

# STAMFORD TYRES CORPORATION LIMITED

Company Registration Number: 198904416M  
(Incorporated in the Republic of Singapore)  
(the "Company")

## MINUTES OF THIRTY-FOURTH ANNUAL GENERAL MEETING ("AGM" or "Meeting") HELD ON THURSDAY, 31 AUGUST 2023 AT 3.00 P.M. AT 19 LOK YANG WAY, SINGAPORE 628635

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PRESENT : As set out in the attendance records maintained by the Company

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### 1. WELCOME ADDRESS

- 1.1 The Chairman, Mr Sam Chong Keen, extended a warm welcome to the shareholders and opened the Meeting with an introduction of the panel comprising members of the Board of Directors, Mr Conson Sia, the Chief Executive Officer ("CEO"), Mr Frank Ng, the Group Financial Controller ("Group FC"), and Mr Wee Kok Wah, Founder and Senior Advisor.

### 2. PRESENTATIONS AND SUBMISSION OF QUESTIONS

- 2.1 The Chairman invited the CEO to present an overview of the Group's operations to shareholders, followed by a presentation by the Group FC on the Group's financial highlights for 2023.
- 2.2 The CEO delivered a presentation on Stamford Tyres history/milestones, core activities, business operations and Stamford Tyres regional activities and the Group FC delivered a presentation on the financial highlights for the Group for FY2023 as well as the strategy and outlook for Group in FY2024. The slides that were presented are attached to the minutes as Appendix A for reference.
- 2.3 Following the presentations, the Chairman informed the Meeting that the Board of Directors and Management had addressed all substantial and relevant questions received from shareholders prior to the AGM and had published the responses to questions on the Company's website and on the SGXNet on 25 August 2023. He then proceeded with the business of the AGM.

### 3. QUORUM

- 3.1 As there was a quorum, the Chairman called the meeting to order.

### 4. NOTICE AND VOTING MANNER

- 4.1 As the Notice of AGM, Annual Report and Proxy Form had been sent to shareholders through publication on SGXNet and the Company's website on 8 August 2023, the notice was taken as read.

### 5. VOTING AND APPOINTMENT OF POLLING AGENT AND SCRUTINEER

- 5.1 The Chairman informed the Meeting that voting on all seven resolutions tabled at the AGM would be conducted by poll using electronic hand-held devices and that DrewCorp Services Pte. Ltd. and Boardroom Corporate & Advisory Services Pte. Ltd. were appointed as Scrutineer and Polling Agent respectively.

- 5.2 The Chairman also informed the Meeting that he, as the Chairman of the Meeting, as the appointed proxy of some shareholders, would be voting in accordance with their instructions.
- 5.3 The Polling Agent took the shareholders through the electronic voting process.
- 5.4 As the resolutions at the Meeting have been put forwarded by the Board, the Chairman stated that, as Chairman of the Meeting, he will propose each of the resolutions. Once each resolution is proposed, the floor will be opened to shareholders for questions. Thereafter, voting using the electronic hand-held devices will be conducted. Poll results of the respective resolutions will be flashed on the screen at the Meeting before the Chairman proceeds to next item on the agenda.

6. **RESOLUTION 1:**  
**ADOPTION OF DIRECTORS' STATEMENT, AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS**

- 6.1 The Chairman proposed that the Directors' Statement and Audited Financial Statements of the Company for the year ended 30 April 2023 together with the Auditor's Report be received and adopted.
- 6.2 The Chairman invited shareholders to raise questions before putting the resolution to the vote.
- 6.3 The following questions were raised by a shareholder and the responses from Management and the Board were recorded as follows:-

Question : The meeting was referred to the components of the Profit Before Taxation figure reported on page 90 of the audited financial statements, specifically, (i) foreign exchange loss/(gain), (ii) allowance for inventory obsolescence, and (iii) (write-back of)/allowance for expected credit loss. The shareholder wanted to understand the reasons for the variances for these items for FY2022 and FY2023 as these could cause significant fluctuations on the Group's profits.

In relation to the allowance for inventory obsolescence, he also wanted to understand if the increased provision is one-off for FY2023 or to be expected on a regular basis.

Concerning foreign exchange loss/(gain), he asked if the Group FC could explain how the Group managed its currency risks as this was unavoidable in view of the countries in which it operates.

Response : The Group FC highlighted that in general, the driver behind the management of the items mentioned were operational decisions taken in relation to sales performance for the year.

The variance of around S\$4 million for trade receivables between FY2022 and FY2023 was essentially the difference between a S\$2 million provision in FY2022 against a write-back of S\$2 million in FY2023. He explained that it is the Group's policy to provide for doubtful debts which may be at risk for recovery. If there is a subsequent recovery of any of the debts provided, this will be written back against the provision for the year. For FY2023, the recovery was more than the provision for the year and as such, there was a writeback of S\$2.3 million for the year. He added that in the light of heightened credit risk in the last 2 years due to the Covid-19 pandemic, the annual allowance for expected credit loss was around S\$2 million a year based on the gross debtors balance for the Group.

The annual allowance for inventory obsolescence was based on the Group's management of aged stocks and gross stock levels which stood at approximately S\$100 million for FY2023. When any aged stocks, that has been previously provided, are sold, these provisions will be written back.

For FY2022 and FY2023, a decision was made to maintain higher inventory levels in anticipation of potential supply chain disruptions and price increases. As a policy, the Group's stock provisions are based on the net realisable value of its stocks and as a risk mitigation strategy, the Group's approach is to target gross profit margins above 20%. As shown in the presentation slides earlier, the Group has successfully achieved historically high gross profit margins of 27% for both FY2022 and FY2023.

The foreign exchange losses, as disclosed in the financial statements were in relation to the current assets deployment across the Group, mainly in inventories and trade receivables, which was around S\$120 million for FY2023, across eight distribution centres across the globe, each denominated in their own local currency. Consequently, there is an expectation internally that there would be potential foreign exchange risks which need to be managed strategically. In FY2022, due to low volatility in the foreign currency markets during the Covid-19 period, there was a net foreign exchange gain of S\$368,000. However, as the global economy recovered from the pandemic, foreign currency markets became more volatile especially in the currencies of South Africa, Indonesia and Vietnam, which was further exacerbated by the on-going Russia-Ukraine war. The Group is expected to incur hedging costs of around S\$1.5 million to S\$2 million annually to manage its foreign exchange risks, based on its current assets exposure. The Group FC highlighted that such costs would be trade-based and non-speculative in nature and would be considered part of operational costs to sustain the Group's business.

Question : As a follow-up to the previous question, the shareholder asked if the Group's actual operational profit for FY2023 would be much lesser than reported for FY2022 if the doubtful receivables write-back mentioned earlier were excluded.

Response : The Group FC replied that while it would be a mathematically correct statement, it would be important to view the business as a whole and not from a single perspective. In the same way, for the last financial year, the Group had incurred costs in holding its inventories and took on credit risks in relation to sales and accounts receivables. As such, it may be more holistic and comprehensive to view these as a longer-term gain for the Group with the ongoing the challenges in the market.

Question : The shareholder then asked the CEO to share his views on the potential challenges for the Group going forward and the areas that in his opinion, would not be so straight forward since the Group's operations were so spread out globally. Conversely, he also asked the CEO to throw some light in the areas where he would be more sanguine about and in which segment - tyres or wheels manufacturing. He said that he was trying to understand the downside for the Group going forward.

Response : The CEO replied that the Group's primary focus will be on current asset management as current asset deployment with a strong S\$ is affecting the business' profitability. Additionally, Management is actively working on reducing finance costs which has been challenging in the face of the rising interest rate environment especially in the past 2 years. What will be important to the Group as a business is that while positions need to be taken, the Group's current assets need to be optimised and profit margins maximised to achieve the targeted bottom line and profitability for the Group.

Question : The shareholder asked the CEO for his views on the area(s), in terms of geographical segments, that he would be most bullish about.

Response : The CEO responded that he thought Indonesia would be an area with good potential for the Group. However, as part of its risk strategy, Management will have to try to borrow as much as possible in the local currency as the Indonesian Rupiah tended to be volatile against the Singapore Dollar.

Question : The shareholder noted that the Company made a lump sum payment of S\$300,000 to Mr Wee Kok Wah as well as another payment of S\$498,000 in 2023. He wanted to understand the nature of the payments and if they would be recurring and if so, the intended duration.

Response : The Chairman confirmed that shareholders' approval was obtained at the Company's Annual General Meeting on 31 August 2022 for the one-time gratuity payment of S\$300,000 to Mr Wee Kok Wah, in recognition of his role as the former President and Managing Director of the Company.

The S\$498,000 was consultancy fees paid to Mr Wee for FY2023 for his services as the Group's founder and senior advisor under a contract for a fixed period. This is subject to renewal and will be reviewed when it is due to expire. He clarified that it would be challenging to try to explain at this meeting how the contribution is quantified as many factors are considered by the Board during its deliberations including, *inter alia*, intangibles such as relationships that have been built up through the years and others that are and continue to be of value.

He added that any payment made to key executives of the Company and the Founder are subject to terms of their appointment and are scrutinized very closely by the Remuneration Committee before they are approved.

6.4 As there were no further questions, the Chairman requested the shareholders to cast their votes on the resolution.

6.5 The results for Resolution 1 were as follows:

No. of Shares	For		Against	
	No. of Shares	%	No. of Shares	%
99,374,384	99,335,874	99.96	38,510	0.04

6.6 The Chairman declared Ordinary Resolution 1 carried and it was **RESOLVED**:

*"That the Directors' Statement and Audited Financial Statements for the year ended 30 April 2023 together with the Auditor's Report thereon be and is hereby received and adopted."*

7. **RESOLUTION 2:**  
**APPROVAL OF DIRECTORS' FEES**

7.1 The Chairman proposed that the Directors' Fees of up to S\$232,477 for the financial year ending 30 April 2024 to be paid quarterly in arrears be approved.

7.2 The Chairman invited shareholders to raise questions. As there were no questions, the Chairman requested the shareholders to cast their votes on the resolution.

7.3 The results for Ordinary Resolution 2 were as follows:

No. of Shares	For		Against	
	No. of Shares	%	No. of Shares	%
99,552,683	99,405,073	99.85	147,610	0.15

7.4 The Chairman declared Ordinary Resolution 2 carried and it was **RESOLVED**:

*"That the Directors' Fees of up to S\$232,477 for the financial year ending 30 April 2024 to be paid quarterly in arrears be approved."*

8. **RESOLUTION 3:**  
**DECLARATION OF FIRST AND FINAL DIVIDEND**

8.1 The Chairman proposed that the First and Final Tax Exempt (One-Tier) Dividend of 1.5 cent per

ordinary share for the year ended 30 April 2023 be approved.

8.2 The Chairman invited shareholders to raise questions. As there were no questions, the Chairman requested the shareholders to cast their votes on the resolution.

8.3 The results for Ordinary Resolution 3 were as follows:

No. of Shares	For		Against	
	No. of Shares	%	No. of Shares	%
99,901,384	99,879,874	99.98	21,510	0.02

8.4 The Chairman declared Ordinary Resolution 3 carried and it was **RESOLVED**:

*“That a First and Final tax exempt (one-tier) dividend of 1.5 cent per ordinary share for the year ended 30 April 2023 be and is hereby approved and that such dividend be paid on 25 September 2023 to shareholders registered with the Company at the close of business on 14 September 2023.”*

9. **ITEM 4:**  
**RETIREMENT OF MR LESLIE MAH KIM LOONG**

9.1 Item 4 of the agenda was to record the retirement of Mr Leslie Mah Kim Loong as director of the Company.

9.2 As Mr Leslie Mah was not seeking re-election as part of board renewal process, he would retire from the Board at the conclusion of the AGM. Accordingly, he would also relinquish his positions as the Chairman of the Audit Committee and a member of both the Nominating and Remuneration Committees.

9.3 The Board and Management of the Company expressed their gratitude and appreciation to Mr Leslie Mah for his invaluable contributions and guidance to the Board and the Stamford Tyres Group for the past 11 years and wished him the very best.

10. **RESOLUTION 4:**  
**RE-ELECTION OF MR SAM CHONG KEEN AS DIRECTOR**

10.1 As the next resolution related to his re-election as a Director, the Chairman invited Dr Wee Li Ann, the Executive Director, to take over as chairman for the meeting for Ordinary Resolution 4.

10.2 Dr Wee Li Ann informed the Meeting that Resolution 4 was on the re-election of Mr Sam Chong Keen as Director of the Company, who had retired in accordance with Regulation 111 of the Constitution of the Company. She proposed the resolution and invited questions from the floor.

10.3 As there were no questions, Dr Wee Li Ann requested shareholders to cast their votes on the resolution.

10.4 The results for Ordinary Resolution 4 were as follows:

No. of Shares	For		Against	
	No. of Shares	%	No. of Shares	%
100,266,484	100,125,974	99.86	140,510	0.14

10.5 Dr Wee Li Ann declared Ordinary Resolution 4 carried and it was **RESOLVED**:

*“That Mr Sam Chong Keen who retires in accordance with Regulation 111 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”*

10.6 Dr Wee Li Ann then handed the chair back to the Chairman to conduct the rest of the proceedings.

11. **RESOLUTION 5:  
RE-ELECTION OF MS CAROLINE WEE AS DIRECTOR**

11.1 The Chairman proposed that Ms Caroline Wee be re-elected as a director of the Company.

11.2 The Chairman invited shareholders to raise questions before putting this resolution to the vote.

11.3 As there were no questions, the Chairman requested the shareholders to cast their votes on the resolution.

11.4 The results for Ordinary Resolution 5 were as follows:

No. of Shares	For		Against	
	No. of Shares	%	No. of Shares	%
99,189,784	99,148,274	99.96	41,510	0.04

11.5 The Chairman declared Ordinary Resolution 5 carried and it was **RESOLVED:**

*“That Ms Caroline Wee who retires in accordance with Regulation 115 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”*

12. **RESOLUTION 6:  
RE-APPOINTMENT OF ERNST & YOUNG LLP AS AUDITOR AND AUTHORISATION TO DIRECTORS TO FIX THEIR REMUNERATION**

12.1 The Chairman proposed that Ernst & Young LLP be re-appointed as the Company’s Auditor.

12.2 The Chairman invited shareholders to raise questions before putting this resolution to the vote.

12.3 As there were no questions, the Chairman requested the shareholders to cast their votes on the resolution.

12.4 The results for Ordinary Resolution 6 were as follows:

No. of Shares	For		Against	
	No. of Shares	%	No. of Shares	%
99,781,484	99,262,974	99.48	518,510	0.52

12.5 The Chairman declared Ordinary Resolution 6 carried and it was unanimously **RESOLVED:**

*“That Ernst & Young LLP be re-appointed the Company’s Auditor, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditor.”*

**SPECIAL BUSINESS**

As there were no other ordinary business to be transacted at the Meeting, the Special Business on the agenda was considered next.

13. **RESOLUTION 7:  
AUTHORITY TO ISSUE SHARES PURSUANT TO THE SHARE ISSUE MANDATE**

13.1 The Chairman explained that the Mandate, if carried, will empower the Directors to issue ordinary shares in the Company, subject to the limits set out in the Notice of Meeting dated 8 August 2023. He proposed the ordinary resolution as set out in item 8 of the Notice of Meeting dated 8 August 2023.

13.2 The Chairman invited shareholders to raise questions before putting this resolution to the vote.

13.3 As there were no questions, the Chairman requested the shareholders to cast their votes on the resolution.

13.4 The results for Ordinary Resolution 7 were as follows:

No. of Shares	For		Against	
	No. of Shares	%	No. of Shares	%
100,023,784	99,879,674	99.86	144,110	0.14

13.5 The Chairman declared Ordinary Resolution 7 carried and it was **RESOLVED**:

*“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*

- (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.*"

14. **CONCLUSION**

14.1 As there was no other business, the Chairman closed the AGM at 3.45 p.m. He thanked the shareholders for their support and attendance at the AGM.

Confirmed as a correct record of the proceedings

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**Sam Chong Keen**  
Chairman