: Nil) per share, amounting to approximately \$4,748,000 (2023: \$3,561,000) to be paid in respect of the financial year ended 30 April 2024. The dividend will be recorded as a liability on the balance sheets of the Company and Group upon approval by the shareholders of the Company at the next Annual General Meeting of the Company.

## 33. Contingencies

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<b>Corporate guarantees</b>		
Guarantees issued for bank facilities granted to subsidiary companies	<u>60,086</u>	<u>76,796</u>

The above corporate guarantees indicate amounts utilised by subsidiary companies as at the end of each reporting period.

## 34. Related party transactions

### (a) Sale and purchase of goods and services

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place during the year at terms agreed between the parties:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Income from services rendered to a joint venture company	1,612	1,589
Consultancy fee paid to a related party	(758)	(804)
One-off lump sum payment to a related party	<u>–</u>	<u>(300)</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 34. Related party transactions (cont'd)

### (b) Compensation of key management personnel

	Group	
	2024	2023
	\$'000	\$'000
Salaries, bonuses, and other benefits-in-kind	2,028	2,287
Directors' fees	232	302
Contribution to defined contribution plan	90	99
Total	<u>2,350</u>	<u>2,688</u>
Comprises amounts paid/payable to:		
- Directors of the Company	907	931
- Other key management personnel	1,443	1,757
	<u>2,350</u>	<u>2,688</u>

## 35. Financial risk management objectives and policies

The Group's principal financial instruments, other than derivative financial instruments, comprise short-term and long-term bank borrowings, hire-purchase contracts, and cash and short-term deposits. The main purpose of these financial instruments and borrowings are to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative instruments in the form of interest rate swap and forward currency contracts to manage interest rate and currency risks arising from the Group's operations and its sources of financing.

It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The main risks faced by the Group and Company are foreign currency risk, interest rate risk, credit risk and liquidity risk that arise through its normal operations.

### (a) Foreign currency risk

Foreign exchange risk arises from a change in foreign currency exchange rate, which is expected to have an adverse effect on the Group in the current reporting period and in future years. The Group operates in several countries and subsidiary, associated and joint venture companies within the Group maintain their books and records in their respective functional currencies. The Group's accounting policy is to translate the results of overseas subsidiary, associated and joint venture companies using the weighted average exchange rates. Net assets denominated in foreign currencies and held at the financial year end are translated into Singapore Dollar, the Group's reporting currency, at year end exchange rates. Fluctuations in the exchange rate between the functional currencies and Singapore Dollar will therefore have an impact on the Group. It is the Group's policy not to hedge exposures arising from such translations. The Group's strategy is to fund overseas operations with borrowings denominated in their functional currencies as a natural hedge against overseas assets.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 35. Financial risk management objectives and policies (cont'd)

### (a) Foreign currency risk (cont'd)

The Group is also exposed to the volatility in the foreign currency cash flows related to repatriation of the investments in and advances to its subsidiary, associated and joint venture companies. The Group does not hedge exposures arising from such risks.

The Group's trading subsidiary companies are exposed to movements in foreign currency rates arising from the purchases of goods from suppliers and sales made to customers located in several countries. Whenever necessary, foreign exchange forward contracts are used by the subsidiary companies to manage the foreign currency exposure arising from their trading activities. The Group's accounting policies in relation to these derivative financial instruments are set out in Note 2.24.

#### *Sensitivity analysis for foreign currency risk*

A 5% fluctuation of certain foreign currencies against the underlying functional currencies of the Group's entities at the end of each reporting period would have an impact on the Group's profit net of tax by the amounts shown below. The analysis assumes all other variables remained constant. The analysis is performed on the same basis for the financial year ended 30 April 2024.

	Increase/(decrease) in profit net of tax	
	2024 \$'000	2023 \$'000
USD – strengthened by 5%	208	89
– weakened by 5%	(208)	(89)
ZAR – strengthened by 5%	62	113
– weakened by 5%	(62)	(113)
IDR – strengthened by 5%	355	73
– weakened by 5%	(355)	(73)

### (b) Interest rate risk

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Group's financial conditions and results. The primary source of the Group's interest rate risk is its borrowings from banks and other financial institutions primarily in Singapore, Malaysia, Indonesia and Thailand. The Group ensures that it obtains borrowings at competitive interest rates under the most favourable terms and conditions. Where appropriate, the Group uses interest rate swaps to hedge its interest rate exposure for specific underlying debt obligations.

Risk variables are based on volatility in interest rates. This analysis assumes that all other variables, in particular foreign currency rates and tax rates remain constant. Information relating to the interest rate is disclosed in Notes 23, 25, 26 and 28.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 35. Financial risk management objectives and policies (cont'd)

### (b) Interest rate risk (cont'd)

At the end of the reporting period, approximately 12% (2023: 15%) of the Group's borrowings are at fixed rates of interest. Cash and bank balances are excluded from the table below as fluctuations of interest rates are determined to have no significant impact on the Group's profit net of tax.

Included in the table below are the Group's interest-bearing financial instruments, categorised by the earlier contractual re-pricing or maturity dates.

	Within 1 year \$'000	Within 1-2 years \$'000	Within 2-3 years \$'000	Group Within 3-4 years \$'000	Within 4-5 years \$'000	More than 5 years \$'000	Total \$'000
<b>2024</b>							
<b>Fixed rate</b>							
Obligations under							
hire-purchase	72	46	29	17	–	–	164
Bank loans	1,286	107	–	–	–	–	1,393
Trust receipts	5,552	–	–	–	–	–	5,552
<b>Floating rate</b>							
Obligations under							
hire-purchase	79	70	37	–	–	–	186
Bank loans	16,343	1,545	1,574	1,009	2,124	2,598	25,193
Trust receipts	27,948	–	–	–	–	–	27,948
<b>2023</b>							
<b>Fixed rate</b>							
Obligations under							
hire-purchase	81	44	30	25	17	–	197
Bank loans	1,260	1,286	108	–	–	–	2,654
Trust receipts	8,461	–	–	–	–	–	8,461
<b>Floating rate</b>							
Obligations under							
hire-purchase	56	50	34	4	–	–	144
Bank loans	24,086	2,683	1,684	1,722	1,160	4,647	35,982
Trust receipts	29,699	–	–	–	–	–	29,699

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 35. Financial risk management objectives and policies (cont'd)

### (b) Interest rate risk (cont'd)

#### Sensitivity analysis for interest rate risk

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit net of tax.

	Increase/ (decrease) in basis points	Decrease/ (increase) in profit net of tax \$'000
<b>2024</b>		
Obligations under hire-purchase	50	1
Bank loans	50	125
Trust receipts	50	140
Obligations under hire-purchase	(50)	(1)
Bank loans	(50)	(125)
Trust receipts	(50)	(140)
<b>2023</b>		
Obligations under hire-purchase	50	1
Bank loans	50	182
Trust receipts	50	150
Obligations under hire-purchase	(50)	(1)
Bank loans	(50)	(182)
Trust receipts	(50)	(150)

### (c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade receivables. For financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by trading with recognised and creditworthy third parties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. It is the Group's policy that all customers who trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 35. Financial risk management objectives and policies (cont'd)

### (c) Credit risk (cont'd)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supporting forward-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

The Group determined that its financial assets are credit-impaired when:

- There is significant financial difficulty experienced by the issuer or the borrower;
- A breach of contract, such as default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 35. Financial risk management objectives and policies (cont'd)

### (c) Credit risk (cont'd)

The following are credit risk management practices and quantitative information about amounts arising from expected credit loss for trade receivables:

#### Trade receivables

The Group provides for lifetime expected credit loss for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 30 April 2024 and 2023 is determined as follows, the expected credit loss below also incorporate forward-looking information such as forecast of macro-economic indicators and the industry performance factors.

Summarised below is the information about the credit risk exposure on the remaining Group's trade receivables using provision matrix:

	Current	Less than 30 days past due	Less than 60 days past due	More than 60 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2024</b>					
Gross carrying amount	18,999	6,228	2,400	7,121	34,748
Loss allowance provision	(26)	(14)	(12)	(4,299)	(4,351)
<b>2023</b>					
Gross carrying amount	26,047	4,367	1,453	5,569	37,436
Loss allowance provision	(1,849)	(603)	(279)	(3,820)	(6,551)

Information regarding loss allowance movement of trade receivables is disclosed in Note 18.

During the financial year, the Group wrote off \$133,000 (2023: \$2,806,000) of trade receivables as the Group does not expect to receive future cash flows.

#### Other receivables

The Group provides for lifetime expected credit loss for other receivables using the probability of default approach. In determining ECL for other receivables, the Group considers events such as significant adverse changes in financial conditions of the debtors and determined that significant increase in credit risk occur when there is changes in the risk that the specific debtor will default on the payments.

There is no change in the loss allowance provision for other receivables at amortised cost as at 30 April 2024 and 2023.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 35. Financial risk management objectives and policies (cont'd)

### (c) Credit risk (cont'd)

#### *Amounts due from subsidiaries at amortised cost*

The Company provides for lifetime expected credit loss for trade amounts due from related companies based on a provision matrix similar to allowance for trade receivables. The Company computes expected credit loss for non-trade amounts and loans from related companies using the probability of default approach. In determining this ECL, the Company considers events such as significant adverse changes in financial conditions and changes in operating results of the related companies and determined that significant increase in credit risk occur when there are changes in the risk that the specific related company will default on the payments.

The loss allowance provision for amounts due from related companies at amortised cost as at 30 April 2024 and 2023 reconciles to the opening loss allowance provision as follows:

	Company	
	2024 \$'000	2023 \$'000
At 1 May	3,858	3,951
Loss allowance measure at:		
12-month ECL	24	12
Exchange difference	56	(105)
At 30 April	<u>3,938</u>	<u>3,858</u>

#### *Exposure to credit risk*

At the end of the reporting period, the Group and Company's maximum exposure to credit risk was represented by the carrying amount of each class of financial assets recognised in the balance sheets.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 35. Financial risk management objectives and policies (cont'd)

### (c) Credit risk (cont'd)

#### *Risk concentration profile*

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of each reporting period is as follows:

	Group			
	2024		2023	
	\$'000	% of total	\$'000	% of total
<b>By country:</b>				
Singapore	8,723	28.70	6,802	22.02
Indonesia	6,023	19.81	5,390	17.45
Thailand	4,986	16.40	6,871	22.25
Malaysia	4,080	13.42	5,199	16.83
South Africa	2,411	7.93	2,659	8.61
Others	4,174	13.74	3,964	12.84
	<u>30,397</u>	<u>100.00</u>	<u>30,885</u>	<u>100.00</u>

### (d) Liquidity risk

The Group monitors its projected and actual cash inflows and outflows to ensure that funding needs are identified and managed in advance. The Group actively manages its debt maturity profile, operating cash flows and availability of committed credit facilities to ensure that all refinancing, repayment and funding needs are met. The Group strives to maintain a sufficient level of banking facilities to meet its funding requirements and utilise trust receipts, revolving credit facilities, loans and hire-purchase contracts for this purpose. The credit facilities provided by the banks and finance companies are subject to certain financial covenants, and terms and conditions which are summarised in Notes 23, 25, 26 and 28.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 35. Financial risk management objectives and policies (cont'd)

### (d) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group and Company's financial assets and liabilities at the end of each reporting period based on contractual undiscounted payments.

	Group			
	1 year or less \$'000	2 to 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>2024</b>				
<b>Financial assets</b>				
Trade and other receivables	33,982	–	–	33,982
Derivatives	16	–	–	16
Cash and cash equivalents	32,544	–	–	32,544
Total undiscounted financial assets	<u>66,542</u>	<u>–</u>	<u>–</u>	<u>66,542</u>
<b>Financial liabilities</b>				
Trade payables, trust receipts and other payables	59,487	–	–	59,487
Derivatives	192	–	–	192
Hire-purchase liabilities	189	238	–	427
Loans and borrowings	18,569	6,740	2,730	28,039
Lease liabilities	1,410	3,064	4,915	9,389
Total undiscounted financial liabilities	<u>79,847</u>	<u>10,042</u>	<u>7,645</u>	<u>97,534</u>
Total net undiscounted financial liabilities	<u>(13,305)</u>	<u>(10,042)</u>	<u>(7,645)</u>	<u>(30,992)</u>
<b>2023</b>				
<b>Financial assets</b>				
Trade and other receivables	34,533	–	–	34,533
Derivatives	201	–	–	201
Cash and cash equivalents	30,294	–	–	30,294
Total undiscounted financial assets	<u>65,028</u>	<u>–</u>	<u>–</u>	<u>65,028</u>
<b>Financial liabilities</b>				
Trade payables, trust receipts and other payables	66,009	–	–	66,009
Derivatives	32	–	–	32
Hire-purchase liabilities	176	235	–	411
Loans and borrowings	26,460	9,017	4,858	40,335
Lease liabilities	1,842	4,711	4,915	11,468
Total undiscounted financial liabilities	<u>94,519</u>	<u>13,963</u>	<u>9,773</u>	<u>118,255</u>
Total net undiscounted financial liabilities	<u>(29,491)</u>	<u>(13,963)</u>	<u>(9,773)</u>	<u>(53,227)</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 35. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

	Company			Total \$'000
	1 year or less \$'000	2 to 5 years \$'000	Over 5 years \$'000	
<b>2024</b>				
<b>Financial assets</b>				
Amounts due from subsidiary companies	1,000	–	12,807	13,807
Other receivables	96	–	–	96
Cash and cash equivalents	1,738	–	–	1,738
Total undiscounted financial assets	<u>2,834</u>	<u>–</u>	<u>12,807</u>	<u>15,641</u>
<b>Financial liabilities</b>				
Other payables	582	–	–	582
Loans and borrowings	1,312	109	–	1,421
Amounts due to subsidiary companies	–	–	12,438	12,438
Corporate guarantee	60,086	–	–	60,086
Total undiscounted financial liabilities	<u>61,980</u>	<u>109</u>	<u>12,438</u>	<u>74,527</u>
Total net undiscounted financial assets/(liabilities)	<u>(59,146)</u>	<u>(109)</u>	<u>369</u>	<u>(58,886)</u>
<b>2023</b>				
<b>Financial assets</b>				
Amounts due from subsidiary companies	2,005	–	13,806	15,811
Other receivables	93	–	–	93
Derivatives	49	–	–	49
Cash and cash equivalents	1,212	–	–	1,212
Total undiscounted financial assets	<u>3,359</u>	<u>–</u>	<u>13,806</u>	<u>17,165</u>
<b>Financial liabilities</b>				
Other payables	503	–	–	503
Loans and borrowings	1,285	1,422	–	2,707
Amounts due to subsidiary companies	–	–	13,202	13,202
Corporate guarantee	76,796	–	–	76,796
Total undiscounted financial liabilities	<u>78,584</u>	<u>1,422</u>	<u>13,202</u>	<u>93,208</u>
Total net undiscounted financial assets/(liabilities)	<u>(75,225)</u>	<u>(1,422)</u>	<u>604</u>	<u>(76,043)</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 36. Classification of financial instruments

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Financial assets measured at amortised cost</b>					
Trade receivables	18	30,397	30,885	–	–
Other receivables	20	3,585	3,648	96	93
Cash and cash equivalents	21	32,544	30,294	1,738	1,212
Amounts due from subsidiary companies	14	–	–	13,807	15,811
		<u>66,526</u>	<u>64,827</u>	<u>15,641</u>	<u>17,116</u>
<b>Financial liabilities measured at amortised cost</b>					
Trade payables	22	11,990	11,971	–	–
Trust receipts (secured)	23	33,500	38,160	–	–
Other payables	24	13,997	15,878	582	503
Loans (secured)	25, 28	26,586	38,636	1,393	2,654
Hire-purchase liabilities	26	350	341	–	–
Amounts due to subsidiary companies	14	–	–	12,438	13,202
Lease liabilities	13	7,726	9,489	–	–
		<u>94,149</u>	<u>114,475</u>	<u>14,413</u>	<u>16,359</u>
<b>Fair value through profit or loss</b>					
Forward currency contracts					
- Derivatives assets	19	16	201	–	49
- Derivatives liabilities	19	(192)	(32)	–	–

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 37. Fair value of financial instruments

(a) *Fair value of financial instruments that are carried at fair value*

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Note	Significant other observable inputs (Level 2) \$'000
<b>Group</b>		
<b>2024</b>		
<b>Financial assets</b>		
Forward currency contracts	19	<u>16</u>
<b>Financial liabilities</b>		
Forward currency contracts	19	<u>(192)</u>
<b>2023</b>		
<b>Financial assets</b>		
Forward currency contracts	19	<u>201</u>
<b>Financial liabilities</b>		
Forward currency contracts	19	<u>(32)</u>
<b>Company</b>		
<b>2024</b>		
<b>Financial assets</b>		
Forward currency contracts	19	<u>-</u>
<b>2023</b>		
<b>Financial assets</b>		
Forward currency contracts	19	<u>49</u>

*Fair value hierarchy*

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 37. Fair value of financial instruments (cont'd)

- (a) *Fair value of financial instruments that are carried at fair value (cont'd)*

### *Determination of fair value*

Forward currency contracts and interest rate swaps are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, interest rate curves and forward rate curves.

- (b) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The management has determined that the carrying amounts of cash and short-term deposits, current trade and other receivables, current trade and other payables and current bank loans based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are re-priced frequently within a year.

The estimated fair values of the Group's and Company's borrowings approximate their carrying amounts, based on borrowing rates which would be available to the Group and the Company at the end of each reporting period.

- (c) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value*

The Company has non-current interest-free receivables extended to subsidiary companies, which either form part of the Company's net investment in subsidiary companies or are not expected to be repaid until the cash flows of the subsidiary companies permit. It is impractical to determine the fair value of these receivables as the timing of the future cash flow repatriation cannot be estimated reliably. Therefore, such loans are carried at cost.

## 38. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 April 2024 and 2023.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 38. Capital management (cont'd)

The Group monitors capital using a gearing ratio, which is bank borrowings divided by distributable net assets. The Group's policy is to keep the gearing ratio at less than 3 (2023: 3) times. Bank borrowings include trust receipts, short-term and long-term loans.

	Group	
	2024	2023
	\$'000	\$'000
Trust receipts	33,500	38,160
Loans (secured)	26,586	38,636
Bank borrowings	<u>60,086</u>	<u>76,796</u>
Equity attributable to the owners of the Company	111,963	112,837
Less: Capital reserve	<u>(675)</u>	<u>(675)</u>
Distributable net assets	<u>111,288</u>	<u>112,162</u>
Gearing ratio (times)	<u>0.54</u>	<u>0.68</u>

The Company and certain subsidiaries of the Group are subject to financial covenants for credit facilities provided by banks. The Company and these subsidiaries are required to maintain certain leverage ratios, debt service coverage ratios, interest coverage and shareholders' funds.

As disclosed in Note 31, a subsidiary of the Group is required by local laws to contribute to and maintain a non-distributable capital reserve at point of dividends distribution. This externally imposed capital requirement has been complied with by the subsidiary for the financial years ended 30 April 2024 and 2023.

## 39. Segment information

For management purposes, the Group is organised into business units based on their geographical locations, and has four reportable segments as follows:

- I. South East Asia
- II. North Asia
- III. Africa
- IV. Others

Distribution of tyres and wheels to external customers are included in the South East Asia, North Asia, Africa and other segments. Manufacturing of alloy wheels sold directly to external customers are included in the South East Asia segment.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 39. Segment information (cont'd)

Transfer prices between operating segments are based on terms agreed between parties.

	South East Asia <sup>①</sup>	North Asia <sup>②</sup>	Africa	Others <sup>③</sup>	Total of segments	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2024</b>							
<b>Revenue:</b>							
External revenue	163,158	2,492	18,355	803	184,808	–	184,808
Inter-segment revenue	21,215	3,749	26	578	25,568	(25,568)	–
<b>Other revenue:</b>							
– Interest income	417	77	33	1	528	–	528
– Others	3,178	1,440	19	296	4,933	–	4,933
Total revenue	<u>187,968</u>	<u>7,758</u>	<u>18,433</u>	<u>1,678</u>	<u>215,837</u>	<u>(25,568)</u>	<u>190,269</u>
Finance costs	(5,199)	(5)	(372)	(6)	(5,582)	755	(4,827)
Segment result	<u>4,338</u>	<u>1,113</u>	<u>302</u>	<u>526</u>	<u>6,279</u>	<u>755</u>	<u>7,034</u>
Less: Unallocated expenses							(40)
Share of results of joint ventures	–	831	–	–	831	–	831
Profit before taxation							7,825
Taxation							(1,818)
Profit for the financial year							<u>6,007</u>
<b>Other information</b>							
Segment assets	174,352	5,359	14,592	292	194,595	–	194,595
Associated and joint venture companies	208	13,071	–	–	13,279	–	13,279
Unallocated assets	2,613	148	–	–	2,761	–	2,761
Total assets	<u>177,173</u>	<u>18,578</u>	<u>14,592</u>	<u>292</u>	<u>210,635</u>	<u>–</u>	<u>210,635</u>
Segment liabilities	87,168	936	6,202	1,194	95,500	–	95,500
Unallocated liabilities	3,046	109	17	–	3,172	–	3,172
Total liabilities	<u>90,214</u>	<u>1,045</u>	<u>6,219</u>	<u>1,194</u>	<u>98,672</u>	<u>–</u>	<u>98,672</u>
<b>Other segment information</b>							
<b>Additions to non-current assets</b>							
– Property, plant and equipment	<u>2,005</u>	<u>–</u>	<u>157</u>	<u>–</u>	<u>2,162</u>	<u>–</u>	<u>2,162</u>
<b>Significant non-cash expenses:</b>							
Amortisation and depreciation of property, plant and equipment	<u>4,768</u>	<u>3</u>	<u>83</u>	<u>–</u>	<u>4,854</u>	<u>–</u>	<u>4,854</u>
Depreciation of right-of-use assets	<u>1,488</u>	<u>87</u>	<u>163</u>	<u>81</u>	<u>1,819</u>	<u>–</u>	<u>1,819</u>
(Write-back of)/allowance for expected credit loss	<u>(1,866)</u>	<u>(10)</u>	<u>2</u>	<u>94</u>	<u>(1,780)</u>	<u>–</u>	<u>(1,780)</u>
(Write-back of)/allowance for inventory obsolescence	<u>(547)</u>	<u>192</u>	<u>46</u>	<u>(176)</u>	<u>(485)</u>	<u>–</u>	<u>(485)</u>
Bad debts written off directly to profit or loss account	<u>1</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1</u>	<u>–</u>	<u>1</u>



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 39. Segment information (cont'd)

	South East Asia <sup>①</sup>	North Asia <sup>②</sup>	Africa	Others <sup>③</sup>	Total of segments	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2023</b>							
<b>Revenue:</b>							
External revenue	166,999	1,610	16,745	2,995	188,349	-	188,349
Inter-segment revenue	24,200	1,737	-	-	25,937	(25,937)	-
<b>Other revenue:</b>							
- Interest income	264	30	37	1	332	-	332
- Others	3,531	1,414	96	138	5,179	-	5,179
Total revenue	194,994	4,791	16,878	3,134	219,797	(25,937)	193,860
Finance costs	(4,669)	(7)	(358)	(11)	(5,045)	474	(4,571)
Segment result	3,302	1,011	257	(519)	4,051	474	4,525
Less: Unallocated expenses							(36)
Share of results of joint ventures	-	1,409	-	-	1,409	-	1,409
Profit before taxation							5,898
Taxation							(1,747)
Profit for the financial year							4,151
<b>Other information</b>							
Segment assets	192,214	5,793	15,457	1,518	214,982	-	214,982
Associated and joint venture companies	221	14,106	-	-	14,327	-	14,327
Unallocated assets	3,159	144	-	-	3,303	-	3,303
Total assets	195,594	20,043	15,457	1,518	232,612	-	232,612
Segment liabilities	105,826	309	7,375	2,483	115,993	-	115,993
Unallocated liabilities	3,740	42	-	-	3,782	-	3,782
Total liabilities	109,566	351	7,375	2,483	119,775	-	119,775
<b>Other segment information</b>							
<b>Additions to non-current assets</b>							
- Property, plant and equipment	1,639	2	159	-	1,800	-	1,800
<b>Significant non-cash expenses:</b>							
Amortisation and depreciation of property, plant and equipment	5,110	7	96	2	5,215	-	5,215
Depreciation of right-of-use assets	1,635	133	248	137	2,153	-	2,153
(Write-back of)/allowance for expected credit loss	(2,287)	(19)	(36)	42	(2,300)	-	(2,300)
Allowance for/(write-back of) inventory obsolescence	2,887	15	(153)	(48)	2,701	-	2,701
Bad debts recovered directly to profit or loss account	(11)	-	-	-	(11)	-	(11)

### Note:

- ① Includes Singapore, Malaysia, Thailand, Indonesia, Vietnam and Brunei
- ② Includes Hong Kong and People's Republic of China
- ③ Includes North America/Latin America, Australia and India

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024  
(In Singapore Dollar)

## 39. Segment information (cont'd)

### *Business information*

	Revenue		Non-current assets	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Distribution	162,701	168,313	60,742	68,290
Manufacturing	27,568	25,547	8,288	10,051
	<u>190,269</u>	<u>193,860</u>	<u>69,030</u>	<u>78,341</u>

Non-current assets information presented above consists of property, plant and equipment, associated company and deferred tax assets as presented in the consolidated balance sheet.

## 40. Subsidiary, associated and joint venture companies

The subsidiary, associated and joint venture companies as at the end of the current and preceding financial year are:

	Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity held by the Group	
			2024	2023
			%	%
<b><i>Subsidiary companies</i></b>				
<i>Held by the Company:</i>				
(1)	Stamford Tyres International Pte Ltd (Singapore)	Wholesale and retail of tyres and wheels, design and contract manufacturing of tyres for proprietary brands and motor vehicle servicing (Singapore)	100	100
(2)	Stamford Tyres (M) Sdn Bhd (Malaysia)	Wholesale of tyres and wheels (Malaysia)	100	100
(2)	STC Tyres (Malaysia) Sdn Bhd (Malaysia)	Property holding company (Malaysia)	100	100
(2)	STC Tyre Mart Sdn Bhd (Malaysia)	Retail of tyres and wheels (Malaysia)	100	100
(3)	Stamford Tires Distributor Co., Ltd (Thailand)	Wholesale of tyres and wheels (Thailand)	100	100

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 40. Subsidiary, associated and joint venture companies (cont'd)

	Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity held by the Group	
			2024 %	2023 %
<b>Subsidiary companies (cont'd)</b>				
<i>Held by the Company: (cont'd)</i>				
<sup>(3)</sup> #	STC Tyres Limited (Thailand)	Inactive (Thailand)	49	49
<sup>(3)</sup> #	Stamford Auto Mart Limited (Thailand)	Inactive (Thailand)	49	49
<sup>(4)</sup>	Stamford Tyres (Hong Kong) Limited (Hong Kong)	Investment holding and wholesale of tyres (Hong Kong and People's Republic of China)	100	100
<sup>(13)</sup>	Boon Tyre Holdings Limited (Hong Kong)	Investment and property holding company (Hong Kong and United Kingdom)	100	100
##	Stamford Tires and Wheels, Inc. (United States of America)	Dormant (Latin America and United States of America)	100	100
<sup>(5)</sup>	Stamford Tyres (Africa) (Pty) Limited (South Africa)	Wholesale of tyres and wheels (South Africa)	100	100
<sup>(7)</sup>	PT Stamford Tyres Indonesia (Indonesia)	Wholesale and retail of tyres and retreading of tyres (Indonesia)	100	100
<sup>(7)</sup>	PT Stamford Tyres Distributor Indonesia (Indonesia)	Wholesale of tyres and wheels (Indonesia)	100	100
<sup>(1)</sup>	Boo Kim Siong (BKS) Tyre & Battery Pte. Ltd. (Singapore)	Inactive (Singapore)	100	100
<sup>(3)</sup>	Stamford Sport Wheels Company Limited (Thailand)	Manufacture of aluminium alloy wheels (Thailand)	100	100

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 40. Subsidiary, associated and joint venture companies (cont'd)

	Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity held by the Group	
			2024 %	2023 %
<b>Subsidiary companies (cont'd)</b>				
<i>Held by the Company: (cont'd)</i>				
##	Stamford International Trading (Tianjin) Co. Ltd. (People's Republic of China)	Inactive (People's Republic of China)	100	100
##	Stamford Tyres Australia Pty Limited (Australia)	Dormant (Australia)	100	100
##	Stamford Tyres Philippines, Inc. (Philippines)	Inactive (Philippines)	100	100
<sup>(8)</sup> ++	Stamford Tyres Distributors India Private Limited (India)	Wholesale of tyres (India)	100	100
##	Stamford Tyres Do Brazil Participacoes LTDA (Brazil)	Dormant (Brazil)	100	100
<sup>(12)</sup> ++	Stamford Tyres Vietnam Company Limited (Vietnam)	Wholesale of tyres and wheels (Vietnam)	100	100
<sup>(9)</sup>	Stamford Tyres (B) Sdn Bhd (Brunei)	Dormant (Brunei)	100	100
<i>Held by Stamford Tyres (Hong Kong) Limited:</i>				
##	Stamford Tyres (Guangzhou) Limited (People's Republic of China)	Dormant (People's Republic of China)	100	100
<i>Held by Stamford Tyres (M) Sdn Bhd:</i>				
<sup>(2)</sup>	Stamford Retread Industries (M) Sdn Bhd (Malaysia)	Retreading of tyres (Malaysia)	100	100

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 40. Subsidiary, associated and joint venture companies (cont'd)

	Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity held by the Group	
			2024 %	2023 %
<b>Subsidiary companies (cont'd)</b>				
<i>Held by Boon Tyre Holdings Limited:</i>				
(1)	Raffles Resources Singapore Pte Ltd (Singapore)	Inactive (Singapore)	100	100
<b>Joint venture companies</b>				
<i>Held by the Company:</i>				
(6) +	Tyre Pacific (HK) Limited (Hong Kong)	Investment holding and wholesale of tyres (Hong Kong, Vietnam and People's Republic of China)	50	50
(10)++	Falken Tyre India Private Ltd (India)	Distribution and sale of replacement tyres (India)	40	40
<i>Held by Tyre Pacific (HK) Limited:</i>				
(6) +	Real Courage Limited (Hong Kong)	Property holding company (Hong Kong)	50	50
##	Orizz (Shanghai) Limited (People's Republic of China)	Inactive (People's Republic of China)	50	50
##	Shanghai Orizz Mega Outlet Co Ltd (People's Republic of China)	Inactive (People's Republic of China)	50	50
(11) +	Tyre Pacific (Vietnam) Limited (Vietnam)	Wholesale of tyres (Vietnam)	50	50
<b>Associated company</b>				
<i>Held by the Company:</i>				
##	Stamford Tyres (Thailand) Co., Ltd (Thailand)	Inactive (Thailand)	49	49

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 30 April 2024

(In Singapore Dollar)

## 40. Subsidiary, associated and joint venture companies (cont'd)

- # The Company is considered a subsidiary company and included in the consolidated financial statements as the Group has the power to control, by agreement, the financial and operating policies of the management of the Company.
- ## Not required to be audited under the laws of the country of incorporation. Unaudited financial statements have been used for the preparation of the consolidated financial statements of the Group.
- + Statutory year end is 31 December. A limited review of the financial statements has been performed for the purpose of the preparation of the consolidated financial statements of the Group.
- ++ Statutory year end is 31 March. Unaudited financial statements have been used for the preparation of the consolidated financial statements of the Group.

### Auditors

- (1) Ernst & Young LLP, Singapore, Public Accountants and Chartered Accountants
- (2) Ernst & Young, Malaysia, Chartered Accountants
- (3) Ernst & Young Office Limited, Thailand, Certified Public Accountants
- (4) Ernst & Young, Hong Kong, Certified Public Accountants
- (5) Mazars, South Africa, Chartered Accountants
- (6) McMillan Woods (Hong Kong) CPA Limited
- (7) Jamaludin, Ardi, Sukimto & Rekan
- (8) Jai Prakash Upadhahay & Co., India, Chartered Accountants
- (9) WKA Associates, Brunei, Certified Public Accountants and Auditors
- (10) Walker Chandiook & Co LLP, Chartered Accountants
- (11) Vietnam Accounting Auditing Consulting Company Limited
- (12) AS Auditing Company
- (13) CMB CPA Limited, Certified Public Accountants

## 41. Authorisation of financial statements for issue

The financial statements for the year ended 30 April 2024 were authorised for issue in accordance with a resolution of the directors on 31 July 2024.

# LIST OF MAJOR PROPERTIES

As at 30 April 2024

Location	Tenure of Lease	Area (sqm)	Description
<b>SINGAPORE</b>			
19 Lok Yang Way, Jurong Singapore 628635	30 year lease from 2006	18,024.7	Corporate office, tyre retail service centre with showroom and warehouse
21 Lok Yang Way, Jurong Singapore 628636	60 year lease from 1973 renewed in 2013 until 2035 (22 years)	13,122.1 (land area)  22,591.09 (gross floor area)	Truck service centre and warehouse
455 Macpherson Road Singapore 368173	63 year lease from 2001	951.0	Tyre retail centre and showroom
50 Bukit Batok Street 23 #02-19 Midview Building Singapore 659578	55 year lease from 2002	276.0	Tyre retail centre and showroom
31 Loyang Way Singapore 508729	60 year lease from 1990	2,510.4	Tyre retail centre and showroom
10 Kaki Bukit Road 2, #01-11 & #01-12 First East Centre Singapore 417868	28 year lease from 2011	458.6	Tyre retail centre and showroom
110 Tuas South Avenue 3, #01-02/03 The Index, Singapore 637369	30 year lease from 2013	585.0	Truck service centre
1 Corporation Drive #01-06 Revv West Enterprise Hub Singapore 619775	30 years leasehold from Oct 2018	324.0	Tyre retail centre and showroom
23 Kaki Bukit Rd 4 #01-12 & #01-13 Singapore 417801	30 year lease from 2012	454.0	Tyre retail centre and showroom
<b>MALAYSIA</b>			
16 Jalan Juru Nilai U1/20 Section U1 Hicom Glenmarie Industrial Park 40150 Shah Alam, Selangor, Malaysia	Freehold	6,968.0	Corporate office, tyre retail and service centre with showroom and warehouse
Lot L2-22,23,23A, 25 Seri Alam Industrial Park, Sungai Kapar Indah, Klang, Selangor, Malaysia	Freehold	33,430.0	Warehouse
<b>THAILAND</b>			
111/2, 5 Moo 2, Highway 340, Suphanburi Road Tambon Saiyai, Amphur Sainoi, Nonthaburi 11150 Thailand	Freehold	14,636.0	Wheel factory with showroom and warehouse
111/8, 9 Moo 2, Highway 340, Suphanburi Road Tambon Saiyai, Amphur Sainoi, Nonthaburi 11150 Thailand	Freehold	16,380.0	Second wheel factory
<b>INDONESIA</b>			
Jalan Boulevard Raya Blok PA19 No. 4-5 Pengangsaan Dua, Kelapa Gading Jakarta Utara, Indonesia 14250	20 year lease from 2011	144.0	Office with warehouse, retail and service centre
Lot D-4 Jalan Kuala Kuningan Kuala Kencana, Light Industrial Park Tembagapura, Mimika Baru Papua, Indonesia	20 year lease from 2014	12,000.0	Office with truck service centre, warehouse and retreading plant
Jalan Projakal Rt. 047 Kelurahan Batu Ampar Kecamatan Balikpapan Utara, Indonesia	30 year lease from 2013	2,973.0	Office with warehouse
<b>SOUTH AFRICA</b>			
ERF 460, Cnr Horn Street 8 Brine Avenue, Chloorkop Ext 23 Kempton Park, Johannesburg, South Africa	Freehold	16,091.0	Office, truck service centre and warehouse

# LIST OF SUBSTANTIAL SHAREHOLDERS

As at 23 July 2024 as recorded in the Register of Substantial Shareholders

NAME OF SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST		DEEMED INTEREST	
	No. of Shares	%	No. of Shares	%
Wee Kok Wah <sup>1</sup>	43,214,554	18.20%	50,451,319	21.25%
Mrs Dawn Wee Wai Ying <sup>2</sup>	14,537,567	6.12%	79,128,306	33.33%
Wah Holdings Pte Ltd	35,913,752	15.13%	-	-
Lim & Tan Securities Pte Ltd	23,886,000	10.06%	-	-
Justin Teo Zhiwei	16,171,400	6.81%	-	-

## NOTE:

Mr Wee Kok Wah is deemed to have an interest in the shareholdings of Mrs Dawn Wee Wai Ying and vice versa by virtue of their relationship as husband and wife. In addition, Mr Wee Kok Wah and Mrs Dawn Wee Wai Ying are deemed to have an interest in the shares owned by Wah Holdings Pte Ltd by virtue of Section 7 of the Companies Act 1967.

<sup>1</sup>Mr Wee Kok Wah is deemed to be interested in the shares held as follows:-

Shares held by Mrs Dawn Wee Wai Ying	14,537,567
Shares held by Wah Holdings Pte Ltd	35,913,752
Total	<u>50,451,319</u>

<sup>2</sup>Mrs Dawn Wee Wai Ying is deemed to be interested in the shares held as follows:-

Shares held by Mr Wee Kok Wah	43,214,554
Shares held by Wah Holdings Pte Ltd	35,913,752
Total	<u>79,128,306</u>

Total Number of issued shares: 237,386,244 ordinary shares as at 23 July 2024



# STATISTICS OF SHAREHOLDINGS

As at 23 July 2024

Number of issued and paid-up shares	:	237,386,244
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per share

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF		NO. OF SHARES	%
	SHAREHOLDERS	%		
1 - 99	16	0.71	259	0.00
100 - 1,000	136	6.00	75,018	0.03
1,001 - 10,000	1,051	46.36	6,501,650	2.74
10,001 - 1,000,000	1,046	46.14	62,066,146	26.15
1,000,001 AND ABOVE	18	0.79	168,743,171	71.08
<b>TOTAL</b>	<b>2,267</b>	<b>100.00</b>	<b>237,386,244</b>	<b>100.00</b>

Based on the information available to the Company as at 23 July 2024, approximately 50.45% of the issued ordinary shares of the Company is held in the hands of public and hence, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	WEE KOK WAH	43,214,554	18.20
2	WAH HOLDINGS PTE LTD	35,913,752	15.13
3	LIM & TAN SECURITIES PTE LTD	26,073,700	10.98
4	KWOK WAI YING DAWN	14,537,567	6.12
5	JUSTIN TEO ZHIWEI	11,840,000	4.99
6	DBS NOMINEES (PRIVATE) LIMITED	11,159,600	4.70
7	CHIA KEE KOON	4,997,300	2.11
8	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	4,300,000	1.81
9	PHILLIP SECURITIES PTE LTD	3,104,838	1.31
10	HSBC (SINGAPORE) NOMINEES PTE LTD	2,827,560	1.19
11	TEO KWANG CHWEE	2,282,600	0.96
12	LIM YEW HOE	1,615,000	0.68
13	RAFFLES NOMINEES (PTE.) LIMITED	1,273,100	0.54
14	CHIANG KOK MENG	1,190,000	0.50
15	MAH KIM LOONG LESLIE	1,150,000	0.48
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,126,200	0.47
17	QUEK KAI CHUAN	1,082,000	0.46
18	CITIBANK NOMINEES SINGAPORE PTE LTD	1,055,400	0.44
19	TAN HOCK TENG	916,000	0.39
20	TAN CHEH HIA	863,000	0.36
	<b>TOTAL</b>	<b>170,522,171</b>	<b>71.82</b>

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting (“**AGM**”) of the Company will be held at 19 Lok Yang Way, Singapore 628635 on Friday, 30 August 2024 at 3.00 p.m. (Singapore time) for the purpose of transacting the following business:-

## ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement, Auditor’s Report and Audited Financial Statements for the financial year ended 30 April 2024. **Resolution 1**
2. To approve the Directors’ fees of up to S\$229,334 for the financial year ending 30 April 2025. **Resolution 2**  
*[See explanatory note (a)]*
3. To declare the payment of a first and final tax exempt (one-tier) dividend of 1.5 cent per ordinary share for the financial year ended 30 April 2024. **Resolution 3**
4. To declare the payment of a special tax exempt (one-tier) dividend of 0.5 cent per ordinary share for the financial year ended 30 April 2024. **Resolution 4**
5. To record the retirement of Mr Kazumichi Mandai as Director pursuant to Regulation 111 of the Company’s Constitution at the conclusion of the AGM. *[See explanatory note (b)]*
6. To re-elect Mrs Dawn Wee Wai Ying, a Director retiring pursuant to Regulation 111 of the Company’s Constitution. *[See explanatory note (c)]* **Resolution 5**
7. To re-elect Mr Ho Fook Meng, a Director retiring pursuant to Regulation 115 of the Company’s Constitution. *[See explanatory note (d)]* **Resolution 6**
8. To re-appoint Ernst & Young LLP as the Company’s Auditor and to authorise the Directors to fix their remuneration. **Resolution 7**

## SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

### 9. **Share Issue Mandate**

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

- (a) (i) issue shares of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**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 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 ANNUAL GENERAL MEETING (CONT'D)

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (ii) 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 pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation 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 (i) above, the total number of shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:
- (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding at the time this Resolution is passed; and
- (b) any subsequent bonus issue, consolidation or subdivision of shares;

and, in sub-paragraph (i) above and this sub-paragraph (ii), “**subsidiary holdings**” has the meaning given to it in the Listing Manual of the SGX-ST;

- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of 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
- (iv) (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 AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

*[See explanatory note (e)]*

**Resolution 8**

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## NOTICE OF RECORD DATE

**NOTICE IS HEREBY GIVEN** that the Transfer Books and Register of Members of the Company will be closed on 13 September 2024 at 5.00 p.m. for the purpose of determining shareholders' entitlement to the proposed first and final tax exempt (one-tier) dividend of 1.5 cent per ordinary share and the special tax exempt (one-tier) dividend of 0.5 cent per ordinary share for the financial year ended 30 April 2024 (the "**Proposed Dividends**").

Duly completed registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m. on 13 September 2024 (the "**Record Date**") will be registered to determine shareholders' entitlement to the Proposed Dividends.

Shareholders (being Depositors) whose securities accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with shares as at 5.00 p.m. on the Record Date will be entitled for the Proposed Dividends.

The Proposed Dividends, if approved at the Thirty-Fifth Annual General Meeting of the Company to be held on 30 August 2024, will be paid on 24 September 2024.

### By Order Of The Board

Michelle Heng  
Company Secretary  
8 August 2024  
Singapore

### Explanatory Notes:

- (a) The proposed Ordinary Resolution 2, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during the financial year ending 30 April 2025. In the event that the proposed amount is insufficient to cover the Directors' fees, approval will be sought at the next AGM for additional payments to cover the shortfall. The Directors' fees paid for the financial year ended 30 April 2024 was S\$232,477.
- (b) Mr Kazumichi Mandai, who retires under Regulation 111 of the Constitution of the Company, although eligible, has expressed his intention to retire at the AGM and will not be seeking for re-election. Mr Mandai will retire from the Board of Directors at the conclusion of the AGM and will concurrently cease to be a member of the Audit Committee and Remuneration Committee.
- (c) Mrs Dawn Wee Wai Ying, if re-elected, will continue to serve as Executive Director. Detailed information pursuant to Rule 720(6) of the Listing Manual of SGX-ST on Mrs Wee can be found in the "**Additional Information on Directors Seeking Re-Election**" section of the Company's Annual Report.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (d) Mr Ho Fook Meng, if re-elected, will continue to serve as Non-Executive Independent Director. Mr Ho is considered an independent director for the purposes of Rule 704(8) of the Listing Manual of SGX-ST. Detailed information pursuant to Rule 720(6) of the Listing Manual of SGX-ST on Mr Ho can be found in the “**Additional Information on Directors Seeking Re-election**” section of Company’s Annual Report.
- (e) Ordinary Resolution No. 8, if passed, will empower the Directors of the Company from the date of this AGM to issue shares in the Company up to the limits as specified in the resolution for such purposes as they consider would be in the interests of the Company. This authority will continue in force until the next AGM of the Company, unless previously revoked or varied at a general meeting.

### Notes:

1. The AGM will be held, in a wholly physical format, at the venue, date and time stated above. There will be no option for members to participate virtually.
2. Printed copies of this Notice of AGM and the accompanying proxy form will be sent by post to members. These documents will also be published on the Company’s corporate website at URL: <http://www.stamfordtyres.listedcompany.com/agm.html>, and will also be made available on the SGX website at the URL: <https://www.sgx.com/securities/company-announcements>.
3. Authenticated members, including CPF and SRS investors, and proxy(ies) will be able to ask questions and vote at the AGM by attending the AGM in person. Arrangements have also been put in place to permit members to submit their questions ahead of the AGM. Please refer to Notes 11 and 12 below for further details.
4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member’s form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, 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 form of proxy 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 form of proxy.

“**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

### Voting by Proxy

5. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
6. Completion and return of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. The proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation.
8. In the case of a member whose shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any Proxy Form lodged if such member is not shown to have Shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company. The Company shall also be entitled to reject the Proxy Form if it is incomplete, improperly completed, or illegible (such as in the case where the appointor submits more than one Proxy Form).
9. The instrument appointing a proxy(ies) must be submitted to the Company's Share Registrar in the following manner:
  - (a) if submitted electronically, be submitted via email to [srs.teamd@boardroomlimited.com](mailto:srs.teamd@boardroomlimited.com); or
  - (b) if submitted by post, to be sent to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632

in either case, by no later than 3.00 p.m. on 27 August 2024, being 72 hours before the time for holding the AGM.

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before scanning and sending it by email to the email address provided above or submitting it by post to the address provided above.

10. CPF/SRS investors who hold the Company's shares:
  - (a) may vote 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 Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators by 5.00 p.m. on 16 August 2024 to submit their votes.

### **Submission of Written Questions prior to the AGM**

11. Members, including CPF and SRS investors, may submit substantial and relevant questions relating to the business of the AGM in advance and in any case, not later than 3.00 p.m. on 16 August 2024 through any of the following means:
  - (a) if submitted by email, to be received by the Company at [agm@stamfordtyres.com](mailto:agm@stamfordtyres.com); or
  - (b) if submitted by post, to be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

When submitting questions by post or via email, members should also provide the following details: (i) the member's full name; (ii) the member's address; and (iii) the manner in which the member holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.

12. The Company will endeavour to address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) received from members either before the AGM on the Company's corporate website at URL: <http://www.stamfordtyres.listedcompany.com/agm.html> and SGX website at URL: <https://www.sgx.com/securities/company-announcements> or during the AGM. Should there be subsequent clarification sought or follow-up questions after the deadline of the submission of questions, the Company will address those substantial and relevant questions prior to the AGM through publication on SGXNet, or at the AGM.
13. The Company's Annual Report 2024 has been published on the Company's corporate website and may be accessed at URL: <http://www.stamfordtyres.listedcompany.com/agm.html> by clicking on the hyperlink for "Annual Report 2024". The Annual Report 2024 will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
14. Members may request for printed copies of the Company's Annual Report 2024 by sending a request via email to the Company at [srs.teamd@boardroomlimited.com](mailto:srs.teamd@boardroomlimited.com) no later than 16 August 2024.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) 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 proxies and/or representatives 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 providers) to comply with any applicable laws, 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) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mrs Dawn Wee Wai Ying and Mr Ho Fook Meng are the Directors seeking re-election at the annual general meeting of the Company on 30 August 2024 (“**AGM**”) (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of SGX-ST is as follows:

Name of Director	Mrs Dawn Wee Wai Ying	Ho Fook Meng
Date of appointment	11 October 1989	1 July 2024
Date of last re-appointment (if applicable)	29 September 2021	Not Applicable (“N.A.”)
Age	75	66
Country of principal residence	Singapore	Malaysia
The Board’s comments on this re-appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board has considered, among others, the recommendation of the Nominating Committee (“<b>NC</b>”) and has reviewed and considered the performance, contributions, qualifications, expertise, work experience and suitability of Mrs Dawn Wee Wai Ying (“<b>Mrs Wee</b>”) for re-election as an Executive Director of the Company.</p> <p>The Board has accepted the NC’s recommendation and concluded that Mrs Wee possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. With her in-depth knowledge of the Group’s operations, Mrs Wee is in a good position to assist with the oversight of the management of the Group’s operations around the world.</p>	<p>The Board has considered, among others, the recommendation of the NC and has reviewed and considered the performance, contributions, qualifications, expertise, work experience and suitability of Mr Ho Fook Meng (“<b>Mr Ho</b>”) for re-election as a Non-Executive and Independent Director of the Company.</p> <p>The Board has accepted the NC’s recommendation and concluded that Mr Ho possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. In addition to enhancing the independent element of the Board, Mr Ho, with his credentials in the banking and finance sector, will provide a diversity of expertise and experience to the Board.</p>
Whether the Board appointment is executive, and if so, the area of responsibility	The appointment is Executive. Mrs Wee is an Executive Director and she is responsible for overseeing the Group’s business and support functions.	The appointment is Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member)	Executive Director	Non-Executive and Independent Director



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)

Name of Director	Mrs Dawn Wee Wai Ying	Ho Fook Meng
Academic / Professional qualifications	Mrs Wee holds a Bachelor of Social Science (Honours) in Economics from the then University of Singapore (now known as National University of Singapore).	Mr Ho holds a Bachelor's Degree in Economics (Honours) from the University of Malaya, and a Master's Degree in Business Administration from Kent State University.
Working experience and occupation(s) during the past 10 years	Mrs Wee has been a Director of the Stamford Tyre Group since 1982 playing a key role in the Group's operations. Recognised as a thought leader, she leads the functional teams and oversees the Group's business and support functions. Prior to joining Stamford Tyres, she worked as an officer in a major local bank for eight years.	Mr Ho was a General Manager of Business Banking in AmBank Berhad (retired on 31 March 2014). His responsibilities include sourcing and marketing new loans, periodically assessing existing clients to recommend whether to expand, stay, or exit relationships, and presenting new loan applications and updates on existing clients (such as renewals, increases, and restructuring) to the Loans and Commitments Committee. The role also involves achieving performance standards for revenue and asset growth, asset quality, and cross-selling activities, as well as managing four teams of Account Relationship Managers/Officers.
Any relationship (including immediate family relationships) with any existing director/existing executive officer of the Company or any of its principal subsidiaries and/or substantial shareholder of the Company or any of its principal subsidiaries	Mrs Wee is the spouse of Mr Wee Kok Wah, the Founder and Senior Advisor and a substantial shareholder of the Company. She is also the mother of Dr Wee Li Ann, who is an Executive Director.	No
Conflict of interest (including any competing business)	No	No
Other Principal Commitments including Directorships		
Past 5 years	Nil	Independent Non-Executive Director of Straits Energy Resources Berhad, a company listed on the ACE Market of the Kuala Lumpur Stock Exchange (KLSE) from May 2015 to July 2022.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)

Name of Director	Mrs Dawn Wee Wai Ying	Ho Fook Meng
Present	<u>Other Directorships:</u> Stamford Tyres Corporation Limited and subsidiaries Wah Holdings Pte Ltd	Nil
<p>Mrs Wee and Mr Ho have each provided an undertaking set out in Appendix 7.7 under Rule 720(1) of SGX-ST.</p> <p>Each of the Retiring Directors have also individually confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 to the Listing Manual of the SGX-ST, the answer is “No”.</p> <p>The shareholding interest in the Company and its subsidiaries of each of these Directors are disclosed in the Directors’ Statement on pages 55 to 56 of the Annual Report.</p>		

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**STAMFORD TYRES CORPORATION LIMITED**Company Reg. No. 198904416M  
(Incorporated in the Republic of Singapore)**ANNUAL GENERAL MEETING  
PROXY FORM****IMPORTANT:**

- The Annual General Meeting (“AGM” or “Meeting”) will be held, in a wholly physical format, at the venue, date and time stated below. There will be no option for members to participate virtually.
- Pursuant to Section 181(1C) of the Companies Act 1967 (the “Act”), relevant intermediaries may appoint more than two proxies to attend, speak and vote at the AGM.
- For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the “CPF Investors” or “SRS Investors”), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF or SRS investors who wish to appoint proxy or proxies should approach their respective CPF Agent Banks or SRS Operators and submit their votes by 5.00 p.m. on 16 August 2024.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 August 2024.

I/We (Name) \_\_\_\_\_ NRIC/Passport/Company Registration No. \_\_\_\_\_

of (Address) \_\_\_\_\_

being a member/members of Stamford Tyres Corporation Limited (the “Company”) hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholding	
			No. of shares	%

and/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of Shareholding	
			No. of shares	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Meeting of the Company to be convened at 19 Lok Yang Way, Singapore 628635 on 30 August 2024 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions	For	Against	Abstain
	<b>ORDINARY BUSINESS</b>			
1.	Adoption of Directors’ Statement, Auditor’s Report and Audited Financial Statements			
2.	Approval of Directors’ Fees			
3.	Declaration of First and Final Dividend			
4.	Declaration of Special Dividend			
5.	Re-election of Mrs Dawn Wee Wai Ying as Director			
6.	Re-election of Mr Ho Fook Meng as Director			
7.	Re-appointment of Ernst & Young LLP as Auditor and authorisation to Directors to fix their remuneration			
	<b>SPECIAL BUSINESS</b>			
8.	Authority to issue shares pursuant to the Share Issue Mandate			

(\*Please indicate your vote “For”, “Against” or “Abstain” with an “X” within the box provided. Alternatively, please indicate the number of votes “For” or “Against” within the box provided. If you wish your proxy to “Abstain” from voting on a resolution, please indicate “X” in the “Abstain” box in respect of that resolution. Alternatively, please indicate the number of shares that your proxy(ies) is/are directed to abstain from voting in that resolution. In any other case, the proxy(ies) may vote or abstain as the proxy(ies) deem(s) 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 \_\_\_\_\_ 2024.

<b>Total Number of Shares Held:</b>	
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\_\_\_\_\_  
Signature(s) of Member(s) / Common Seal**IMPORTANT: PLEASE READ NOTES OVERLEAF**

## **IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM**

### **NOTES:**

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, 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 form of proxy 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 form of proxy.

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

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it in the manner set out below.

2. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy. If no name is inserted in the space for the name of your proxy on the form of proxy, the Chairman of the Meeting will act as your proxy.
3. The instrument appointing a proxy(ies) must be submitted to the Company's Share Registrar in the following manner:
  - (a) if submitted electronically, be submitted via email to srs.teamd@boardroomlimited.com; or
  - (b) if submitted by post, to be sent to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632.

in either case, by no later than 3.00 p.m. on 27 August 2024, being 72 hours before the time for holding the AGM.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. A member should insert the total number of shares held. If the member has shares entered against his 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 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 name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
6. The instrument appointing a proxy(ies) must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632 not less than 72 hours before the time appointed for holding the Meeting or any adjournment thereof.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged together with the instrument, failing which the instrument may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.
10. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy if it 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 of proxy appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his 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.



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3. Tyre Repair & Patching ***	\$70	\$100	\$100
4. Battery Replacement*	\$70	\$100	\$100
5. Jump Start	\$70	\$100	\$100
6. Fuel top up****	\$70	\$100	\$100

**Remarks**

- \* Prices displayed refer to workmanship charges only. Customers will be charged separately for tyres and batteries.
- \*\* Vehicle must have its own spare tyre.
- \*\*\* This includes one free tyre patching service.
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