

BUILDING ON OUR EXTENSIVE **STAMFORD** TYRES

NETWORK

STAMFORD TYRES CORPORATION LIMITED

ANNUAL
REPORT
2015

THE LARGEST
**TYRES AND
WHEELS**
DISTRIBUTOR
IN THE REGION

REVENUE
CONTRIBUTION
OF **\$\$292.5**
MILLION
IN FY2015



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CORPORATE INFORMATION

Established in the 1930s with over 80 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 having 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 11 countries in Asia Pacific, Africa and Australia. Our main business activities are in the

distribution of major international tyre brands – Falken, Dunlop, Continental, and Maxam. We have also strengthened our product development capabilities and introduced innovative proprietary brands, Sumo Firenza tyres, Sumo Tire and SSW wheels, which are being 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, car audio 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 independent tyres and wheels distributor in South East Asia.

EXECUTIVE DIRECTORS

President

Wee Kok Wah

Executive Director

Dawn Wee Wai Ying

NON-EXECUTIVE DIRECTORS

Chairman

Sam Chong Keen

Non-Executive Director

Dr Wee Li Ann

Independent Directors

Tay Puan Siong

Goh Chee Wee

Leslie Mah Kim Loong

Kazumichi Mandai

SENIOR ADVISOR

Chua Kim Yeow

AUDIT COMMITTEE

Chairman

Tay Puan Siong

Members

Sam Chong Keen

Leslie Mah Kim Loong

Dr Wee Li Ann

REMUNERATION COMMITTEE

Chairman

Sam Chong Keen

Members

Goh Chee Wee

Dr Wee Li Ann

NOMINATING COMMITTEE

Chairman

Sam Chong Keen

Members

Tay Puan Siong

Wee Kok Wah

COMPANY SECRETARIES

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Audit Partner: Vincent Toong

(since the financial year ended

30 April 2015)

PRINCIPAL BANKERS

United Overseas Bank Limited

Malayan Banking Berhad

TMB Bank Public Company Limited

Ambank Berhad

Bangkok Bank Public Company Limited

The Hong Kong and Shanghai

Banking Corporation Limited

LETTER TO SHAREHOLDERS

Dear Shareholders,

Although FY 2015 was not as tumultuous as the Asian Financial Crisis and Global Financial Crisis, it was nevertheless a challenging year for the Group. The ripple effect of the deceleration of China's rampant economic growth impacted strongly on Asia and around the globe. Free-falling commodity prices continued to dampen resource-based economies. This resulted in weakening local currencies vis-à-vis the Singapore Dollar ("SGD").

The above challenging conditions dampened our growth in FY2015 resulting in a Group total turnover increase of 0.7% reaching SGD 292.5 million as compared to SGD 290.6 million in FY2014. A higher increase in Group total turnover would have been reported had it not been for the marked weakening of the Malaysian Ringgit, South African Rand, Indonesian Rupiah and Australian Dollar against the SGD as overseas sales in local currencies are converted and consolidated in SGD.

Gross profit for the Group was lower at \$64.5 million in FY2015 as compared to \$66.2 million in FY2014 due to the aforementioned challenges. As a result, gross profit margin for FY2015 was slightly lower at 22.1% as compared to 22.8% in FY2014 with net profit for FY2015 at \$1.7 million.

We were however able to reduce operating expenses by 1.9% to \$62.0 million in FY2015 compared to \$63.2 million in FY2014 due to lower allowance for doubtful debts, allowance for inventory obsolescence and rental expenses



offset by higher depreciation, salaries and marketing costs.

BUSINESS PROSPECTS

Looking ahead, the Group will focus on its core business of distribution in the South East Asia region, where the bulk of our distribution centres and our wheel factory are based. We will continue to grow our network of dealers which currently stands at approximately 7,000.

South East Asia remains the Group's core region, contributing about 83% of total Group revenue while manufacturing of wheels accounted for 13%. Though economic conditions remain challenging, there are still opportunities which can be tapped on for the Group's long term growth.

Stamford Tyres will continue to:

- Expand our dealers network, particularly in the South East Asia region
- Widen product range and offerings
- Focus on our value-added

services at our retail chain and truck tyre centres

- Expand our total tyre management services for our commercial fleet and earthmover market segments

We will also continue to work with our principals to improve both product and pricing support to counter the competition we are facing in some markets. As a result of our long-term partnership with Sumitomo Group, today, we hold the distribution rights to Falken Tyres in selected territories in South East Asia, Indian Ocean, Pacific Ocean and Africa which will be expanded upon as well as tapped-on to harness the massive potential in our joint venture in India.

In addition to our distribution centres, our export network for proprietary brands – Sumo Tyres, Sumo Firenza and SSW wheels - spans over 90 countries including Eastern and Western Europe, Africa, Latin America and the Middle East. This allows us to optimise global opportunities and minimise the impact of any downturn in any one particular region in the world.

The above reaffirms Stamford Tyres' position as one of the largest tyres and wheels distributor in the region as we continue "Building on Our Extensive Network".

TALENT DEVELOPMENT

One of our key core strengths is our people. We have been blessed to have assembled and nurtured a strong core Senior Management Team to lead the Group into the future. An equally capable Middle Management Team has also been groomed and are poised to helm the Group in the future. We will continue to invest in our personnel, develop their capabilities and prepare them for the challenges of ensuring sustainable growth for the Group. Our Management Team is fortunate to receive regular guidance and wisdom from our Board of Directors.

LONG PARTNERSHIP WITH SUPPLIERS

Another key strength is our close-knit supplier relationship. This year marked the 40th anniversary of Stamford Tyres-Falken relationship. Having started in 1975 when Falken was called Ohtsu Tyres and later part of the Sumitomo Group, we have evolved and bonded, sharing a strong and long history together. Continental Tyres is another important close supplier which we have been working with since 1976 and we envisage this partnership to continue for many years to come.

Our expertise as a distributor has expanded over the years to span the globe. This key ability to penetrate markets and develop brands is an asset which allows us to maintain the strong rapport with our suppliers. We have also extended and evolved from this core activity into manufacturing, retailing, tyre management as well as the development of our own proprietary brand tyres - Sumo Firenza and Sumo Tire. This has greatly enhanced the value of our Group.

REWARDING OUR SHAREHOLDERS

The Directors have recommended a first and final dividend of 1.0 cent per ordinary share which, if approved

at the Annual General Meeting, will be paid to shareholders on 18 September 2015.

APPRECIATION

On behalf of the Board, I would like to extend our appreciation and gratitude to our customers, suppliers and business associates for their unwavering support. To the management and staff, thank you for your loyalty, dedication and commitment that have propelled the Group to what it is today.

My appreciation also goes to my fellow directors on the Board for their invaluable counsel and guidance during the past year.

Last but not least, the strong backing from our bankers and shareholders has put us on a solid foundation.

These core strengths have enabled us to overcome all the challenges over the year and I believe we will continue to drive Stamford Tyres forward into the future.



Mr Wee Kok Wah
President



May 2015 - Celebrating 40 Years Of Partnership With Sumitomo Rubber Industries
From Left To Right: Patrick James Berriman (SVP, Head of Singapore Operations, Stamford Tyres Corp Ltd), Clare Law (SVP, Head of Supply Chain Management, Stamford Tyres Corp Ltd), Conson Tiu Sia (SVP, Head of South Africa Operations, Stamford Tyres Corp Ltd.), Cham Soon Kian (Executive Vice President, CEO of Malaysia, Stamford Tyres Corp Ltd.), Wee Kok Wah (President, Stamford Tyres Corp Ltd), Ikuji Ikeda (President & CEO, Sumitomo Rubber Industries), Hidekazu Nishiguchi (Executive Officer & GM of Overseas Tire Sales HQ, Sumitomo Rubber Industries), Yasuhiro Nemoto (Managing Director, Sumitomo Rubber Asia (Tyre) Pte Ltd), Wu Xiao Ning (Manager, Sumitomo Rubber Asia (Tyre) Pte Ltd)



June 2015 - Launch of Falken ZIEX ZE914 and SINCERA SN832i in Bangkok, Thailand
From Left To Right: Nonin Liemphetcharat (Director, Stamford Tyres Distributor Co Ltd), Wee Kok Wah (President, Stamford Tyres Corp Ltd), Dawn Wee Wai Ying (Executive Director, Stamford Tyres Corporation Ltd), Toru Nagahata (President, Sumitomo Rubber (Thailand) Co Ltd), Colin Choo (SVP, Head of Thailand Operations, Stamford Tyres Corp Ltd), Takahiko Shiomi (Director, Sumitomo Rubber (Thailand) Co Ltd)

BOARD OF DIRECTORS



Mr Sam Chong Keen



Mr Wee Kok Wah



Mrs Dawn Wee Wai Ying



Mr Tay Puan Siong, JP

MR SAM CHONG KEEN

Non-Executive 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 also has a wealth of management experience, having worked at senior positions in the Singapore Government Administrative Service, National Trades Union Congress (NTUC) and Intraco Limited as well as CEO positions at Comfort Group Limited, VICOM Limited, Lion Asiapac Limited, Lion Teck Chiang Limited, Xpress 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 Cooperative Federation. Mr Sam is an Independent Director of Xpress Holdings Limited, and Lion Asiapac Limited. Mr Sam holds a Bachelor of Arts (Honours) from the University of Oxford and a Diploma from the Institute of Marketing, UK.

MR WEE KOK WAH

President

Mr Wee has propelled Stamford Tyres forward as its CEO since the 1970s after taking over the helm from his father, who had 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 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 inspire his team to achieve - and have 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 holds a Bachelor of Social Science in Economics and Law from the University of Singapore (now known as National University of Singapore).

MRS DAWN WEE WAI YING

Executive Director

Mrs Dawn Wee Wai Ying, the spouse of Mr Wee Kok Wah and his supportive business partner, has been a Director of the Stamford Tyres Group since 1982 playing a



Mr Goh Chee Wee



Mr Leslie Mah Kim Loong



Mr Kazumichi Mandai



Dr Wee Li Ann

key role in the Group's operations. Recognised as a thought leader, she cross-leads functional teams and currently oversees the Group's support functions. 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 University of Singapore.

MR TAY PUAN SIONG, JP

Independent Director

Mr Tay Puan Siong, JP has been an Independent Director of Stamford Tyres Corporation since 1994. He chairs the Audit Committee and is a member of the Nominating Committee. He is a Director of two other public companies, GMG Global Limited and Times Publishing Limited. Mr Tay graduated from the University of Singapore with a Bachelor of Business Administration degree in 1971 and attended the Harvard Business School Program

for Management Development in 1984. He is also a member of the Chartered Institute of Logistics and Transport. Mr Tay was appointed as Justice of the Peace in 1995.

MR GOH CHEE WEE

Independent Director

Mr Goh Chee Wee was appointed as an Independent Director of Stamford Tyres Corporation in 2003, after his appointment as a nominated director of substantial shareholder, Comfort Group Limited in 1998. He is also a member of the Remuneration Committee. He was formerly a Member of Parliament and Minister of State for Trade & Industry, Labour & Communications. Mr Goh is a Director of a number of public-listed companies, including, Beng Kuang Marine Limited, Chip Eng Seng Corporation Limited, King Wan Corporation Limited, Sin Ghee Huat Corporation Limited and Sinotel Technologies Limited.

MR LESLIE MAH KIM LOONG

Independent Director

Mr Leslie Mah was appointed as an Independent Director of Stamford Tyres Corporation on 1 December 2012 and sits on the Board's Audit Committee. Mr Mah served as the Executive Director of Eu Yan Sang International Limited prior to his retirement in 2009. He served as Company Secretary and Executive Director of Cerebos Pacific Limited, from 1986 to 2001. Prior to Cerebos, he served as Finance Director of Harpers Gilfillan for 10 years. Mr Mah was an Independent Director of Falcon Energy Group Limited and Goodpack Limited. He is currently a Non-Executive Independent Director of Hotel Properties Limited, and Lam Soon (M) Bhd. He is a Fellow of the Institute of Chartered Accountants in England & Wales.

MR KAZUMICHI MANDAI

Independent Director

Mr Kazumichi Mandai was appointed as an Independent Director of Stamford Tyres Corporation on 1 December 2012. 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 till 2007. In 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. Mr Mandai held this position until he reached his maximum age for retirement from Sumitomo Rubber Industries Limited in 2011.

DR WEE LI ANN

Non-Executive Director

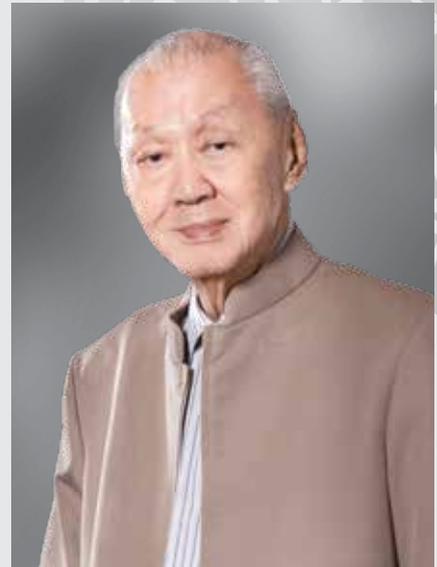
Dr Wee Li Ann, the eldest of Mr and Mrs Wee Kok Wah's three children, was appointed Director of Stamford Tyres Corporation in December 2009 and she sits on the Board's Audit and Remuneration Committee. She worked for Parkway Group Healthcare from 2003-2007 as a Family Physician and previously worked as a Broadcast Correspondent for Singapore Press Holdings from 2000-2003. Since 2012, she works in Healthcare Management at Parkway Pantai Group. She is an active Director of Wah Holdings Private Limited, a substantial shareholder of the Company, where she manages the portfolio. Dr Wee graduated from Harvard's Kennedy School of Government with a Master of Public Administration in 2008. She holds a medical degree from Cambridge University and Bachelor of Arts from Johns Hopkins University.

AND SENIOR ADVISOR

MR CHUA KIM YEOW

Senior Advisor

A well-respected individual and a trusted adviser to Stamford Tyres, Mr Chua Kim Yeow has been an integral member of the Stamford Tyres family since 1991 as the Chairman of the Board and Audit Committee until 1994. From then, he was the Chairman of the Stock Exchange of Singapore Limited (SGX) until January 2000, concurrently serving as an Adviser to the Board of Stamford Tyres. Upon his retirement from SGX in 2000, he was re-appointed as Independent Director and Non-Executive Chairman of Stamford Tyres Corporation until 28 September 2001. From 9 January 2002, he was re-appointed and assumed the role of Independent Director and Non-Executive Chairman. In addition, on 13 December 2002, he was appointed as a Member of the Audit Committee and Chairman of Remuneration Committee.



Mr Chua Kim Yeow

Mr Chua Kim Yeow retired from the Board of Stamford Tyres Corporation on 23 August 2012 as Non-Executive Chairman and Chairman of Remuneration Committee as well as member of the Audit Committee. He stayed on as a Senior Advisor to the Board and Management upon his retirement from the Board.

A Fellow of the Institute of Certified Public Accountants of Singapore, Mr Chua has previously held numerous key posts. He was the Accountant-General with the Ministry of Finance, a Board Member of the Monetary Authority of Singapore, President of the Development Bank of Singapore (now known as DBS Group Holdings Limited), Executive Chairman of the Post Office Savings Bank, and Chairman of the Securities Industry Council.



MANAGEMENT TEAM



Cham Soon Kian



Patrick James Berriman



Clare Law Lay Kian



Conson Tiu Sia



Colin Choo Nee Ann



Frank Ng Tse Lim

Cham Soon Kian
Executive Vice President
CEO of Malaysia

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 and rose to the position of Executive Vice President in 2014. Soon Kian is an ASEAN scholar and graduated with a Bachelor of Accountancy degree from the National University of Singapore. He is also an active member of the Selangor and Federal Territory Tyre Dealers and Retreaders Association.

Patrick James Berriman
Senior Vice President
Head of Singapore Operations

Pat is a veteran in the Australia tyre industry and joined the Group as Senior Vice President of Sales and Marketing in 2005. He is currently overseeing the development of sales and distribution of the Group's new joint venture in India with Sumitomo Rubber Industries. Before joining Stamford Tyres, he was

the General Manager (Supply Chain) of South Pacific Tyres. He has extensive experience in all aspects of the global tyre and automotive industry.

Clare Law Lay Kian
Senior Vice President
Head of Supply Chain Management

Clare joined Stamford Tyres in 1994. She was appointed Senior Vice President in 2006 and is in charge of the Group's supply chain management system and operations in Hong Kong, Vietnam and China. With more than 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.

Conson Tiu Sia
Senior Vice President
Head of South Africa Operations

Conson began his career with Stamford Tyres in 1993, heading the Group's operation in the Philippines. He was the Group Chief Financial Officer from 2001 to 2013. Conson, being equipped with operations and financial experiences, is now overseeing the expansion and development of the Group's South Africa operations. He holds a Bachelor

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

Colin Choo Nee Ann
Senior Vice President
Head of Thailand Operations

Colin Choo joined Stamford Tyres in 2002 and was appointed as General Manager of Stamford Tires Distributor Co. Ltd in 2005.

He was promoted to Senior Vice President in April 2014, overseeing all the divisions of Stamford Tires Distributor Co. Ltd and Stamford Sport Wheels Co. Ltd, which are our subsidiaries in Thailand.

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

Frank Ng Tse Lim
Group Financial Controller

Frank joined the Stamford Tyres Group as Finance Manager in September 2008. In 2013, Frank 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 Public Accountant since 2005.

SENIOR PERSONNEL



Brian U'ren

Brian U'ren

Vice President, President's Office
Stamford Tyres Corporation Ltd
Singapore

Larry Lee Hsin Miao

Head of International Distribution
Stamford Tyres International Pte Ltd
Singapore

John Ang Sze Hian

Head of Retail
Stamford Tyres International Pte Ltd
STC Tyre Mart Sdn Bhd
Singapore and Malaysia

Ivan Reijan Rajoo

Head of Fleet
Stamford Tyres International Pte Ltd
Singapore

Wong Siew Peng

Head of Wholesale
Stamford Tyres International Pte Ltd
Stamford Tyres (B) Sdn Bhd
Stamford Tyres Vietnam Co Ltd
Singapore, Brunei and Vietnam

Erwin Chua

General Manager
PT Stamford Tyres Distributor Indonesia
Indonesia

Arif Putranto

Branch Manager
PT Stamford Tyres Indonesia
Indonesia

Kasem Buretjittinun

General Manager
Stamford Tires Distributor Co Ltd
Thailand

Andre Smuts

National Sales Manager
Stamford Tyres (South Africa) Pty Ltd
South Africa

Jason Davey

Acting General Manager
Stamford Tyres Australia Pty Ltd
Australia

Gladys Barrios

Deputy General Manager
Stamford Sport Wheels Co Ltd
Thailand

Chng Lee Lee

Head of Finance and Operations
Stamford Tyres (M) Sdn Bhd
Malaysia

June Er Chui Hoon

OSB Manager
Stamford Tyres Corporation Ltd
Singapore



Larry Lee Hsin Miao



John Ang Sze Hian



Ivan Reijan Rajoo



Wong Siew Peng



Erwin Chua



Arif Putranto



Kasem Buretjittinun



Andre Smuts



Jason Davey



Gladys Barrios



Chng Lee Lee



June Er Chui Hoon

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, South Africa, HK, India, Bangladesh, Pakistan, Mauritius, Reunion, East Timor, Nepal, Southern Africa 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.



Toyo is a major Japanese brand for truck and bus radial, mining and logging tyres for the mining industry. Toyo tyres are particularly well-accepted in South East Asia. Stamford Tyres distributes Toyo commercial tyres in Singapore.



Maxam is a niche tyre manufacturer, specialising in tyres for the construction and mining industries since the mid-1950s and, with its HQ in Luxembourg, European design and technical experience and a cost-effective manufacturing base. Personnel from Europe are based on site and the factory is equipped with modern, state-of-the-art technology and machinery.

On the product front, Maxam has recently introduced a wide range of industrial and construction tyres for applications such as skid steer, backhoes and forklifts, plus there are more exciting innovations in the pipeline. Maxam have complete range of giant radial off-the-road tyres, for rims up to 57" in diameter.

Stamford Tyres distributes Maxam in South East Asia, Southern Africa and Australia.

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 and tilt gravity casting methods and in accordance with internationally recognized 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 and Thailand in factories that have been selected for their consistent quality standards.

Stamford Tyres have a team of engineers and tyre designers in China 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. 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.

OUR PRESENCE

SUBSIDIARIES

SINGAPORE

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SOUTH AFRICA

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BRUNEI

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Bandar Seri Begawan
Negara Brunei Darussalam
Tel: +673 2428194
Fax: +673 2428094

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
Tel: +662 967 7109
Fax: +662 985 5847
E-mail: sales@
stamfordwheels.com

JOINT VENTURE COMPANIES

HONG KONG

Tyre Pacific (HK) Ltd
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
Unit No 405, Centrum Plaza
Golf Course Road,
Sector 53 Gurgaon,
Haryana 122002 India
Tel: +91 0124-4638989

STAMFORD TYRES TRUCK CENTRES

SINGAPORE Truck Centres

Opening Hours:
8:30am - 6:00pm
(Mon - Sat)
*Closed on Public Holidays

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

Woodlands Truck Centre

10 Admiralty St #01-78
North Link Building
Singapore 757695
Tel: +65 6481-9906
Fax: +65 6481-9160

MALAYSIA

Port Klang Truck Centre
Lot 9 Lingkaran Sultan
Mohamad 1
42000 Pelabuhan Klang
Selangor
Tel: +60 12215 4881



**STAMFORD TYRES
RETAIL OUTLETS**

**SINGAPORE
Mega Marts**

Opening Hours:
9:00am – 7:00pm
(Mon – Sat)
9:00am – 2:00pm (Sun)
* Closed on Public Holidays

Jurong Mega Mart
19 Lok Yang Way, Jurong
Singapore 628635
Tel: +65 6262-3355
Fax: +65 6262-1494
* Open on Sunday

Bukit Batok Mega Mart
50 Bukit Batok St.23
#02-19 Midview Building
Singapore 659578
Tel: +65 6261-3355
Fax: +65 6267-8912
* Open on Sunday

Woodlands Mega Mart
No. 10 Admiralty
Street #01-85
Northlink Building
Singapore 757695
Tel: +65 6555-3355
Fax: +65 6481-6103
* Open on Sunday

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
* Closed on Sunday

**Kaki Bukit Synergy
Mega Mart**

23 Kaki Bukit Rd 4
#01-12/13
Singapore 417801
Tel: +65 6702-3355
Fax: +65 6341-6993
* Closed on Sunday

MacPherson Mega Mart
455 MacPherson Road
Singapore 368173
Tel: +65 6841-3355
Fax: +65 6742-8167
* Open on Sunday

Changi Mega Mart
31 Loyang Way
Singapore 508729
Tel: +65 6542-3355
Fax: +65 6543-1403
* Open on Sunday

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

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

TYRE MART EXPRESS

East Coast Tyre Mart
355 East Coast Road,
Caltex Service Station
Singapore 428972
Tel: +65 6342-0981
Fax: +65 6342-0978
* Open on Sunday

Dunearn Tyre Mart
130, Dunearn Road
Caltex Service Station
Singapore 309436
Tel: +65 6251-6055
Fax: +65 6251-6544
* Open on Sunday

Leng Kee Tyre Mart
No 8 Kung Chong Road
Singapore (159145)
Tel: +65 6475 3355
Fax: +65 6475 2162
* Closed on Sunday

**STAMFORD TYRES IN-
HOUSE WORKSHOP
SERVICES**

**Tan Chong & Sons Motor
(Nissan)**
913 Bukit Timah Road
Singapore 589623

**Tan Chong & Sons Motor
(Nissan)**
25 Leng Kee Road
Singapore 159097

**Motor Image
(Subaru)**
19 Lorong 8 Toa Payoh
Singapore 319255

**MALAYSIA
Cheras Tyre Mart**
No. 182, Jalan Mahkota,
Taman Maluri
Cheras, 55100 Kuala Lumpur.
Tel: +60 3 9285 0918
Fax: +60 3 9285 0946
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 5810
Fax: +60 3 5569 3096
E-mail: enquiry_my@
stamfordtyres.com

**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: enquiries@
stamfordtyresind.com



January 2015 - Showcasing Stamford Tyres' range of tyres and wheels at the Singapore Motor Show 2015

FINANCIAL AND OPERATIONS REVIEW

For the financial year ended 30 April 2015, the Group's total turnover was 0.7% higher than last year at S\$292.5 million. Revenue derived from the distribution of tyres and wheels accounted for 8% of the Group's total revenue and manufacturing of wheels accounted for 13%. The Group has also performed well in the South East Asia market, with approximately 83% of total sales coming from the region.

Demand for major brand tyres that the Group distributes namely, Falken, Dunlop, Continental, continues to remain strong. Our SSW proprietary brand wheels continues to enjoy strong appeal in South East Asia, particularly in Thailand where revenue increased by 29% to reach \$17.9 million. This was due to higher price per wheel sold and low production costs plus optimisation of product mix.



July 2015 - Visit to Stamford Tyres Headquarters by Top 40 Falken Dealers from India

Gross profit for the Group was lower at \$64.5 million, down 2.7% as compared to \$66.2 million in FY2014 due to pricing pressure arising from market competition in some markets. Gross profit margin for FY2015 was slightly lower at 22.1% compared to

22.8% last year. As a result, net profit for FY2015 decreased to \$1.7 million. Operating expenses decreased by 1.9% to \$62.0 million in FY2015 versus \$63.2 million in FY2014 after excluding the one-off gain from the disposal of Balestier Tower

property amounting to \$5.6 million in FY2014. The decrease was the result of lower provision of doubtful debts, allowance for inventory obsolescence and rental expenses offset by higher depreciation, salaries and marketing costs.

THE GROUP

The Group has expanded its network to over 7,000 dealers and distribution centres in 11 countries. They are located in Singapore, Malaysia, Thailand, South Africa, Indonesia, Australia, India, Vietnam, Brunei, Hong Kong and China.

SINGAPORE

Total revenue of \$86.3 million includes retail chain operations, truck tyre centres, local wholesaling as well as the export of tyres and wheels to countries other than the 11 countries mentioned above. This was 14% lower than last year due to lower exports. However, Singapore contributed 29% to the Group's total revenue.

MALAYSIA

Malaysia remained a significant market to the Group, with revenue contribution of \$88.0 million in FY2015, or 30% to the Group's revenue. Revenue in local currency terms remained comparable year-on-year. The dealers network for

Falken tyres in the country had grown to 1,000.

THAILAND

We have two operating subsidiaries in Thailand:

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

SSW products continued to enjoy strong demand in South East Asia, particularly in Thailand. Higher price per wheel, lowering of production costs and optimisation of product

mix have resulted in improved profitability for SSW. SSW generated revenue of S\$17.9 million in FY2015 compared to \$13.9 million the previous year, an increase of 29%.

STD recorded an increase of 16% in revenue of \$26.4 million as compared with \$22.7 million last year. Dealers network for Falken tyres and SSW was approximately 700.

The combined revenue of both subsidiaries was \$44.3 million in FY2015 compared to \$36.6 million in FY2014 which was an increase of 21%. Thailand contributed 15% to the Group's total revenue.



An earthmover tyre fitting on-site in Balikpapan, Indonesia



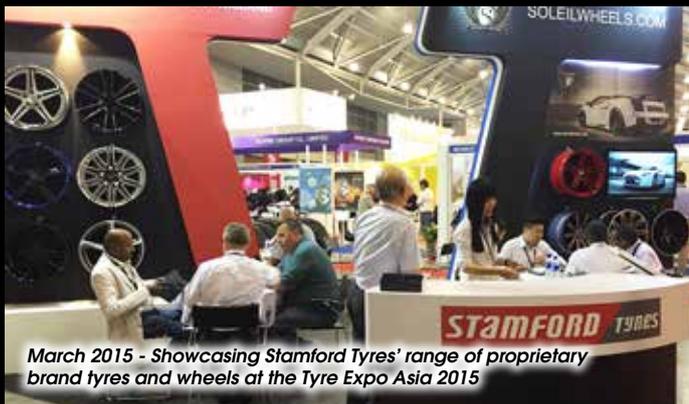
May 2015 - Falken ZIEX ZE914 and SINCERA SN832i Launch in Johor Bahru, Malaysia

Clockwise From The Middle: Wee Kok Wah (President, Stamford Tyres Corp Ltd), Cham Soon Kian (Executive Vice President, CEO of Malaysia, Stamford Tyres Corp Ltd), Soh You Hoo (Dealer, Soh Brothers), Teo Kim Hui (Dealer, Soh Brothers), Chia Kiang Mun (Senior Sales Manager, Stamford Tyres Malaysia), Tee Hock Ming (Dealer, Sinwufu Enterprise), Tee Lay Hoon (Dealer, Sinwufu Enterprise), Koh Lee Ming (Assistant GM, Stamford Tyres Malaysia), Wu Xiao Ning (Manager, Sumitomo Rubber Asia (Tyre) Pte Ltd), Takuya Machida (General Manager, Sumitomo Rubber (Thailand) Co. Ltd), Dawn Wee Wai Ying, (Executive Director, Stamford Tyres Corp Ltd)



June 2014 - Continental FIFA 2014 Fever Challenge

From Left To Right: Jack Lim (Senior Sales Manager, Stamford Tyres International Pte Ltd) Adam Tan (Market Manager, Singapore, Hong Kong, Brunei, Continental Tyre Malaysia), John Ang (Head Of Retail, Singapore & Malaysia, Stamford Tyres International Pte Ltd), Ng Wee Liong (Sales Manager, Stamford Tyres International Pte Ltd), Patrick James Berriman (SVP, Head of Singapore Operations, Stamford Tyres Corp Ltd)



March 2015 - Showcasing Stamford Tyres' range of proprietary brand tyres and wheels at the Tyre Expo Asia 2015



Tyre fitting at a Stamford Tyres Retail Centre in Singapore

SOUTH AFRICA

South Africa remains an important region outside South East Asia for the Group. We have three major warehouses in three cities (Capetown, Durban and Johannesburg) and two satellite warehouses in smaller cities (Port Elizabeth and Bloemfontein). Dealers network is approximately 700. Revenue increased by 12 % year-on-year to reach \$33.3 million for FY2015 compared to \$29.6 million last year. South Africa contributed 11 % to the Group's revenue.

INDONESIA

Indonesia saw the sharpest increase of 43% in revenue to reach \$20.6 million in FY2015 compared with \$14.4 million in FY2014. In fact,

revenue in local currency terms grew 60% year-on-year. Indonesia contributed 7% to the Group's revenue. The Group will continue to focus its efforts to capitalise on the strong consumer demand in Indonesia and to strengthen the passenger tyre and wheels distribution network. We will also continue to work with our principals to improve both product and pricing support in Indonesia.

OTHERS

Revenue from Australia, Vietnam, Hong Kong and Brunei was consistent at \$20.1 million which was unchanged from last year. These countries contributed 7% to the Group's revenue.

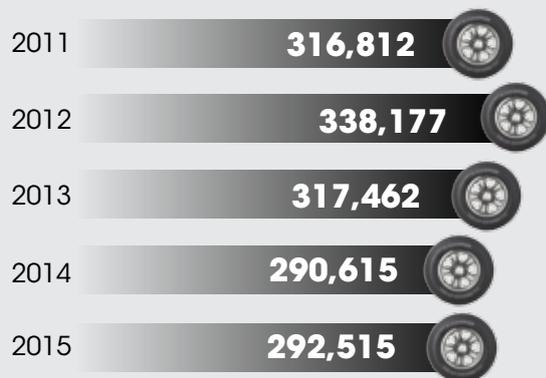
STRATEGY

With the continuous high unemployment and economic uncertainties in Europe, we will focus on building our distribution capabilities in Asia, particularly in Southeast Asia which has been the mainstay for the Group.

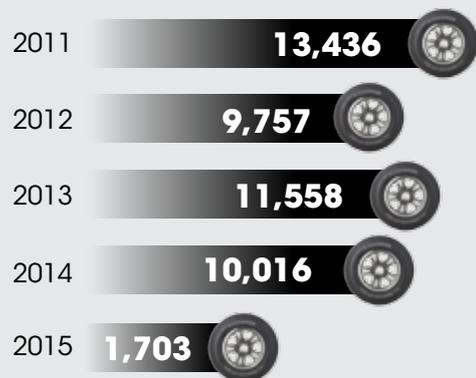
The Group will continue to focus on its core strength in the distribution of tyre and wheels. We will deliver timely response to market needs and trends. Most importantly, we will continue to expand our distribution network and widen our offtake sources to include Vietnam and Thailand as an alternative to China.

FINANCIAL HIGHLIGHTS

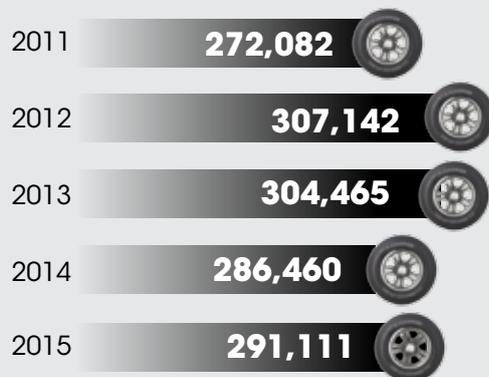
GROUP TURNOVER (S\$'000)



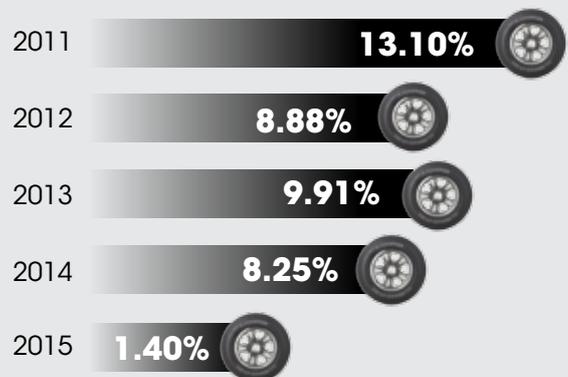
PROFIT AFTER TAX (S\$'000)



TOTAL ASSETS (S\$'000)



RETURN ON SHAREHOLDERS' EQUITY (%)





FIRENZA

A Premium Brand From Singapore



R THE REVOLUTIONARY

SILENCE

COMFORT

PERFORMANCE



ST-05A*



ST-09



ST-07

WWW.SUMOTIRE.COM

Corporate Governance

Stamford Tyres Corporation Ltd ("the Company") is committed to high standards of corporate governance. This Report describes the Company's corporate governance practices with specific reference to the Code of Corporate Governance 2012 (the "Code 2012").

Board Matters

Principle 1: Board's Conduct of Affairs

The Board of Directors (the "Board") oversees the business affairs of the Group and sets overall corporate strategy and direction. It approves the Group's strategic plans, key business initiatives and financial objectives, major investment and divestment and funding proposals. The Board also monitors the operating and financial performance and oversees the processes for risk management, financial reporting and compliance and evaluating the adequacy of internal controls. It approves nominations to the Board. Matters specifically reserved for Board's decisions are those involving material acquisitions and disposal of assets, corporate or financial restructuring, share issuances and dividends. The Board has adopted a set of internal guidelines on these matters. The Board has delegated specific responsibilities to the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("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 2012. Minutes of all Board Committees are circulated to the Board so that directors are aware of and are kept updated as to the proceedings and matters discussed during the Committee meetings.

Directors are regularly updated on the Group's business, and regulatory and industry specific environments in which the Group operates. Directors also have the opportunity to visit the Group's operational facilities here and overseas, and meet with Management to gain a better understanding of the Group's global business operations. The Board as a whole is updated regularly on risk management, corporate governance and key changes in the relevant regulatory requirements and accounting standards. Appropriate external trainings will be arranged where necessary.

In order to ensure that the Board is able to fulfil its responsibilities prior to the Board meetings, Management provides the Board with information containing relevant background or explanatory information required to support the decision-making process.

The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings will be convened as warranted by circumstances. In between the meetings, important matters concerning the Group were put to the Board for its decision via circular resolutions for the directors' approval. Management has access to the directors for guidance or exchange of views outside of the formal environment of the Board meetings.

Newly-appointed directors will be given a formal letter explaining his duties and obligations as a director. They will also be briefed 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.

The Board has separate and independent access to the Company Secretary at all times. The Company Secretary attends Board and Committees' meetings and is responsible for ensuring that Board procedures are followed. The Company engages independent professionals where necessary, which the Board may access for advice.

Corporate Governance (Cont'd)

Principle 2: Board Composition and Guidance

The Board comprises eight directors as follows:

Name of Director	Board	Audit Committee	Nominating Committee	Remuneration Committee
Sam Chong Keen	Chairman	Member	Chairman	Chairman
Wee Kok Wah	Member	-	Member	-
Dawn Wee Wai Ying	Member	-	-	-
Tay Puan Siong	Member	Chairman	Member	-
Goh Chee Wee	Member	-	-	Member
Dr. Wee Li Ann	Member	Member	-	Member
Leslie Mah Kim Loong	Member	Member	-	-
Kazumichi Mandai	Member	-	-	-

Mr Sam Chong Keen is the non-executive and independent Chairman. The President, Mr Wee Kok Wah and the Executive Director, Mrs Dawn Wee Wai Ying are both executive directors. Dr Wee Li Ann is the non-executive director. Mr Tay Puan Siong, Mr Goh Chee Wee, Mr Leslie Mah Kim Loong and Mr Kazumichi Mandai are the non-executive and independent directors.

The Company's Articles of Association permit the directors to attend meetings through the use of audio-visual communication equipment.

Directors' Attendance at Board & Committee Meetings held since May 2014

Name of Director	Board of Directors		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Sam Chong Keen	4	4	4	4	1	1	1	1
Wee Kok Wah	4	4	-	-	1	1	-	-
Dawn Wee Wai Ying	4	4	-	-	-	-	-	-
Tay Puan Siong	4	3	4	3	1	1	-	-
Goh Chee Wee	4	4	-	-	-	-	1	1
Dr. Wee Li Ann	4	4	4	3	-	-	1	1
Leslie Mah Kim Loong	4	3	4	3	-	-	-	-
Kazumichi Mandai	4	4	-	-	-	-	-	-

There is strong and independent element on the Board. The Board is able to exercise objective judgment independently from Management and no individual or small group of individuals dominate the decisions of the Board.

The NC considers the Board's present size and composition appropriate taking into account the nature and scope of the Group's operations, the depth and breadth of knowledge, expertise and business experiences of the directors to govern and manage the Group's affairs, and that a majority of Board is independent. The NC reviews the size of the Board from time to time.

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

Corporate Governance (Cont'd)

Principle 3: Chairman and President

The Chairman is a non-executive appointment and is separate from the office of the President. There is a clear segregation of the roles and responsibilities between the Chairman and the President. The Chairman and President are not related.

The Chairman provides strategic guidance and leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes, including the responsibilities of scheduling and setting agendas for Board meetings and control over the quality, quantity and timeliness of information flow between the Board and Management.

The President provides overall vision and bears full executive responsibility for the Group's operations, including making key day-to-day operational decisions.

Principle 4: Board Membership

Principle 5: Board Performance

The NC comprises three directors, two of whom, including the Chairman, are independent directors. The Committee Chairman is Mr Sam Chong Keen and the other members are Mr Tay Puan Siong and Mr Wee Kok Wah.

The NC's key terms of reference describe its responsibilities and these include:

- reviewing and assessing candidates for directorships (including executive directorships) before nominating such candidates to the Board for approval;
- reviewing and recommending to the Board the re-election and re-appointment of directors under the retirement provisions in accordance with the Company's Articles of Association at each annual general meeting ("AGM") and under Section 153(6) of the Companies, Act, Chapter 50;
- reviewing the composition of the Board annually to ensure that the Board has an appropriate balance of independent directors and ensuring an appropriate balance of expertise, skills, attributes and abilities on the Board;
- reviewing and determining annually if a director is independent in accordance with the Code 2012 and any other salient factors;
- where a director has multiple board representations, deciding whether the director is able to and has been adequately carrying out his duties as director; and
- reviewing the succession plan for directors and key executives of the Group.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that directors appointed to the Board possess the background, experience and knowledge in technology, business, finance and management skills critical to the Group's businesses and that each director, through his unique contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The search and nomination process for new directors, if any, will be through search companies, contacts and recommendations that go through the normal selection process, to cast its net as wide as possible for the right candidates. New directors are appointed by the Board after the NC has reviewed and recommended their appointment.

Corporate Governance (Cont'd)

The NC recommends all appointments and re-nominations of directors to the Board and Board committees. The Company's Articles of Association provide 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 to retirement and re-election at the AGM immediately following his appointment. The NC, in considering the nomination of any director for re-election will evaluate the performance of the director involved.

The NC also determines the independence of directors and evaluates and assesses the effectiveness of the Board taking into consideration appropriate performance criteria.

As at 30 April 2015, three independent directors have served on the Board for more than nine years. They are Mr Sam Chong Keen, Mr Tay Puan Siong and Mr Goh Chee Wee. The NC takes the view that a director's independence cannot be determined solely and arbitrarily on the basis on the length of time. A director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgment in engaging and challenging Management in the best interests of the Group as he performs his duties in good faith, are more critical measures in ascertaining his independence than the number of years served on the Board. Hence, the Board does not impose a limit on the length of service of the independent directors. However, the Board and NC will exercise due and careful review, taking into consideration other factors, in assessing the independence of a director. These factors include, *inter alia*, if the director has any interest, business, relationship and/or any other material contractual relationships with the Group which could reasonably be perceived to compromise his independence and interfere with the exercise of his independent business judgment with a view to the best interest of the Group.

After due and careful rigorous review, the Board, in concurrence with the NC, is of the view that the three independent directors remain independent in their exercise of judgment and objectivity in Board matters as they have each continued to demonstrate strong independence in character and judgement in the discharge of their responsibilities as a Director of the Company. They have not hesitated to express their respective viewpoints, objectively raise issues or seek clarification as and when necessary from the Board, Management and the Group's external advisers on matters pertaining to their area of responsibilities whether on Board or on the Committees. The Company has also benefited from their years of experience in their respective fields of expertise.

The NC and the Board are of the opinion that the directors, who have been classified as independent under the Board Composition section, are indeed independent and the current size of the Board is adequate for the purposes of the Group.

The NC has established 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 analyzed 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.

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 NC, with concurrence from the Board, is of the view that it would not presently be necessary to set an arbitrary limit or cap on the number of directorships which a director could hold, because such a cap, if determined, would have to depend on factors such as the sizes of the various companies concerned and the respective roles the individual directors play in them. The Committee also took into consideration the Company's existing regime 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 was able to discharge his duties properly and effectively as a director when taking on additional listed company board seats.

Corporate Governance (Cont'd)

The NC has recommended the re-election of Mrs Dawn Wee Wai Ying and Mr Tay Puan Siong, who are retiring by rotation pursuant to Article 99 of the Company's Articles of Association and the re-appointment of Mr Leslie Mah Kim Loong who is retiring by rotation under Section 153(6) of the Companies Act, Chapter 50 at the forthcoming AGM. The retiring directors have offered themselves for re-election/re-appointment. Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is interested. The Board has accepted the recommendations of the NC.

Key information of each director is set out on pages 4 to 6 of this report and the dates of their initial appointment and last re-appointment/re-election are set out below:

Name of Director	Date of Initial Appointment	Date of Last Re-appointment/Re-election
Sam Chong Keen	9 Dec 1994	29 Aug 2014
Wee Kok Wah	11 Oct 1989	N.A.*
Mrs Dawn Wee Wai Ying	11 Oct 1989	28 Aug 2013
Tay Puan Siong	2 Jun 1994	23 Aug 2012
Goh Chee Wee	29 Oct 1998	29 Aug 2014
Dr Wee Li Ann	9 Dec 2009	28 Aug 2013
Leslie Mah Kim Loong	1 Dec 2012	29 Aug 2014
Kazumichi Mandai	1 Dec 2012	28 Aug 2013

* *Managing Director is not subject to retirement by rotation (Article 94 of the Company's Articles of Association)*

The Board believes in carrying out succession planning for itself and its key management staff to ensure continuity of leadership. Currently, there is an informal succession plan in place and the NC will look into drawing up a formal plan at the relevant time.

Principle 6: Access to Information

Directors are given independent and full access to the Management team and Company Secretary, all Board and Board Committees' minutes and all approval and information papers. In between Board meetings, important matters concerning the Company are also put to the Board for its decision by way of circular resolutions in writing for the directors' approval together with supporting memoranda to enable the directors to make informed decisions. The Company supports the directors, either individually or as a group, if they require independent professional advice in furthering their duties to the Company.

Remuneration Matters

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

The RC comprises two non-executive and independent directors, and a non-executive director. It is chaired by Mr Sam Chong Keen and the members are Mr Goh Chee Wee and Dr Wee Li Ann.

The RC's key terms of reference describe its responsibilities and these include:

- recommending to the Board, in consultation with the Board Chairman, for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of the directors and key executives of the Group;
- recommending specific remuneration packages for each of the directors and the executive directors;

Corporate Governance (Cont'd)

- in the case of service agreements, considering what compensation commitments the directors' or key executives' contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance and to recognise the duty to mitigate loss;
- approving performance targets for assessing the performance of each of the key executive of the Group and recommending such targets as well as employee specific remuneration packages for each of such key executive for endorsement by the Board; and
- administering the share incentive plans of the Company, if any.

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 Scheme. Remuneration for key executives are 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. Non-executive directors are remunerated based on basic fees for serving on the Board and Board Committees. Such fees are recommended for approval by shareholders as a lump sum payment at the AGM.

For the financial year ended 30 April 2015, the Company did 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 executives paid in prior years in such exceptional circumstances.

The RC has access to expert professional advice on remuneration matters whenever there is a need to obtain such advice.

Details of the Company's Employee Share Option Scheme are provided in the Directors' Report.

The Board supports and is aware of the need for transparency. However, after deliberation and debate, the Board is of the view that 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 and therefore shareholders. *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 and the irrevocable negative impact such disclosure may have on the Group.

Corporate Governance (Cont'd)

Details of remuneration and benefits of directors for the financial year ended 30 April 2015 which will provide sufficient overview of the remuneration of directors are set out below:

	Directors' Fees*	Fixed Salary and Benefits	Performance Related Bonus	Total
	%	%	%	%
Executive Directors				
Between \$1,000,000 and \$1,250,000				
Wee Kok Wah	-	52	48	100
Between S\$500,000 and \$750,000				
Mrs Dawn Wee Wai Ying	-	69	31	100
Non-Executive Directors				
Below \$250,000				
Sam Chong Keen	100	-	-	100
Tay Puan Siong	100	-	-	100
Goh Chee Wee	100	-	-	100
Dr Wee Li Ann	100	-	-	100
Leslie Mah Kim Loong	100	-	-	100
Kazumichi Mandai	100	-	-	100

* Directors' Fees are subject to shareholders' approval at the AGM to be held on 28 August 2015.

Key Management Personnel

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 5 top key management personnel (who are not directors) of the Group for the financial year ended 30 April 2015 and believe that such disclosure may be prejudicial to its business interest given the highly competitive environment it is operating in. Their profiles are found on page 7 of this Report.

Immediate Family Members of Directors:

There is no employee who is an immediate family member of a director or the President and whose remuneration exceeded S\$50,000 in the Group's employment for the financial year ended 30 April 2015.

Accountability and Audit

Principle 10: Accountability

Principle 11: Risk Management and Internal Controls

Principle 12: Audit Committee

Principle 13: Internal Audit

The Board is mindful of the obligation to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects including information on all major developments that affect the Group and strives to maintain a high standard of transparency.

The AC comprises three non-executive and independent directors and a non-executive director. It is chaired by Mr Tay Puan Siong and the members are Mr Sam Chong Keen, Mr Leslie Mah Kim Loong and Dr Wee Li Ann. The AC has full authority to investigate matters relating to the Group and any matters within its terms of reference.

Corporate Governance (Cont'd)

The AC's key terms of reference describe its responsibilities and these include:

- assisting the Board in discharging its statutory responsibilities on financing and accounting matters;
- reviewing significant financial reporting issues and judgements to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
- reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditor;
- reviewing and evaluating with internal auditors, the adequacy and effectiveness of the system of internal controls, including financial, operational, compliance and information technology controls, and risk management policies and framework;
- reviewing any interested person transactions as defined in the Listing Manual;
- appraising and reporting to the Board on the audits undertaken by the external auditor and internal auditor, the adequacy of disclosure of information, and the appropriateness and quality of the system of management and internal controls;
- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and internal auditors, and approving the remuneration and terms of engagement of the external auditor and internal auditors; and
- reviewing whistle-blowing investigations within the Group and ensuring appropriate follow-up action, if required.

The internal audit function is outsourced to 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 the scope, the audit plan, the results and effectiveness of the External and Internal Auditor and has met with the External Auditor and Internal Auditor separately without the presence of Management for the year in review. 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 AC having reviewed the nature and extent of non-audit services provided by Ernst & Young LLP ("EY") and EY member firms, including fees paid in respect of the year ended 30 April 2015, is of the view that the independence and objectivity of EY as External Auditor of the Company has not been compromised. The fee payable to the External Auditor is disclosed on page 67 of this Annual Report.

The AC has also reviewed and confirmed that EY is a suitable audit firm to meet the Company's audit obligations, 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. Accordingly, the AC recommended to the Board the re-appointment of EY as External Auditor of the Group for the year ending 30 April 2016. The Group has complied with Rules 712 and 715 of the Listing Manual in relation to its auditing firms. 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.

Corporate Governance (Cont'd)

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.

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 categorized 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 President and Group Financial Controller have confirmed to the AC and the Board the adequacy and effectiveness of the risk management system and internal controls.

Quarterly 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.

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.

The Board has received written assurance from the President and Group Financial Controller:

- (a) that the financial records have been properly maintained and the financial statements give true and fair view of the Group's operations and finances; and
- (b) regarding the effectiveness of the Group's risk management and internal control systems.

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, Risk Management Committee and various Board committees, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls, including financial, operational, compliance and information technology controls and risk management, were adequate as at 30 April 2015 to meet the needs of the Group's existing business objectives, having addressed the risks which the Group considers relevant and material to its operations. While acknowledging their responsibility for the system of internal controls, the Directors are aware 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 errors, losses, fraud or other irregularities.

Corporate Governance (Cont'd)

The AC has a "whistle blowing" or Corporate Ethics Compliance policy in place. The policy provides a channel for staff 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 & 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.

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 30 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 from 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.

(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 a 'supply chain management' system 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.

Corporate Governance (Cont'd)

Communication with Shareholders

Principle 14: Shareholders' Rights

Principle 15: Communication with Shareholders

Principle 16: Conduct of Shareholders' Meetings

The Company does not practise 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. To further enhance its communication with investors, the Company's website www.stamfordtyres.com allows the public to access information on the Group directly.

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. The Board and Management are present at these meetings to address any question that shareholders may have concerning the Company. The External Auditor is also present to assist the Board in answering relevant shareholders' queries.

To facilitate participation by shareholders, the Company's Articles allow shareholders to attend and vote at general meetings of the Company by proxies. Proxy forms can be sent to the Company by mail. At the AGM, each distinct issue is voted via separate resolutions.

For greater transparency, the Company has implemented poll voting since 2012. This entails shareholders being invited to vote on each resolution by poll thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then announced at the meeting. The Company will continue to conduct the voting by poll at the forthcoming AGM. As authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, facsimile or email.

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.

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

Internal Code on Dealings With Securities

The Group has adopted an internal code which prohibits the Company, directors and employees of the Group from dealings in securities of the Company while in possession of price-sensitive information, and during the period commencing two weeks and one month before the announcement of the quarterly and full year results respectively, and ending on the date of announcement; In addition, directors and employees are expected to observe insider trading laws at all times even when dealing in securities within the permitted period.

It also discourages dealings on short-term considerations. Directors and employees are required to report securities dealings to the Company Secretary who will assist to make the necessary announcements.

Corporate Governance (Cont'd)

Interested Person Transactions

The Group has adopted an internal policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length and are reviewed by the AC. There is no interested person transaction conducted during the year, which exceeds \$100,000 in value.

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

The Board is satisfied with the Group's commitment to comply with the Code of Corporate Governance.

Directors' Report

The directors are pleased to present their report 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 2015.

Directors

The directors of the Company in office at the date of this report are:

Sam Chong Keen	(Chairman)
Wee Kok Wah	(President)
Dawn Wee Wai Ying	(Executive Director)
Tay Puan Siong	
Goh Chee Wee	
Dr Wee Li Ann	
Leslie Mah Kim Loong	
Kazumichi Mandai	

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 Singapore Companies Act, Chapter 50, (the "Act") an interest in shares and share options of the Company, as stated below:

Name of director	At 1.5.2014	Direct interest		Deemed interest		
		At 30.4.2015	At 21.5.2015	At 1.5.2014	At 30.4.2015	At 21.5.2015
Ordinary shares of the Company						
Wee Kok Wah	41,699,554	41,954,554	41,954,554	49,551,319	49,551,319	49,551,319
Dawn Wee Wai Ying	13,637,567	13,637,567	13,637,567	77,613,306	77,868,306	77,868,306
Dr Wee Li Ann	10,000	10,000	10,000	10,000	10,000	10,000
Leslie Mah Kim Loong	-	-	-	1,150,000	1,150,000	1,150,000
Tay Puan Siong	2,500	2,500	2,500	2,500	2,500	2,500

By virtue of Section 7 of the Act, Wee Kok Wah and Dawn Wee Wai Ying are 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' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Directors' Report (Cont'd)

Arrangements to enable directors to acquire shares and debentures

Except as disclosed below, 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.

Share options to subscribe for ordinary shares

On 22 June 2001, the shareholders approved the STC Share Option Scheme 2001 (the "Scheme"). The Scheme is open to full-time confirmed employees, executive and non-executive directors, but not controlling shareholders or their associates of the Company, and entitles the option holders to exercise their options and subscribe for new ordinary shares in the Company either at the market price or at a price set at a discount not exceeding 20% of the market price. Market price is equal to the average last dealt price of the share for 3 consecutive trading days immediately preceding the offer date.

Options granted with the exercise price set at market price may be exercised after the third anniversary of the offer date. Executive options granted under the Scheme are exercisable for a period of 10 years whereas non-executive options are exercisable for a period of 5 years from the offer date.

The total number of shares that may be issued shall not exceed 15% of the issued share capital of the Company.

The Scheme is administered by members of the Company's Remuneration Committee which comprise 3 directors, namely Sam Chong Keen, Goh Chee Wee and Dr Wee Li Ann.

The Company did not grant any share options under the Scheme during the financial year ended 30 April 2015. 30,000 share options were forfeited during the year and 750,000 share options were outstanding as at 30 April 2015. The share options outstanding as at 30 April 2015 will expire on 16 August 2015.

None of the directors and controlling shareholders of the Company has been granted options under the Scheme and none of the employees, except as stated below, who participated in the Scheme has received 5% or more of the total number of options available under the Scheme.

Name of participants	Options granted during the financial year under review	Aggregate options granted since commencement of scheme to end of financial year under review	Aggregate options	
			exercised/ forfeited since commencement of financial year under review	Aggregate options outstanding as at end of financial year under review
Clare Law Lay Kian	-	200,000	-	200,000

Directors' Report (Cont'd)

Audit Committee

The Audit Committee comprises non-executive and independent directors, Tay Puan Siong (who chairs the Audit Committee), Sam Chong Keen and Leslie Mah Kim Loong and non-executive and non-independent director, Dr Wee Li Ann.

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. 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. All major findings and recommendations are brought to the attention of the Board of Directors.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors,

Wee Kok Wah
Director

Dawn Wee Wai Ying
Director

Singapore
31 July 2015

Statement by Directors

We, Wee Kok Wah and Dawn Wee Wai Ying, being two of the directors of Stamford Tyres Corporation Limited, do hereby state that, 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 state of affairs of the Group and of the Company as at 30 April 2015 and the results 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 Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

Wee Kok Wah
Director

Dawn Wee Wai Ying
Director

Singapore
31 July 2015

Independent Auditor's Report

For the year ended 30 April 2015

To the members of Stamford Tyres Corporation Limited

Report on the financial statements

We have audited the accompanying financial statements of Stamford Tyres Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 35 to 107, which comprise the balance sheets of the Group and the Company as at 30 April 2015, 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 flow of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report (Cont'd)

For the year ended 30 April 2015

To the members of Stamford Tyres Corporation Limited

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

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.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
31 July 2015

Consolidated Income Statement

For the year ended 30 April 2015
(In Singapore Dollars)

	Note	2015 \$'000	2014 \$'000
Revenue	4	292,515	290,615
Other revenue	5	908	2,669
Total revenue		293,423	293,284
Less: Costs and expenditure			
Cost of goods sold	6	228,010	224,396
Salaries and employees benefits	7	24,039	22,951
Marketing and distribution		9,426	8,444
Utilities, repairs and maintenance		6,232	5,725
Finance costs	8	4,938	4,309
Depreciation of property, plant and equipment		5,173	3,899
Operating lease rentals		4,808	6,048
Other operating expenses		7,406	6,221
Total expenditure		(290,032)	(281,993)
Share of results of joint ventures	14	89	(718)
Profit before taxation	9	3,480	10,573
Taxation	10	(1,777)	(557)
Profit for the financial year		1,703	10,016
Attributable to:			
Equity holders of the Company		1,703	10,016
Non-controlling interest		-	-
		1,703	10,016
Earnings per share:	11		
- basic (cents)		0.72	4.25
- diluted (cents)		0.72	4.25

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

Consolidated Statement of Comprehensive Income

For the year ended 30 April 2015

(In Singapore Dollars)

	2015 \$'000	2014 \$'000
Net profit for the financial year	<u>1,703</u>	<u>10,016</u>
Other comprehensive income:		
Foreign currency translation adjustments arising on consolidation	<u>367</u>	<u>(4,232)</u>
Other comprehensive income for the year, net of tax	<u>2,070</u>	<u>(4,232)</u>
Total comprehensive income for the year	<u><u>2,070</u></u>	<u><u>5,784</u></u>
Total comprehensive income attributable to:		
Equity holders of the Company	2,070	5,784
Non-controlling interest	<u>-</u>	<u>-</u>
	<u><u>2,070</u></u>	<u><u>5,784</u></u>

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

Balance Sheets

As at 30 April 2015
(In Singapore Dollars)

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Non-current assets					
Property, plant and equipment	12	66,124	65,106	-	-
Subsidiary companies	13	-	-	46,440	56,130
Amounts due from subsidiary companies	13	-	-	14,485	14,510
Joint venture companies	14	15,897	16,111	6,567	6,567
Associated company	15	233	233	-	-
Deferred tax assets	28	2,647	2,559	-	-
		84,901	84,009	67,492	77,207
Current assets					
Inventories	16	103,747	102,575	-	-
Trade receivables	17	78,861	74,601	-	-
Derivatives	18	229	-	-	-
Other receivables	19	3,160	4,041	91	88
Prepayments and advances	19	4,363	2,597	19	19
Cash and cash equivalents	20	15,850	18,637	357	1,714
		206,210	202,451	467	1,821
Less: Current liabilities					
Trade payables	21	17,244	22,319	-	-
Trust receipts (secured)	22	70,641	61,806	-	-
Derivatives	18	54	265	3	79
Other payables	23	18,249	20,752	612	519
Loans (secured)	24	22,196	13,796	-	-
Hire-purchase liabilities	25	1,169	775	-	-
Provisions	26	550	520	-	-
Provision for taxation		1,721	2,502	22	93
		131,824	122,735	637	691
Net current assets/(liabilities)		74,386	79,716	(170)	1,130
Non-current liabilities					
Amounts due to subsidiary companies	13	-	-	11,362	5,881
Hire-purchase liabilities	25	2,111	805	-	-
Provisions	26	682	640	-	-
Long-term loans (secured)	27	34,708	39,111	-	-
Deferred tax liabilities	28	752	671	108	108
		38,253	41,227	11,470	5,989
		121,034	122,498	55,852	72,348
Equity					
Share capital	29	35,722	35,722	35,722	35,722
Reserves	30	85,312	86,776	20,130	36,626
		121,034	122,498	55,852	72,348

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

Statements of Changes in Equity

For the year ended 30 April 2015

(In Singapore Dollars)

	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	Employee share option reserve \$'000	Foreign currency translation reserve \$'000	Discount on acquisition of non- controlling interest \$'000
Group										
Balance at 1 May 2013		120,248	120,248	35,722	93,850	(9,324)	424	254	(10,204)	202
Profit for the financial year		10,016	10,016	-	10,016	-	-	-	-	-
Other comprehensive income for the financial year		(4,232)	(4,232)	-	-	(4,232)	-	-	(4,232)	-
Total comprehensive income for the financial year		5,784	5,784	-	10,016	(4,232)	-	-	(4,232)	-
<i>Contributions by and distributions to owners</i>										
Dividend on ordinary shares	31	(3,534)	(3,534)	-	(3,534)	-	-	-	-	-
Total contributions by and distributions to owners		(3,534)	(3,534)	-	(3,534)	-	-	-	-	-
Balance at 30 April 2014 and 1 May 2014		122,498	122,498	35,722	100,332	(13,556)	424	254	(14,436)	202
Profit for the financial year		1,703	1,703	-	1,703	-	-	-	-	-
Other comprehensive income for the financial year		367	367	-	-	367	-	-	367	-
Total comprehensive income for the financial year		2,070	2,070	-	1,703	367	-	-	367	-
<i>Contributions by and distributions to owners</i>										
Dividend on ordinary shares	31	(3,534)	(3,534)	-	(3,534)	-	-	-	-	-
Total contributions by and distributions to owners		(3,534)	(3,534)	-	(3,534)	-	-	-	-	-
Balance at 30 April 2015		121,034	121,034	35,722	98,501	(13,189)	424	254	(14,069)	202

The details of the nature of the reserves are set out in Note 30.

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

Statements of Changes in Equity (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

	Note	Equity, total \$'000	Equity attributable to owners of the Company, total \$'000	Share capital \$'000	Revenue reserve \$'000	Employee share option reserve \$'000
Company						
Balance at 1 May 2013		69,373	69,373	35,722	33,397	254
Profit for the financial year		6,509	6,509	-	6,509	-
Total comprehensive income for the financial year		6,509	6,509	-	6,509	-
<i>Contributions by and distributions to owners</i>						
Dividend on ordinary shares	31	(3,534)	(3,534)	-	(3,534)	-
Total contributions by and distributions to owners		(3,534)	(3,534)	-	(3,534)	-
Balance at 30 April 2014 and 1 May 2014		72,348	72,348	35,722	36,372	254
Loss for the financial year		(12,962)	(12,962)	-	(12,962)	-
Total comprehensive income for the financial year		(12,962)	(12,962)	-	(12,962)	-
<i>Contributions by and distributions to owners</i>						
Dividend on ordinary shares	31	(3,534)	(3,534)	-	(3,534)	-
Total contributions by and distributions to owners		(3,534)	(3,534)	-	(3,534)	-
Balance at 30 April 2015		55,852	55,852	35,722	19,876	254

The details of the nature of the reserves are set out in Note 30.

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

Consolidated Statement of Cash Flow

For the year ended 30 April 2015

(In Singapore Dollars)

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities:			
Profit before taxation		3,480	10,573
Adjustments for:			
Depreciation of property, plant and equipment		9,033	7,389
Gain on disposal of property, plant and equipment		(124)	(5,644)
Fair value (gain)/loss on derivatives		(440)	177
Property, plant and equipment written-off		94	2
Bad debts written-off		125	54
Foreign currency translation adjustment		637	(1,234)
Interest income		(131)	(137)
Provision for product warranties and reinstatement cost		448	446
Write-back of impairment loss on property, plant and equipment		(8)	(8)
Interest expenses		4,938	4,309
Share of results of joint ventures		(89)	718
		<hr/>	<hr/>
Operating cash flows before changes in working capital		17,963	16,645
(Increase)/decrease in inventories		(1,172)	9,874
(Increase)/decrease in receivables		(5,270)	17,329
Decrease in payables		(8,001)	(3,027)
		<hr/>	<hr/>
Cash flows from operations		3,520	40,821
Interest received		131	137
Interest paid		(4,938)	(4,309)
Income tax paid		(2,565)	(2,266)
		<hr/>	<hr/>
Net cash flows (used in)/generated from operating activities		(3,852)	34,383
		<hr/>	<hr/>
Cash flows from investing activities:			
Proceeds from disposal of property, plant and equipment		215	6,499
Purchase of property, plant and equipment		(6,964)	(22,956)
		<hr/>	<hr/>
Net cash flows used in from investing activities		(6,749)	(16,457)
		<hr/>	<hr/>
Cash flows from financing activities:			
Proceeds from long-term loans		756	13,955
Proceeds from/(repayment of) trust receipts		8,835	(14,225)
Proceeds from/(repayment of) revolving loans		8,964	(7,664)
Repayment of hire-purchase liabilities		(1,317)	(1,146)
Dividend paid to shareholders		(3,534)	(3,534)
Repayment of long-term loans		(5,721)	(8,019)
		<hr/>	<hr/>
Net cash flows generated from/(used in) financing activities		7,983	(20,633)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(2,618)	(2,707)
Cash and cash equivalents at beginning of financial year		18,637	21,595
Effects of exchange rate changes on cash and cash equivalents at beginning of financial year		(169)	(251)
		<hr/>	<hr/>
Cash and cash equivalents at end of financial year	20	<u>15,850</u>	<u>18,637</u>

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

Notes to the Financial Statements

For the year ended 30 April 2015
(In Singapore Dollars)

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.

2. Summary of significant accounting policies

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 ("FRS").

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 Dollars (\$) and all values are rounded to the nearest thousand (\$'000) except when otherwise indicated.

2.2 Changes in accounting policies

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 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 19 Defined Benefit Plans: Employee Contributions	1 July 2014
Improvements to FRSs (January 2014):	
– Amendments to FRS 102 Share-based Payment	1 July 2014
– Amendments to FRS 103 Business Combinations	1 July 2014
– Amendments to FRS 108 Operating Segments	1 July 2014
– Amendments to FRS 16 Property, Plant and Equipment	1 July 2014
– Amendments to FRS 24 Related Party Disclosures	1 July 2014
– Amendments to FRS 38 Intangible Assets	1 July 2014
Improvements to FRSs (February 2014)	
– Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
– Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014
– Amendments to FRS 40 <i>Investment Property</i>	1 July 2014
FRS 114 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets	1 January 2016
Amendments to FRS 16 Property, Plant and Equipment and FRS 41 Agriculture	1 January 2016
Amendments to FRS 111 Joint Arrangements	1 January 2016
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Improvements to FRSs (November 2014)	
– Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
– Amendments to FRS 107 Financial Instruments	1 January 2016
– Amendments to FRS 19 Employee Benefits	1 January 2016
– Amendments to FRS 34 Interim Financial Reporting	1 January 2016
Amendments to FRS 1: Disclosure Initiative	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
FRS 109 Financial Instruments	1 January 2018

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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

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.

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;
- Re-classifies 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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

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

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

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 FRS.

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.

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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.6 Foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars, 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.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD 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 2.18.

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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.7 Property, plant and equipment (cont'd)

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.

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

Freehold land has an unlimited useful life and is therefore not depreciated. No depreciation is provided for construction-in-progress until it is completed and available for use.

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 reporting period to ensure that the amount, method and period of depreciation are consistent with the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment 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 de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.8 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 of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 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.

2.10 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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.10 Joint ventures and associate (cont'd)

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 interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

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.

The most recent available audited financial statements of the associated company or joint ventures are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not co-terminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognises the retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

If the Group's ownership interest in an associate or joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in associated company 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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.11 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.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

The Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Group classifies the following financial assets as loans and receivables:

- cash and cash equivalents;
- trade and other receivables, amounts due from the subsidiary companies.

(iii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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 is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.11 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

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate 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 de-recognition 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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.12 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.12 Impairment of financial assets (cont'd)

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.13 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. These also include bank overdrafts that form an integral part of the Group's cash management.

2.14 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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.15 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.

2.16 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants in respect of specific expenses are taken to profit or loss in the same year as the relevant expenses.

2.17 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.

2.18 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.

2.19 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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.19 Employee benefits (cont'd)

(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.

(c) Executives' Share Option Scheme

The Company has in place the STC Share Option Scheme 2001 (the "Scheme") for the granting of share options to eligible employees of the Group to subscribe for ordinary shares in the Company, whereby employees render services as consideration for share options ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions'), if applicable.

The cost of equity-settled transactions is recognised in profit or loss with a corresponding increase in the employee share option reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of share options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in the employee benefits expense.

No expense is recognised for options that do not ultimately vest, except for option where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An addition expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled transaction award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense that otherwise would have been recognised for services received over the remaining vesting period is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.20 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.

2.21 Operating leases

As lessee

Leases where substantially all the risks and benefits of ownership of the lease effectively remain with the lessor are classified as operating leases.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

2.22 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding goods and services tax, and sales return.

(a) *Sale of goods*

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of goods.

(b) *Rendering of services*

Revenue from the rendering of services is recognised when the services have been performed.

(c) *Volume rebates*

Volume rebates from suppliers for purchases made during the financial year is deducted from the cost of inventory if the goods remain unsold at the end of the reporting period or credited against cost of goods sold in profit or loss if the goods have been sold at the end of the reporting period.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.22 Revenue recognition (cont'd)

(d) Advertising and promotional rebates

Advertising and promotional rebates from suppliers are recognised as follows:

- those that are determined based on the amount of purchases made during the financial year are credited against marketing and promotion expenses in profit or loss; and
- those that are reimbursed at the discretion of the suppliers are credited against marketing and promotion expenses in profit or loss when these are received.

(e) Dividend income

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

(f) Interest income

Interest income is recognised using the effective interest method.

(g) Rental income

Rental income arising from operating leases on leasehold building is accounted for on a straight-line basis over the lease terms.

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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.23 Taxes (cont'd)

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

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 nor taxable 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.

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 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 it 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 or substantively 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 on acquisition.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.23 Taxes (cont'd)

(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.

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.

For purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a highly probable forecast transaction.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in cash flows of the hedged items.

(a) Cash flow hedge

The fair value changes on the effective portion of derivatives that are designated and qualify as cash flow hedges are recognised in the fair value reserve within equity and transferred to profit or loss in the periods when the hedged items affect profit or loss. The fair value changes relating to the ineffective portion are recognised immediately in profit or loss.

(b) Derivatives that do not qualify for hedge accounting

Fair value changes on these derivatives are recognised in profit or loss when the changes arise.

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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

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.

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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.29 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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. However, 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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

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

(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 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 plant and equipment to be within 3 to 20 years. The carrying amount of the Group's total plant and equipment as at 30 April 2015 was \$22,568,000 (2014: \$21,927,000). 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 inventories' obsolescence

Allowance for inventories' 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 2015 is \$103,747,000 (2014: \$102,575,000).

(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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

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 2015 were \$1,721,000 (2014: \$2,502,000), \$2,647,000 (2014: \$2,559,000) and \$752,000 (2014: \$671,000) respectively.

(ii) Impairment of financial assets

The Group follows the guidance FRS 39 in determining when a financial asset is other-than-temporarily impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, and the financial health of and near-term business outlook for the financial asset, including factors such as industry performance, changes in technology and operational and financing cash flow. Further details of the impairment of financial assets are given in Notes 17 and 19 to the financial statements.

(iii) Allowance for doubtful debts

The Group evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In those cases, the Group uses judgement, based on the best available facts and circumstances at the end of each reporting period, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on third party credit reports and known market factors, to record specific allowance against amount due from such customers to reduce its receivables to the amount the Group expects to collect. These specific allowances are re-evaluated and adjusted as additional information received affects the amounts of allowance for doubtful debts. The carrying amount of the Group's trade receivables after allowance for doubtful debts as at 30 April 2015 is \$78,861,000 (2014: \$74,601,000).

(iv) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

4. Revenue

	Group	
	2015	2014
	\$'000	\$'000
Tyres and wheels:		
- Wholesale and distribution	238,780	231,271
- Retail and fleet	53,735	59,344
	292,515	290,615
	292,515	290,615

5. Other revenue

	Group	
	2015	2014
	\$'000	\$'000
Interest income from bank deposits	131	137
Sundry income	777	2,532
	908	2,669
	908	2,669

6. Cost of goods sold

	Group	
	2015	2014
	\$'000	\$'000
Inventories recognised as an expense in cost of goods sold	220,041	217,598
	220,041	217,598

7. Salaries and employee benefits

	Group	
	2015	2014
	\$'000	\$'000
Employee benefits expenses (including executive directors):		
Salaries, wages and bonuses	22,944	21,590
Contributions to defined contribution plans	1,162	1,125
Others	4,042	3,544
	28,148	26,259
	28,148	26,259
Employee benefits are included in the following line items in profit or loss:		
- Cost of goods sold	4,109	3,308
- Salaries and employee benefits	24,039	22,951
	28,148	26,259
	28,148	26,259

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

7. Salaries and employee benefits (cont'd)

Employee share option plans

The Group has granted share options to eligible employees under its STC Share Option Scheme 2001 that was approved by the members of the Company at an Extraordinary General Meeting held on 22 June 2001 (the "Scheme"). No share options were granted to employees during 2015 and 2014.

The Scheme is open to full-time confirmed employees, executive and non-executive directors, but not controlling shareholders or their associates of the Company, and entitles the option holders to exercise their options and subscribe for new ordinary shares in the Company either at the market price or at a price set at a discount not exceeding 20% of the market price. Market price is equal to the average last dealt price of the share for 3 consecutive trading days immediately preceding the offer date. Options granted with the exercise price set at market price may be exercised after the third anniversary of the offer date. Executive options granted under the Scheme are exercisable for a period of 10 years whereas non-executive options are exercisable for a period of 5 years. The share options under the Scheme are exercisable after a vesting period of 3 years. Share options outstanding as at 30 April 2015 will expire on 16 August 2015.

The total number of shares in respect of which options may be offered on any offering date, when added to the number of shares issued or issuable in respect of option under this Scheme shall not exceed 15% of the issued share capital of the Company on the day preceding that offering date.

Information with respect to the total number of outstanding options granted under the Scheme is as follows:

	Group			
	2015		2014	
	Number of options	Weighted average exercise price in the financial year (\$)	Number of options	Weighted average exercise price in the financial year (\$)
Outstanding at beginning of year	780,000	0.430	805,000	0.430
Forfeited during the year	(30,000)	0.430	(25,000)	0.430
Exercised during the year	-	0.430	-	0.430
Outstanding at end of year	<u>750,000</u>	<u>0.430</u>	<u>780,000</u>	<u>0.430</u>
Exercisable at end of year	<u>750,000</u>	<u>0.430</u>	<u>780,000</u>	<u>0.430</u>

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

7. Salaries and employee benefits (cont'd)

Employee share option plans (cont'd)

No share option expense was recorded in 2015 and 2014 as the share options were vested in prior years. The fair value of share options as at date of grant was estimated by an external valuer using the binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of options granted was \$0.31 per option. The inputs to the model used are shown below:

Date of option granted	23 June 2001
Dividend yield (%)	4.000
Expected volatility (%)	107.750
Historical volatility (%)	107.750
Risk free interest rate (%)	2.820
Expected life of option (years)	10.000
Weighted average share price (\$)	<u>0.486</u>

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of option grant were incorporated into the measurement at fair value.

8. Finance costs

	Group	
	2015 \$'000	2014 \$'000
Interest expense on:		
- Bank overdrafts, trust receipts and hire-purchase liabilities	3,532	2,293
- Bank loans	1,406	2,016
	<u>4,938</u>	<u>4,309</u>

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

9. Profit before taxation

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

	Group	
	2015	2014
	\$'000	\$'000
Depreciation of property, plant and equipment (inclusive of charges included in costs of goods sold)	9,033	7,389
Foreign exchange loss	2,368	3,509
(Write-back of)/allowance for inventory obsolescence	(138)	1,443
Fair value (gain)/loss on other financial instruments	(440)	177
Gain on disposal of property, plant and equipment	(124)	(5,644)
Property, plant and equipment written-off	94	2
Bad debts written-off directly to profit or loss	125	54
Allowance for doubtful trade receivables	1,358	2,696
Compensation received in respect of exit from China	-	(1,551)
Audit fees:		
- Auditors of the Company	470	456
- Other auditors	150	182

There are no non-audit fees paid to the auditors of the Company during the financial year.

10. Taxation

Major components of income tax expense

The major components of income tax expense for the years ended 30 April 2015 and 2014 are:

	Note	Group	
		2015	2014
		\$'000	\$'000
Income statement			
Current income taxation			
- Current year		2,031	2,464
- (Over)/under-provision of tax in respect of prior years		(483)	47
		1,548	2,511
Deferred income taxation	28		
- Origination of temporary differences		(34)	220
- Write-back of deferred tax liabilities relating to plant and equipment		-	(2,174)
		(34)	(1,954)
Withholding taxation		263	-
Income tax expenses recognised in profit or loss		1,777	557

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

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 2015 and 2014 are as follows:

	Group	
	2015	2014
	\$'000	\$'000
Profit before taxation	3,480	10,573
Less: Share of results of joint ventures*	(89)	718
	3,391	11,291
Taxation at statutory tax rate of 17% (2014: 17%)	576	1,919
Adjustments:		
- Expenses not deductible for income tax purposes	631	123
- Effects of different tax rates in other countries	(114)	93
- Deferred tax assets not recognised in the current year	972	654
- Partial tax exemption and tax relief	(52)	(52)
- Write-back of deferred tax liabilities in relation to plant and equipment	-	(2,174)
- Withholding tax	263	-
- Others	(16)	(53)
- (Over)/under-provision of tax in respect of prior years	(483)	47
Taxation	1,777	557

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

As at 30 April 2015, the Group, primarily through its subsidiary companies, has unutilised tax losses of approximately \$22,021,000 (2014: \$16,821,000) 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 \$4,257,000 (2014: \$3,286,000) which would expire in between 2016 and 2023 (2014: between 2015 and 2022), there is no time limit imposed on the utilisation of the remaining tax losses. The potential tax benefit of approximately \$6,331,000 (2014: \$4,957,000) 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 year ended 30 April 2015
(In Singapore Dollars)

11. Earnings per share

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share ("EPS") for the years ended 30 April:

	Group	
	2015	2014
	\$'000	\$'000
Group earnings used for the calculation of EPS:		
Profit net of tax attributable to equity holders of the Company used in the computation of basic earnings per share	1,703	10,016
	'000	'000
Number of shares used for the calculation of basic and diluted EPS:		
Weighted average number of ordinary shares in issue used for the calculation of basic EPS	235,586	235,586

Basic EPS is calculated on the Group's profit for the financial year attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

Diluted EPS is calculated on the same basis as basic EPS as there are no dilutive potential ordinary shares as at 30 April 2015 and 2014.

750,000 (2014: 780,000) outstanding share options granted to employees under the share option plans have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the current and previous financial period presented.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

12. Property, plant and equipment

Group	Freehold	Freehold	Leasehold	Leasehold	Plant and	Motor	Construction-	Total
	land	building	land and	improvements	equipment	vehicles	in-progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:								
At 1 May 2013	4,893	566	29,837	8,325	72,626	6,083	3,397	125,727
Foreign currency translation adjustment	(342)	-	(558)	(324)	(3,708)	(337)	(3)	(5,272)
Additions	-	-	260	943	4,182	1,277	17,283	23,945
Disposals/write-off	-	-	(1,300)	(58)	(962)	(407)	-	(2,727)
Reclassification	-	-	20,560	(179)	296	-	(20,677)	-
At 30 April 2014 and 1 May 2014	4,551	566	48,799	8,707	72,434	6,616	-	141,673
Foreign currency translation adjustment	63	-	(17)	45	1,242	(115)	-	1,218
Additions	-	-	2,306	1,052	6,067	598	-	10,023
Disposals/write-off	-	-	-	(220)	(599)	(728)	-	(1,547)
At 30 April 2015	4,614	566	51,088	9,584	79,144	6,371	-	151,367
Accumulated depreciation and impairment:								
At 1 May 2013	-	283	10,438	5,804	53,721	4,030	-	74,276
Foreign currency translation adjustment	-	-	(258)	(189)	(2,573)	(200)	-	(3,220)
Charge for the financial year	-	-	860	567	5,197	765	-	7,389
Write-back of impairment loss	-	-	(8)	-	-	-	-	(8)
Disposals/write-off	-	-	(578)	(58)	(909)	(325)	-	(1,870)
Reclassification	-	-	-	(127)	127	-	-	-
At 30 April 2014 and 1 May 2014	-	283	10,454	5,997	55,563	4,270	-	76,567
Foreign currency translation adjustment	-	-	62	61	951	(61)	-	1,013
Charge for the financial year	-	-	1,921	536	5,752	824	-	9,033
Write-back of impairment loss	-	-	(8)	-	-	-	-	(8)
Disposals/write-off	-	-	-	(107)	(586)	(669)	-	(1,362)
At 30 April 2015	-	283	12,429	6,487	61,680	4,364	-	85,243
Net book value:								
At 30 April 2015	4,614	283	38,659	3,097	17,464	2,007	-	66,124
At 30 April 2014	4,551	283	38,345	2,710	16,871	2,346	-	65,106

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

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

Depreciation charge included in cost of goods sold

Depreciation charge amounting to \$3,860,000 (2014: \$3,490,000) 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 \$49,468,000 as at 30 April 2015 (2014: \$50,482,000) are subject to legal mortgages and floating charges referred to in Notes 22, 24 and 27.

Assets held under hire-purchase

Additions to plant and equipment for the financial year includes \$3,017,000 (2014: \$989,000) acquired under hire-purchase agreements. The carrying amount of plant and equipment acquired under hire-purchase agreements amounted to \$4,730,000 as at 30 April 2015 (2014: \$2,141,000). These assets are pledged as security for the related hire-purchase liabilities.

13. Investment in subsidiaries

		Company	
	Note	2015	2014
		\$'000	\$'000
Cost of investment			
Unquoted equity shares, at cost	40	78,122	73,132
Less: Impairment loss		(31,682)	(17,002)
		46,440	56,130

Movement in impairment loss accounts:

	Company	
	2015	2014
	\$'000	\$'000
At 1 May	17,002	15,126
Charge for the financial year	14,680	1,876
At 30 April	31,682	17,002

Amounts due from/(to) subsidiary companies

Loan to a subsidiary company (unsecured)	13,767	13,767
Amounts due from subsidiary companies (non-trade)	4,217	4,108
	17,984	17,875
Less: Allowance for doubtful non-trade receivables from subsidiary companies	(3,499)	(3,365)
Amounts due from subsidiary companies	14,485	14,510
Amounts due to subsidiary companies (non-trade)	(11,362)	(5,881)

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

13. Investment in subsidiaries (cont'd)

Movement in allowance for doubtful non-trade receivables accounts:

	Company	
	2015 \$'000	2014 \$'000
At 1 May	3,365	5,157
Allowance/(write-back of) the financial year	134	(1,792)
At 30 April	<u>3,499</u>	<u>3,365</u>

For the year ended 30 April 2015, an impairment loss of \$134,000 (2014: write-back of impairment loss of \$1,792,000) was recognised in profit or loss of the Company subsequent to a debt recovery assessment performed on amounts due from subsidiary companies as at 30 April 2015 and 2014, respectively.

The loan to a subsidiary company is unsecured, bears fixed interest at 2.89% (2014: 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 twelve 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 27).

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

14. Joint venture companies

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Tyre Pacific (HK) Limited	13,729	13,640	1,571	1,571
Falken Tyre India Private Limited	2,168	2,471	4,996	4,996
	<u>15,897</u>	<u>16,111</u>	<u>6,567</u>	<u>6,567</u>

Movement in investment in joint ventures during the year:

	Group	
	2015 \$'000	2014 \$'000
Balance at beginning of the year	16,111	17,533
Share of total comprehensive income	89	(718)
Dividends received	(670)	(163)
Exchange and other adjustments	367	(541)
Balance at end of the year	<u>15,897</u>	<u>16,111</u>

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

14. Joint venture companies (cont'd)

Analysis of total comprehensive income

Profit or loss after tax from continuing operations

	Group	
	2015 \$'000	2014 \$'000
Tyre Pacific (HK) Limited	401	1,190
Falken Tyre India Private Limited	(312)	(1,908)
Total comprehensive income	89	(718)

	Tyre Pacific (HK) Limited		Falken Tyre India Private Limited	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Summarised balance sheet</u>				
Cash and cash equivalents	12,826	13,822	263	1,145
Other current assets	23,636	26,043	8,945	7,935
Total current assets	36,462	39,865	9,208	9,080
Non-current assets	8,536	8,051	1,170	1,898
Total assets	44,998	47,916	10,378	10,978
Current financial liabilities (excluding trade, other payables and provisions)	5,178	3,280	-	-
Other current liabilities	12,362	17,356	3,541	3,900
Total current liabilities	17,540	20,636	3,541	3,900
Other non-current liabilities	-	-	1,418	900
Total non-current liabilities	-	-	1,418	900
Total liabilities	17,540	20,636	4,959	4,800
Net assets	27,458	27,280	5,419	6,178

Summarised statement of comprehensive income

Revenue	46,382	48,136	26,290	12,290
Cost of goods sold	(36,655)	(38,618)	(18,583)	(8,005)
Depreciation and amortisation	(337)	(321)	(758)	(1,215)
Interest expense	(479)	(544)	(143)	(50)
Other expenditure	(7,259)	(5,290)	(7,586)	(7,789)
Profit/(loss) before tax	1,652	3,363	(780)	(4,769)
Income tax expense	(850)	(984)	-	-
Total comprehensive income	802	2,379	(780)	(4,769)

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

14. Joint venture companies (cont'd)

A reconciliation of the summarised financial information to the carrying amounts of Tyre Pacific (HK) Limited and Falken Tyre India Private Limited is as follows:

	Group	
	2015 \$'000	2014 \$'000
<i>Tyre Pacific (HK) Limited</i>		
Group share of 50% of net assets	13,729	13,640
<i>Falken Tyre India Private Limited</i>		
Group share of 40% of net assets	2,168	2,471

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

15. Associated company

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Unquoted equity shares, at cost	72	72	72	72
Share of post-acquisition reserves	341	341	-	-
Foreign currency translation adjustment	(180)	(180)	-	-
	233	233	72	72
Less: Impairment loss	-	-	(72)	(72)
	233	233	-	-

The summarised financial information of the associated company, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2015 \$'000	2014 \$'000
<i>Assets and liabilities:</i>		
Total assets	467	452
Total liabilities	(2)	(2)
Net assets	465	450

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

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

16. Inventories

	Group	
	2015 \$'000	2014 \$'000
Inventories for sale	92,813	93,779
Raw materials	8,482	6,030
Work-in-progress - aluminium alloy wheels	2,452	2,766
Total inventories at lower of cost and net realisable value	<u>103,747</u>	<u>102,575</u>
Inventories for sale are stated after deducting allowance for obsolescence of	<u>11,323</u>	<u>11,648</u>

17. Trade receivables

	Group	
	2015 \$'000	2014 \$'000
External parties	86,726	81,209
Less: Allowance for doubtful trade receivables	<u>(7,865)</u>	<u>(6,608)</u>
	<u>78,861</u>	<u>74,601</u>
Bad debts written-off directly to profit or loss	<u>125</u>	<u>54</u>

Trade receivables are denominated in the following currencies:

	Group	
	2015 \$'000	2014 \$'000
Ringgit Malaysia	28,477	25,988
United States Dollars	12,670	12,687
Singapore Dollars	10,767	12,904
Thai Baht	9,709	8,658
South African Rand	6,147	5,285
Indonesian Rupiah	5,484	4,123
Australian Dollars	3,250	3,685
Hong Kong Dollars	726	423
Others	<u>1,631</u>	<u>848</u>
	<u>78,861</u>	<u>74,601</u>

Trade receivables are non-interest bearing and 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 \$237,000 (2014: \$827,000) 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 year ended 30 April 2015

(In Singapore Dollars)

17. Trade receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$26,853,000 (2014: \$21,073,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of each reporting period is as follows:

	Group	
	2015	2014
	\$'000	\$'000
Trade receivables past due:		
Lesser than 30 days	6,456	7,607
30 - 60 days	6,127	3,431
61 - 90 days	2,812	1,011
91 - 120 days	1,666	788
More than 120 days	9,792	8,236
	<u>26,853</u>	<u>21,073</u>

Receivables that are impaired

The Group's trade receivables that are impaired at the end of each reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2015	2014
	\$'000	\$'000
Trade receivables - nominal amounts	7,865	6,608
Less: Allowance for doubtful trade receivables	<u>(7,865)</u>	<u>(6,608)</u>
	<u>-</u>	<u>-</u>

Movement in allowance accounts:

At 1 May	6,608	7,194
Charge for the year	1,358	2,696
Written-off against allowance	(49)	(2,681)
Foreign currency translation adjustment	(52)	(601)
At 30 April	<u>7,865</u>	<u>6,608</u>

For the year ended 30 April 2015, an impairment loss of \$1,358,000 (2014: \$2,696,000) was recognised in profit or loss subsequent to a debt recovery assessment performed on trade receivables as at 30 April 2015.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

18. Derivatives

Note	Group				
	2015		2014		
	Fair value		Fair value		
	Assets	Liabilities	Assets	Liabilities	
	\$'000	\$'000	\$'000	\$'000	
Non-hedging instrument					
- Forward currency contracts	(a)	188	(51)	-	(207)
- Interest rate swap	(b)	41	(3)	-	(58)
		<u>229</u>	<u>(54)</u>	<u>-</u>	<u>(265)</u>

Note	Company				
	2015		2014		
	Fair value		Fair value		
	Assets	Liabilities	Assets	Liabilities	
	\$'000	\$'000	\$'000	\$'000	
Non-hedging instrument					
- Forward currency contracts	(a)	-	(3)	-	(79)

(a) *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:

	Group	
	contractual/notional amounts	
	2015	2014
	\$'000	\$'000
To sell Singapore Dollars for:		
- United States Dollars	3,322	1,979
- Euro	129	-
	<u>3,451</u>	<u>1,979</u>
To sell South African Rand for		
- Singapore Dollars	-	3,325
- United States Dollars	757	70
	<u>757</u>	<u>3,395</u>
To sell Thai Baht for United States Dollars	<u>256</u>	<u>514</u>

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

18. Derivatives (cont'd)

(a) Foreign exchange forward contracts (cont'd)

	Group contractual/notional amounts	
	2015 \$'000	2014 \$'000
To buy Singapore Dollars for:		
- South African Rand	8,410	4,721
- United States Dollars	5,322	6,974
- Australian Dollars	2,937	1,844
- Euro	506	-
	<u>17,175</u>	<u>13,539</u>
To buy Thai Baht for United States Dollars	<u>4,750</u>	<u>3,542</u>
	Company contractual/notional amounts	
	2015 \$'000	2014 \$'000
To buy Singapore Dollars for Australian Dollars	<u>2,419</u>	<u>4,382</u>

(b) Interest rate swap

A subsidiary company entered into an interest rate swap of \$12 million in 2012 to manage its exposure to interest rate fluctuation. The interest rate swap pays floating rate interest equal to 3-month Swaps Offer Rate ("SOR") and receives a fixed rate of interest of 0.90%. The interest rate swap matures on 15 May 2015. The subsidiary company also entered into another interest rate swap of \$10 million in 2014 to manage its exposure to interest rate fluctuation. The interest rate swap pays floating rate interest equal to 1-month Swap Offer Rate ("SOR") and receives a fixed rate of interest of 0.99%. The interest rate swap matures on 6 June 2017.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

19. Other receivables

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assets				
Amounts due from:				
- Joint venture company	-	-	55	53
- Shareholders of subsidiary companies	-	-	244	243
Sundry receivables	2,487	3,140	1	1
Deposits to suppliers	794	1,005	-	-
Staff loans	90	107	-	-
	<u>3,371</u>	<u>4,252</u>	<u>300</u>	<u>297</u>
Less: Allowance for doubtful receivables	(211)	(211)	(209)	(209)
	<u><u>3,160</u></u>	<u><u>4,041</u></u>	<u><u>91</u></u>	<u><u>88</u></u>
Non-financial assets				
<i>Prepayments and advances</i>				
Prepaid operating expenses	837	753	19	19
Advance payment for purchases	3,526	1,844	-	-
	<u>4,363</u>	<u>2,597</u>	<u>19</u>	<u>19</u>
Movement in allowance accounts:				
At 1 May	211	211	209	209
Written-off	-	-	-	-
At 30 April	<u>211</u>	<u>211</u>	<u>209</u>	<u>209</u>

The non-trade amounts due from the joint venture company and shareholders of subsidiary companies are unsecured, interest-free and are repayable on demand. The amounts are to be settled in cash.

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% (2014: 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 year ended 30 April 2015

(In Singapore Dollars)

20 Cash and cash equivalents

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash at bank and on hand	15,850	18,637	357	1,714

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Singapore Dollars	4,408	6,090	350	1,708
South African Rand	3,394	3,017	-	-
Ringgit Malaysia	1,702	4,003	-	-
Hong Kong Dollars	1,618	1,254	-	-
United States Dollars	950	1,029	7	6
Indonesian Rupiah	939	984	-	-
Thai Baht	916	1,314	-	-
Others	1,923	946	-	-
	<u>15,850</u>	<u>18,637</u>	<u>357</u>	<u>1,714</u>

Cash at bank earns interest at floating rates based on daily bank deposits rates ranging from 0.01% to 4.00% (2014: 0.05% to 3.00%) per annum.

21. Trade payables

Trade payables are denominated in the following currencies:

	Group	
	2015 \$'000	2014 \$'000
United States Dollars	5,410	5,877
Ringgit Malaysia	3,844	6,345
Singapore Dollars	2,468	3,037
South African Rand	1,577	1,543
Australian Dollars	1,346	2,330
Thai Baht	1,050	1,602
Indonesian Rupiah	768	791
Others	781	794
	<u>17,244</u>	<u>22,319</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 year ended 30 April 2015

(In Singapore Dollars)

22. Trust receipts (secured)

Trust receipts have maturity dates of up to 6 (2014: 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 1.29% to 12.75% (2014: 1.28% to 12.75%) per annum. The weighted average interest rate of the Group's trust receipts is 3.89% (2014: 3.87%).

Trust receipts are denominated in the following currencies:

	Group	
	2015 \$'000	2014 \$'000
Ringgit Malaysia	21,630	15,331
Thai Baht	14,856	10,801
United States Dollars	13,679	11,696
Singapore Dollars	11,790	13,221
Indonesian Rupiah	4,465	2,245
Australian Dollars	2,687	2,641
South African Rand	1,534	5,560
Hong Kong Dollars	-	311
	70,641	61,806

23. Other payables

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial liabilities				
Amounts due to associated company	89	89	89	89
Payroll and staff related expenses	4,009	4,405	-	-
Sundry payables	8,489	6,026	107	11
Accrued operating expenses	5,662	10,232	416	419
	18,249	20,752	612	519

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 year ended 30 April 2015

(In Singapore Dollars)

24. Loans (secured)

	Note	Group	
		2015	2014
		\$'000	\$'000
Short-term loans (revolving credit facilities)		16,957	7,037
Long-term loans - current portion	27	5,239	6,759
		<u>22,196</u>	<u>13,796</u>

The short-term loans are secured by negative pledge over the assets of certain subsidiary companies, excluding their hire-purchase assets, and corporate guarantees from the Company. The short-term loans bear interest at rates ranging from 2.03% to 7.00% (2014: 1.00% to 12.75%) per annum. The weighted average interest rate of the Group's short-term loans is 3.72% (2014: 4.49%).

Short-term loans are denominated in the following currencies:

	Group			
	Effective interest rate		2015	2014
	2015	2014		
	%	%		
Thai Baht loans	4.21	4.64	3,677	3,841
Ringgit Malaysia loans	3.21	4.14	4,237	3,196
Singapore Dollar loans	2.62	-	8,000	-
Vietnamese Dong loans	0.77	-	1,043	-
Total			<u>16,957</u>	<u>7,037</u>

25. 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
	2015	2015	2014	2014
	\$'000	\$'000	\$'000	\$'000
Within one year	1,227	1,169	859	775
After one year but not more than five years	2,164	2,111	886	805
Total minimum hire-purchase payments	<u>3,391</u>	<u>3,280</u>	<u>1,745</u>	<u>1,580</u>
Less: Amounts representing finance charges	(111)	-	(165)	-
Present value of minimum hire-purchase payments	<u>3,280</u>	<u>3,280</u>	<u>1,580</u>	<u>1,580</u>

Effective interest rates on the hire-purchase arrangements range from 1.72% to 9.84% (2014: 2.52% to 9.66%) per annum.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

26. Provisions

	Group	
	2015 \$'000	2014 \$'000
Current liabilities:		
Provision for product warranties		
Balance at beginning	520	506
Provision for the year	448	187
Provision utilised during the year	(418)	(173)
Balance at 30 April	550	520

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.

	Group	
	2015 \$'000	2014 \$'000
Non-current liabilities:		
Provision for reinstatement cost		
Balance at beginning	640	381
Provision for the year	42	259
Balance at 30 April	682	640

Provision for reinstatement cost refers to the estimated cost of dismantling, removing and restoring the leasehold properties at the end of the lease term.

27. Long-term loans (secured)

	Group			
	Effective interest rate		2015 \$'000	2014 \$'000
	2015 %	2014 %		
Current (Note 24)				
Singapore Dollar loans	3.18	2.88	4,208	4,589
Thai Baht loans	6.92	7.15	502	1,143
Ringgit Malaysia loan	5.00	4.63	329	333
Indonesian Rupiah loan	6.86	12.93	133	91
British Pound loan	1.49	1.51	67	68
United States Dollar loan	-	1.78	-	535
Total			5,239	6,759
Non-current				
Singapore Dollar loans	3.18	2.88	31,291	35,109
Ringgit Malaysia loan	5.00	4.63	2,628	3,048
Indonesian Rupiah loan	6.86	12.93	350	393
Thai Baht loans	6.92	7.15	347	397
British Pound loan	1.49	1.51	92	164
Total			34,708	39,111

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

27. 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 Singapore dollar loans as at 30 April 2015 is one loan (2014: one loan) with current and non-current portions amounting to \$2,400,000 (2014: \$2,400,000) and \$15,000,000 (2014: \$17,400,000), respectively, where the subsidiary company shall not repay the loan from the Company amounting to \$13,767,000 (2014: \$13,767,000) (Note 13) until these loans are repaid.

28. Deferred taxation

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At beginning of financial year		(1,888)	(94)	108	108
Foreign currency translation adjustment		27	160	-	-
(Provision)/write-back for the financial year	10	(34)	220	-	-
Write-back of deferred tax liabilities relating to plant and equipment	10	-	(2,174)	-	-
Under-provision of deferred tax in respect of prior years	10	-	-	-	-
At 30 April		<u>(1,895)</u>	<u>(1,888)</u>	<u>108</u>	<u>108</u>
Represented by:					
- Deferred tax assets		<u>(2,647)</u>	<u>(2,559)</u>	<u>-</u>	<u>-</u>
- Deferred tax liabilities		<u>752</u>	<u>671</u>	<u>108</u>	<u>108</u>

The deferred tax assets and liabilities arise from the following temporary differences:

Group

2015

	Property, plant and equipment \$'000	Receivables \$'000	Inventories \$'000	Unremitted foreign sourced income \$'000	Provision, accruals and others \$'000	Total \$'000
At beginning of the financial year	754	(686)	(1,937)	108	(127)	(1,888)
Movement for the year	64	(314)	245	-	(29)	(34)
Foreign currency translation adjustment	(5)	10	28	-	(6)	27
At the end of the financial year	<u>813</u>	<u>(990)</u>	<u>(1,664)</u>	<u>108</u>	<u>(162)</u>	<u>(1,895)</u>

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

28. Deferred taxation (cont'd)

Group

2014

	Property, plant and equipment	Receivables	Inventories	Unremitted foreign sourced income	Provision, accruals and others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At beginning of the financial year	2,395	(1,005)	(1,658)	108	66	(94)
Movement for the year	(1,718)	207	(201)	-	(242)	(1,954)
Foreign currency translation adjustment	77	112	(78)	-	49	160
At the end of the financial year	<u>754</u>	<u>(686)</u>	<u>(1,937)</u>	<u>108</u>	<u>(127)</u>	<u>(1,888)</u>

The deferred tax liabilities of the Company relate to unremitted foreign sourced income.

29. Share capital

	Group and Company			
	Number of shares 2015	Share capital 2015	Number of shares 2014	Share capital 2014
	'000	\$'000	'000	\$'000
Issued and fully paid:				
At beginning and end of financial year	<u>235,586</u>	<u>35,722</u>	<u>235,586</u>	<u>35,722</u>

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.

Unissued shares under share options as at 30 April 2015 comprise 750,000 (2014: 780,000) options entitling holders to subscribe at any time during the exercise period for the same number of ordinary shares in the Company at the exercise price of \$0.43 (2014: \$0.43) per share. The details of the share options are discussed in Note 7.

The holders of the share options have no right to participate by virtue of these options in any share issue of any other company in the Group.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

30. 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) Employee share option reserve

Employee share option reserve represents the fair value of equity-settled share options granted to employees (Note 7). The reserve is made up of the accumulated value of services received from employees recorded on grant of equity-settled share options.

(c) Revenue reserve

This represents the accumulated profits less distributions made to the shareholders of the Company.

(d) 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.

(e) 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.

31. Dividend

	Group and Company	
	2015	2014
	\$'000	\$'000
Final exempt (one-tier) dividend of 1.5 cent (2014: 1.5 cent), per share in respect of the previous financial year	3,534	3,534
Dividend declared and paid during the year	<u>3,534</u>	<u>3,534</u>

The directors have proposed a final exempt (one-tier) dividend of 1.0 cent (2014: 1.5 cent) per share amounting to approximately \$2,356,000 (2014: \$3,534,000) to be paid in respect of the financial year ended 30 April 2015. 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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

32. Commitments

(i) Operating lease commitments – as lessee

The Group leases office premises, warehousing facilities and retail outlets under operating leases. The leases typically run for an initial period of 2 to 30 years, with an option to renew the leases after that date. Lease rentals are usually adjusted during the renewals to reflect market rentals. There were no restrictions placed upon the Group by entering into these leases.

As at financial year end, commitments for minimum rental payments under non-cancellable leases with a term of more than one year are as follows:

	Group	
	2015 \$'000	2014 \$'000
Within one year	5,154	4,030
Within two to five years	4,977	7,368
After five years	8,447	9,051
	18,578	20,449

(ii) Capital commitments

	Group	
	2015 \$'000	2014 \$'000
Commitments in respect of contracts placed for the purchase/ construction of property, plant and equipment	9,789	2,393

33. Contingencies

	Company	
	2015 \$'000	2014 \$'000
Corporate guarantees		
Guarantees issued for bank facilities granted to subsidiary companies	127,545	114,713

The above corporate guarantees indicate amounts utilised by subsidiary companies as at the end of each reporting period.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

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:

	Group	
	2015	2014
	\$'000	\$'000
Income from services rendered to a joint venture company	335	325
Management fee paid to other shareholder of a joint venture company	(84)	(107)
Rental expenses paid to a company with common director	(68)	-
	335	218

(b) Compensation of key management personnel

Salaries, bonus and other benefits-in-kind	3,112	3,255
Directors' fees	377	377
Contribution to defined contribution plan	63	67
Total	3,552	3,699
Comprises amounts paid/payable to:		
- Directors of the Company	1,986	2,085
- Directors of subsidiary companies	355	553
- Other key management personnel	1,211	1,061
	3,552	3,699

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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

35. Financial risk management objectives and policies (cont'd)

(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 Dollars, 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.

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 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, in particular, interest rates, remained constant. The analysis is performed on the same basis for the financial year ended 30 April 2014.

		(Decrease)/increase	
		Profit net of tax	
		2015	2014
		\$'000	\$'000
USD	- strengthened by 5% against SGD (2014: 5%)	(274)	(220)
	- weakened by 5% against SGD (2014: 5%)	274	220
ZAR	- strengthened by 5% against SGD (2014: 5%)	20	165
	- weakened by 5% against SGD (2014: 5%)	(20)	(165)
MYR	- strengthened by 5% against SGD (2014: 5%)	234	165
	- weakened by 5% against SGD (2014: 5%)	<u>(234)</u>	<u>(165)</u>

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

35. Financial risk management objectives and policies (cont'd)

(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/or results. The primary source of the Group's interest rate risk is its borrowings from banks and other financial institutions primarily in Singapore, Malaysia 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 22, 24, 25 and 27. At the end of the reporting period, approximately 10% (2014: 2%) 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.

Group	Within 1 year	Within 1-2 years	Within 2-3 years	Within 3-4 years	Within 4-5 years	More than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015							
Fixed rate							
Derivatives assets	41	-	-	-	-	-	41
Derivatives liabilities	3						3
Obligations under hire-purchase	1,115	844	560	553	13	-	3,085
Bank loans	9,136	92	92	92	72	-	9,484
Floating rate							
Obligations under hire-purchase	54	24	16	101	-	-	195
Trust receipts	70,641	-	-	-	-	-	70,641
Bank loans	13,060	4,632	14,795	2,177	2,142	10,614	47,420
2014							
Fixed rate							
Derivatives liabilities	58	-	-	-	-	-	58
Obligations under hire-purchase	681	372	119	86	78	-	1,336
Bank loans	91	111	111	111	60	-	484
Floating rate							
Obligations under hire-purchase	94	82	41	27	-	-	244
Trust receipts	61,806	-	-	-	-	-	61,806
Bank loans	13,705	4,933	4,511	14,703	2,130	12,441	52,423

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

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 after tax.

	Increase/ (decrease) in basis points	Decrease/ (increase) effect on profit net of tax \$'000
2015		
- Singapore Dollars	50	248
- Ringgit Malaysia	50	127
- United States Dollars	50	68
- Thai Baht	50	79
- Singapore Dollars	(50)	(248)
- Ringgit Malaysia	(50)	(127)
- United States Dollars	(50)	(68)
- Thai Baht	(50)	(79)
	<u>(50)</u>	<u>(79)</u>
2014		
- Singapore Dollars	50	266
- Ringgit Malaysia	50	98
- United States Dollars	50	61
- Thai Baht	50	61
- Singapore Dollars	(50)	(266)
- Ringgit Malaysia	(50)	(98)
- United States Dollars	(50)	(61)
- Thai Baht	(50)	(61)
	<u>(50)</u>	<u>(61)</u>

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

35. Financial risk management objectives and policies (cont'd)

(c) Credit risk

Credit risk is the risk that entities and individuals will be unable to meet their obligations to the Group resulting in financial loss to the Group. It is the Group's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales of products and services are rendered to customers with appropriate credit history and has internal mechanisms to monitor the granting of credit and management of credit exposures. The Group has made allowances for potential losses on credits extended.

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values; and
- Nominal amounts of \$127,545,000 (2014: \$114,713,000) relating to corporate guarantees provided by the Company to banks for subsidiaries' bank facilities.

Surplus funds are placed with reputable financial institutions.

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:

	2015		2014	
	\$'000	% of total	\$'000	% of total
Group				
By country:				
Malaysia	30,878	39.15	28,412	38.09
Indonesia	10,092	12.80	5,167	6.93
Singapore	10,056	12.75	11,427	15.32
Thailand	9,709	12.31	8,658	11.61
South Africa	6,147	7.79	5,285	7.08
Australia	3,250	4.12	3,685	4.94
Others	8,729	11.08	11,967	16.03
	<u>78,861</u>	<u>100.00</u>	<u>74,601</u>	<u>100.00</u>

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 17 and 19.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

35. Financial risk management objectives and policies (cont'd)

(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 22, 24, 25 and 27.

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.

	1 year or less \$'000	2 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2015				
Group				
Financial assets				
Trade and other receivables	82,021	-	-	82,021
Derivatives	229	-	-	229
Cash and cash equivalents	15,850	-	-	15,850
Total undiscounted financial assets	98,100	-	-	98,100
Financial liabilities				
Trade payables, trust receipts and other payables	106,134	-	-	106,134
Derivatives	54	-	-	54
Hire-purchase liabilities	1,227	2,164	-	3,391
Loans and borrowings	22,898	24,911	10,974	58,783
Total undiscounted financial liabilities	130,313	27,075	10,974	168,362
Total net undiscounted financial liabilities	(32,213)	(27,075)	(10,974)	(70,262)

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

35. Financial risk management objectives and policies (cont'd)

(d) Liquidity risk (cont'd)

	1 year or less \$'000	2 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2015				
Company				
Financial assets				
Other receivables	91	-	-	91
Cash and cash equivalents	357	-	-	357
Total undiscounted financial assets	448	-	-	448
Financial liabilities				
Other payables	612	-	-	612
Derivatives	3	-	-	3
Total undiscounted financial liabilities	615	-	-	615
Total net undiscounted financial liabilities	(167)	-	-	(167)
	1 year or less \$'000	2 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2014				
Group				
Financial assets				
Trade and other receivables	78,642	-	-	78,642
Cash and cash equivalents	18,637	-	-	18,637
Total undiscounted financial assets	97,279	-	-	97,279
Financial liabilities				
Trade payables, trust receipts and other payables	104,877	-	-	104,877
Derivatives	265	-	-	265
Hire-purchase liabilities	859	886	-	1,745
Loans and borrowings	14,356	27,520	12,825	54,701
Total undiscounted financial liabilities	120,357	28,406	12,825	161,588
Total net undiscounted financial liabilities	(23,078)	(28,406)	(12,825)	(64,309)

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

35. Financial risk management objectives and policies (cont'd)

(d) Liquidity risk (cont'd)

	1 year or less \$'000	2 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2014				
Company				
Financial assets				
Other receivables	88	-	-	88
Cash and cash equivalents	1,714	-	-	1,714
Total undiscounted financial assets	1,802	-	-	1,802
Financial liabilities				
Other payables	519	-	-	519
Derivatives	79	-	-	79
Total undiscounted financial liabilities	598	-	-	598
Total net undiscounted financial assets	1,204	-	-	1,204

36. Classification of financial instruments

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Loans and receivables				
Trade receivables	78,861	74,601	-	-
Other receivables	3,160	4,041	91	88
Cash and cash equivalents	15,850	18,637	357	1,714
Amounts due from subsidiary companies	-	-	15,485	14,510
	97,871	97,279	15,933	16,312
Financial liabilities measured at amortised cost				
Trade payables	17,244	22,319	-	-
Trust receipts (secured)	70,641	61,806	-	-
Other payables	18,249	20,752	612	519
Loans (secured)	56,904	52,907	-	-
Hire-purchase liabilities	3,280	1,580	-	-
Amounts due to subsidiary companies	-	-	12,362	5,881
	166,318	159,364	12,974	6,400
Fair value through profit or loss				
Forward currency contracts				
- Derivatives assets	188	-	-	-
- Derivatives liabilities	(51)	(207)	(3)	(79)
Interest rate swap				
- Derivatives assets	41	-	-	-
- Derivatives liabilities	(3)	(58)	-	-

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

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:

Group	Note	Quoted prices	Significant	Significant
		in active markets for identical instruments (Level 1) \$'000	other observable inputs (Level 2) \$'000	unobservable inputs (Level 3) \$'000
2015				
Financial assets				
Forward currency contracts	18	-	188	-
Interest rate swap	18	-	41	-
Financial liabilities				
Forward currency contracts	18	-	(51)	-
Interest rate swap	18	-	(3)	-
2014				
Financial liabilities				
Forward currency contracts	18	-	(207)	-
Interest rate swap	18	-	(58)	-
Company				
2015				
Financial liabilities				
Forward currency contracts	18	-	(3)	-
2014				
Financial liabilities				
Forward currency contracts	18	-	(79)	-

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
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37. Fair value of financial instruments (cont'd)

(a) Fair value of financial instruments that are carried at fair value (cont'd)

Fair value hierarchy

The Group classify 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)

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 approximates their carrying amounts, based on borrowing rates which would be available to 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.

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

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 2015 and 30 April 2014.

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 times. Bank borrowings include trust receipts, short-term and long-term loans.

	Group	
	2015 \$'000	2014 \$'000
Trust receipts	70,641	61,806
Loans (secured)	56,904	52,907
Bank borrowings	<u>127,545</u>	<u>114,713</u>
Equity attributable to the equity holders of the Company	121,034	122,498
Less: Statutory reserve fund	(424)	(424)
Distributable net assets	<u>120,610</u>	<u>122,074</u>
Gearing ratio (times)	<u>1.06</u>	<u>0.94</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 30, a subsidiary of the Group is required to maintain a five percent reserve at each distribution of dividends until the reserve reaches at least ten percent of the subsidiary's authorised capital. This externally imposed capital requirement has been complied with by the subsidiary for the financial years dated 30 April 2015 and 30 April 2014.

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

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

39. Segment information (cont'd)

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 respects, 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.

Transfer prices between operating segments are based on terms agreed between parties.

	South East Asia ^① \$'000	North Asia ^② \$'000	Africa \$'000	Others ^③ \$'000	Total of segments \$'000	Elimination \$'000	Consolidated \$'000
2015							
Revenue:							
External revenue	243,019	1,739	33,265	14,492	292,515	-	292,515
Inter-segment revenue	40,546	660	-	-	41,206	(41,206)	-
Other revenue:							
- Interest income	(11)	-	88	53	130	-	130
- Others	226	537	-	15	778	-	778
Total revenue	283,780	2,936	33,353	14,560	334,629	(41,206)	293,423
Finance costs	(5,085)	(5)	(147)	(142)	(5,379)	441	(4,938)
Segment result	4,934	258	(419)	(1,769)	3,004	441	3,445
Less: Unallocated expenses							(54)
Share of results of joint ventures	-	66	-	(312)	(246)	335	89
Profit before taxation							3,480
Taxation							(1,777)
Profit for the financial year							1,703
Other information							
Segment assets	234,278	4,516	23,502	10,038	272,334	-	272,334
Associated and joint venture companies	233	13,729	-	2,168	16,130	-	16,130
Unallocated assets	2,248	34	-	365	2,647	-	2,647
Total assets	236,759	18,279	23,502	12,571	291,111	-	291,111
Segment liabilities	157,353	591	4,164	5,496	167,604	-	167,604
Unallocated liabilities	2,473	-	-	-	2,473	-	2,473
Total liabilities	159,826	591	4,164	5,496	170,077	-	170,077

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

39. Segment information (cont'd)

	South East Asia ^① \$'000	North Asia ^② \$'000	Africa \$'000	Others ^③ \$'000	Total of segments \$'000	Elimination \$'000	Consolidated \$'000
2015							
<i>Other segment information</i>							
<i>Additions to non-current assets</i>							
- Property, plant and equipment	9,718	2	92	211	10,023	-	10,023
<i>Significant non-cash expenses:</i>							
Amortisation and depreciation	8,613	64	242	114	9,033	-	9,033
Allowance for/(write-back of) doubtful receivables	1,513	(348)	193	-	1,358	-	1,358
(Write-back of) /allowance for inventory obsolescence	277	(237)	(137)	(41)	(138)	-	(138)
Write-back of impairment on property, plant and equipment	(8)	-	-	-	(8)	-	(8)
Bad debts written-off directly to profit or loss/ (recovered)	2	129	(6)	-	125	-	125

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

39. Segment information (cont'd)

	South East Asia ^① \$'000	North Asia ^② \$'000	Africa \$'000	Others ^③ \$'000	Total of segments \$'000	Elimination \$'000	Consolidated \$'000
2014							
Revenue:							
External revenue	242,194	3,573	29,597	15,251	290,615	-	290,615
Inter-segment revenue	43,523	1,187	111	-	44,821	(44,821)	-
Other revenue:							
- Interest income	34	-	76	27	137	-	137
- Others	568	1,795	-	169	2,532	-	2,532
Total revenue	<u>286,319</u>	<u>6,555</u>	<u>29,784</u>	<u>15,447</u>	<u>338,105</u>	<u>(44,821)</u>	<u>293,284</u>
Finance costs	(4,267)	(83)	(488)	(147)	(4,985)	676	(4,309)
Segment result	<u>12,756</u>	<u>290</u>	<u>(944)</u>	<u>(1,414)</u>	<u>10,688</u>	<u>676</u>	<u>11,364</u>
Less: Unallocated expenses							(73)
Share of results of joint ventures							<u>(718)</u>
Profit before taxation							10,573
Taxation							<u>(557)</u>
Profit for the financial year							<u>10,016</u>
Other information							
Segment assets	226,783	4,828	24,892	11,054	267,557	-	267,557
Associated and joint venture companies	233	13,639	-	2,472	16,344	-	16,344
Unallocated assets	2,147	32	-	380	2,559	-	2,559
Total assets	<u>229,163</u>	<u>18,499</u>	<u>24,892</u>	<u>13,906</u>	<u>286,460</u>	<u>-</u>	<u>286,460</u>
Segment liabilities	147,494	946	7,728	4,990	161,158	-	161,158
Unallocated liabilities	2,819	(15)	-	-	2,804	-	2,804
Total liabilities	<u>150,313</u>	<u>931</u>	<u>7,728</u>	<u>4,990</u>	<u>163,962</u>	<u>-</u>	<u>163,962</u>

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

39. Segment information (cont'd)

	South East Asia ^① \$'000	North Asia ^② \$'000	Africa \$'000	Others ^③ \$'000	Total of segments \$'000	Elimination \$'000	Consolidated \$'000
2014							
<i>Other segment information</i>							
<i>Additions to non-current assets</i>							
- Property, plant and equipment	23,625	20	198	102	23,945	-	23,945
<i>Significant non-cash expenses:</i>							
Amortisation and depreciation	6,913	88	298	90	7,389	-	7,389
Allowance for/(write-back of) doubtful receivables	2,245	(61)	95	417	2,696	-	2,696
Allowance for inventory obsolescence	819	155	428	41	1,443	-	1,443
Write-back of impairment on property, plant and equipment	(8)	-	-	-	(8)	-	(8)
Bad debts written-off directly to profit or loss	-	-	53	1	54	-	54

Note:

- ① Includes Singapore, Malaysia, Philippines, 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 year ended 30 April 2015
(In Singapore Dollars)

39. Segment information (cont'd)

Business information

	Revenue		Non-current assets	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Distribution	256,639	258,285	71,763	69,489
Manufacturing	36,784	34,999	13,138	14,520
	<u>293,423</u>	<u>293,284</u>	<u>84,901</u>	<u>84,009</u>

Non-current assets information presented above consist 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 30 April 2015 are:

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost of investment		Percentage of equity held by the Group	
		2015 \$'000	2014 \$'000	2015 %	2014 %
Subsidiary companies					
<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)	11,000	11,000	100	100
(2) Stamford Tyres (M) Sdn Bhd (Malaysia)	Wholesale of tyres and wheels (Malaysia)	580	580	100	100
(2) STC Tyres (Malaysia) Sdn Bhd (Malaysia)	Property holding company (Malaysia)	913	913	100	100
(2) STC Tyre Mart Sdn Bhd (formerly known as Stamford Tyre Mart Sdn Bhd) (Malaysia)	Retail of tyres and wheels (Malaysia)	393	@	100	100
(3) Stamford Tires Distributor Co., Ltd (Thailand)	Wholesale of tyres and wheels (Thailand)	4,268	4,268	100	100

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

40. Subsidiary, associated and joint venture companies (cont'd)

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost of investment		Percentage of equity held by the Group	
		2015 \$'000	2014 \$'000	2015 %	2014 %
Subsidiary companies (cont'd)					
<i>Held by the Company:</i>					
(3) # STC Tyres Limited (Thailand)	Inactive (Thailand)	288	288	49	49
(3) # Stamford Auto Mart Limited (Thailand)	Inactive (Thailand)	21	21	49	49
(4) Stamford Tyres (Hong Kong) Limited (Hong Kong)	Investment holding and wholesale of tyres (Hong Kong and People's Republic of China)	6,523	6,523	100	100
(4) 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)	Wholesale of tyres and wheels (Latin America and United States of America)	14	14	100	100
(5) Stamford Tyres (Africa) (Proprietary) Limited (South Africa)	Wholesale of tyres and wheels (South Africa)	15,568	14,554	100	100
(8) PT Stamford Tyres Indonesia (Indonesia)	Wholesale and retail of tyres and retreading of tyres (Indonesia)	726	726	100	100
(8) PT Stamford Tyres Distributor Indonesia (Indonesia)	Wholesale of tyres and wheels (Indonesia)	6,637	4,132	100	100
(1) Sumo Tires Pte Ltd (Singapore)	Inactive (Singapore)	@	@	100	100
(1) Stamford Auto City Pte Ltd (Singapore)	Inactive (Singapore)	200	200	100	100

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

40. Subsidiary, associated and joint venture companies (cont'd)

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost of investment		Percentage of equity held by the Group	
		2015 \$'000	2014 \$'000	2015 %	2014 %
Subsidiary companies (cont'd)					
<i>Held by the Company:</i>					
(1) Wahsan Trading Pte Ltd (Singapore)	Inactive (Singapore)	218	218	100	100
(3) Stamford Sport Wheels Company Limited (Thailand)	Manufacture of aluminium alloy wheels (Thailand)	19,898	19,898	100	100
## Stamford International Trading (Tianjin) Co. Ltd. (People's Republic of China)	Inactive (People's Republic of China)	322	322	100	100
## Stamford Tyres Australia Pty Limited (Australia)	Wholesale of tyres and wheels (Australia)	6,770	6,189	100	100
(6) Stamford Tyres Philippines, Inc. (Philippines)	Inactive (Philippines)	361	361	100	100
(9) Stamford Tyres Distributors India Private Limited (India)	Wholesale of tyres (India)	2,493	2,493	100	100
## Stamford Tyres Do Brazil Participacoes LTDA (Brazil)	Dormant (Brazil)	281	281	100	100
## Stamford Tyres Vietnam Company Limited	Wholesale of tyres and wheels (Vietnam)	623	126	100	100
(12) # Stamford Tyres (B) Sdn Bhd	Wholesale of tyres and wheels (Brunei)	25	25	100	100
		<u>78,122</u>	<u>73,132</u>		

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015

(In Singapore Dollars)

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	
		2015 %	2014 %
Subsidiary companies			
<i>Held by Stamford Tyres (Hong Kong) Limited:</i>			
(4) 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>			
(2) Stamford Retread Industries (M) Sdn Bhd (Malaysia)	Retreading of tyres (formerly retail of motor vehicles) (Malaysia)	100	100
<i>Held by Boon Tyre Holdings Limited:</i>			
(1) Raffles Resources Singapore Pte Ltd (Singapore)	Inactive (Singapore)	100	100
Joint venture companies			
<i>Held by the Company:</i>			
(7) + Tyre Pacific (HK) Limited (Hong Kong)	Investment holding and wholesale of tyres (Hong Kong, Vietnam and People's Republic of China)	50	50
(13) + Falken Tyre India Private Ltd (India)	Distribution and sale of replacement tyres	40	40
<i>Held by Tyre Pacific (HK) Limited:</i>			
(7) + Real Courage Limited (Hong Kong)	Property holding company (Hong Kong)	50	50
(11) + Guangzhou Orizz Mega Outlet Co Ltd (People's Republic of China)	Wholesale of tyres (People's Republic of China)	50	50
(10) + Orizz (Shanghai) Limited (People's Republic of China)	Wholesale of tyres (People's Republic of China)	50	50
(10) + Shanghai Orizz Mega Outlet Co Ltd (People's Republic of China)	Wholesale of tyres (People's Republic of China)	50	50

Notes to the Financial Statements (Cont'd)

For the year ended 30 April 2015
(In Singapore Dollars)

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	
			2015 %	2014 %
Associated company				
<i>Held by the Company:</i>				
##	Stamford Tyres (Thailand) Co., Ltd (Thailand)	Inactive (Thailand)	49	49
@	Cost of investment at one hundred units of local currency or less.			
#	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 has been used for the preparation of the consolidated financial statements of the Group.			
+++	Statutory year end is 31 March. A limited review of the financial statements has been performed for the purpose of 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) Paul Wong & Co., Hong Kong, CPAs, Certified Public Accountants
- (5) Ernst & Young, South Africa, Chartered Accountants
- (6) Manuel Valdez, Ngo & Associates, Philippines, Certified Public Accountants
- (7) Ernst & Young, Hong Kong, Certified Public Accountants
- (8) Herman Dody Tanumihardja & Rekan, Indonesia, Registered Public Accounting Firm
- (9) Jai Prakash Upadhahay & Co., India, Chartered Accountants
- (10) BDO China Shu Lun Pan, People's Republic of China, Certified Public Accountants
- (11) Guangzhou Zexin Certified Public Accountants Co., Ltd, China, Certified Public Accountants
- (12) WKA Associates, Brunei, Certified Public Accountants and Auditors
- (13) BSR & Company, India, Chartered Accountants

41. Authorisation of financial statements for issue

The financial statements for the year ended 30 April 2015 were authorised for issue in accordance with a resolution of the directors on 31 July 2015.

List of Major Properties

As at 30 April 2015

Location	Tenure of Lease	Area (sqm)	Description
SINGAPORE			
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
10 Admiralty Street #01-85 North Link Building Singapore 757695	56 year lease from 2003	689.0	Tyre retail centre and showroom
10 Admiralty Street #01-78, North Link Building Singapore 757695	47 year List from 2012	521.0	Commercial truck centre
31 Loyang Way Singapore 508729	16 year lease from 2004	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
MALAYSIA			
16 Jalan Juru Nilai U1/20 Section U1 Hicom Glenmarie Industrial Park 40150 Shah Alam, Selangor	Freehold	6,968.0	Corporate office, tyre retail and service centre with showroom and warehouse
THAILAND			
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
INDONESIA			
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	30 year lease from 2013	2,973.0	Office with warehouse
SOUTH AFRICA			
ERF 460, Cnr Horn Street 8 Brine Avenue, Chloorkop Ext 23 Kempton Park	Freehold	16,091.0	Open storage for tyres

List of Substantial Shareholders

As at 15 July 2015 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	41,954,554	17.81%	49,551,319	21.03%
Mrs Dawn Wee Wai Ying	13,637,567	5.79%	77,868,306	33.05%
Wah Holdings Pte Ltd	35,913,752	15.24%	-	-
Lim & Tan Securities Pte Ltd	23,886,000	10.14%	-	-

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.

Mr Wee Kok Wah is deemed to be interested in the shares held as follows:-

Shares held by Mrs Dawn Wee Wai Ying	13,637,567
Shares held by Wah Holdings Pte Ltd	35,913,752
Total	49,551,319

Mrs Dawn Wee Wai Ying is deemed to be interested in the shares held as follows:-

Shares held by Mr Wee Kok Wah	41,954,554
Shares held by Wah Holdings Pte Ltd	35,913,752
Total	77,868,306

Total Number of issued shares: 235,586,244 ordinary shares as at 15 July 2015

Statistics of Shareholdings

As at 15 July 2015

Number of shares issued : 235,586,244 ordinary shares
 Class of share : Ordinary shares
 Voting Rights : 1 vote per share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	21	0.77	428	0.00
100 - 1,000	142	5.23	85,830	0.04
1,001 - 10,000	1,326	48.84	8,361,872	3.55
10,001 - 1,000,000	1,206	44.42	63,328,993	26.88
1,000,001 AND ABOVE	20	0.74	163,809,121	69.53
TOTAL	2,715	100.00	235,586,244	100.00

Based on the information available to the Company as at 15 July 2015, approximately 48.31% of the issued ordinary shares of the Company is held by the 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	41,954,554	17.81
2	WAH HOLDINGS PTE LTD	35,913,752	15.24
3	LIM & TAN SECURITIES PTE LTD	26,022,100	11.05
4	KWOK WAI YING DAWN	13,637,567	5.79
5	RAFFLES NOMINEES (PTE) LIMITED	9,982,600	4.24
6	CHIA KEE KOON	5,226,000	2.22
7	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	4,300,000	1.83
8	SEE LOP FU JAMES @ SHI LAP FU JAMES	3,800,000	1.61
9	PHILLIP SECURITIES PTE LTD	3,776,750	1.60
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,331,500	1.41
11	KWOK WENG FAI	2,830,060	1.20
12	DBS NOMINEES (PRIVATE) LIMITED	1,979,000	0.84
13	TEO KWANG CHWEE	1,648,000	0.70
14	LIM YEW HOE	1,615,000	0.69
15	TAN YONG CHIANG OR TAN HUI LIANG	1,585,000	0.67
16	OCBC SECURITIES PRIVATE LIMITED	1,485,238	0.63
17	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,300,000	0.55
18	CHIANG KOK MENG	1,190,000	0.51
19	CITIBANK NOMINEES SINGAPORE PTE LTD	1,150,000	0.49
20	QUEK KAI CHUAN	1,082,000	0.46
	TOTAL	163,809,121	69.54

Notice of Annual General Meeting

Notice is hereby given that the Twenty-Sixth Annual General Meeting of the Company will be held on Friday, 28 August 2015 at 3.00 p.m. at 19 Lok Yang Way, Singapore 628635 to transact the following businesses:-

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 30 April 2015 and the Auditor's Report thereon. **Resolution 1**
2. To approve the payment of Directors' fees of up to \$377,000 for the financial year ending 30 April 2016. *[See explanatory note (a)]* **Resolution 2**
3. To declare and approve a first and final tax exempt (one-tier) dividend of 1.0 cent per ordinary share for the financial year ended 30 April 2015. **Resolution 3**
4. To re-elect Mrs Dawn Wee Wai Ying, who is retiring pursuant to Article 99 of the Company's Articles of Association. **Resolution 4**
5. To re-elect Mr Tay Puan Siong, who is retiring pursuant to Article 99 of the Company's Articles of Association. *[See explanatory note (b)]* **Resolution 5**
6. To re-appoint Mr Leslie Mah Kim Loong, who is retiring under Section 153(6) of the Companies Act, Chapter 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting. *[See explanatory note (c)]* **Resolution 6**
7. To re-appoint Ernst & Young LLP as Auditor for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 7**
8. To transact any other business of the Company which may properly be transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and if thought fit to pass the following as an Ordinary Resolution:

9. Share Issue Mandate

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

- (a) (i) issue shares in the capital 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,

Notice of Annual General Meeting (Cont'd)

provided that:

- (1) 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) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital 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;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. *[See explanatory note (d)]*

Resolution 8

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 10 September 2015 for the purpose of determining shareholders' entitlements to the first and final dividend for the year ended 30 April 2015 (the "Proposed Dividend").

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, up to the close of business at 5.00 p.m. on 9 September 2015 will be registered, before shareholders' entitlement to the Proposed Dividend is determined.

Shareholders (being Depositors) whose securities accounts with the Central Depository (Pte) Limited ("CDP"), are credited with shares as at 5.00 p.m. on 9 September 2015, will rank for the Proposed Dividend.

The Proposed Dividend, if approved at the Annual General Meeting of the Company to be held on 28 August 2015, will be paid on 18 September 2015.

By Order Of The Board

Lo Swee Oi
Company Secretary
Dated: 12 August 2015

Notice of Annual General Meeting (Cont'd)

Explanatory Notes:

- (a) The Ordinary Resolution 2 proposed in item 2 above, 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 2016. The comparative amount for Directors' fees for the financial year ended 30 April 2015 was unchanged at S\$377,000.
- (b) Mr Tay Puan Siong, an Independent Director, if re-elected, will continue to serve as the Chairman of the Audit Committee and a member of the Nominating Committee. He is considered by the Board of Directors as an Independent Director pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (c) Mr Leslie Mah Kim Loong, an Independent Director, if re-elected, will continue to serve as a member of the Audit Committee. Mr Mah is considered by the Board of Directors as an Independent Director pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (d) The proposed ordinary resolution 8 above, if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting 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 Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

Note:

1. A member, entitled to attend and vote at this meeting, is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. If a proxy is to be appointed, the form must be deposited at the registered office of the Company, at 19 Lok Yang Way, Singapore 628635 not less than 48 hours before the meeting.
3. The form of proxy must be signed by the appointor or his attorney duly authorized in writing. In case of joint shareholders, all holders must sign the proxy form.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing 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), 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) 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.

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SIN MING



LENG KEE

MEGA MARTS

Jurong - 19 Lok Yang Way Singapore 628635 Tel: 6262 3355 . Macpherson - 455 Macpherson Road Singapore 368173 Tel: 6841 3355
Bukit Batok - 50 Bukit Batok St 23 #02-19 Midview Building Singapore 659578 Tel: 6261 3355 . Ang Mo Kio - 10 Ang Mo Kio Industry Park 2A #01-14 Ang Mo Kio Auto Point Singapore 568047
Tel: 6483 3355 . Tampines - Blk 9006 Tampines St 93 #01-196 Tampines Industrial Park Singapore 528840 Tel: 6286 3355 . Kaki Bukit - 10 Kaki Bukit Road 2 #01-11/12
First East Centre Singapore 417868 . Changi - 31 Loyal Way Singapore 508729 Tel: 6542 3355 . Woodlands - 10 Admiralty Street #01-85 Northlink Building Singapore 757695 Tel: 6555 3355
Synergy@KB - 23 Kaki Bukit Road 4 #01-12/13 Singapore 417801 Tel: 6702 3355

TYRE MARTS

Dunearn - 130 Dunearn Road Caltex Service Station Singapore 309436 Tel: 6251 6055 . East Coast - 355 East Coast Road Caltex Service Station Singapore 428972 Tel: 6342 3355
Sin Ming - Blk 28 MidView City #01-38/139 No. 18 Sin Ming Lane Singapore 573972 Tel: 6284 3355 . Leng Kee - No. 8 Kung Chong Road Singapore 159145 Tel: 6475 3355

OPENING HOURS

Mondays - Saturdays 9am to 7pm . Sundays 9am to 2pm (except for Ang Mo Kio, Tampines, Kaki Bukit, Sin Ming, Synergy@KB & Leng Kee)



STAMFORD TYRES RETAIL SINGAPORE

<http://www.stamfordtyres.com/Retail>

enquiries@stamfordtyres.com

ENQUIRY HOTLINE: 6262 3355

STAMFORD TYRES CORPORATION LIMITED

Company Registration No: 198904416M
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

Important

1. For investors who have used their CPF monies to buy Stamford Tyres shares, this Annual Report is sent to them at the request of their CPF Agent Banks and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not **valid for use by CPF investors** and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as OBSERVERS must submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format with the Company Secretary, by the time frame specified. **(Agent Banks: Please see Note 9 on the required format). Any voting instructions must also be submitted to their Agent Banks within the time frame specified to enable them to vote on the CPF investor's behalf.**

I/We (Name) _____ NRIC/Passport No./Co. Regn.No. _____

of (Address) _____

being a member/members of STAMFORD TYRES CORPORATION LIMITED ("Stamford Tyres" or the "Company") hereby appoint:-

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

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 Annual General Meeting of the Company (the "Meeting") to be held on 28 August 2015 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 relating to	For	Against
1.	Adoption of Directors' Reports and Audited Financial Statements		
2.	Approval of Directors' Fees for the financial year ending 30 April 2016		
3.	Declaration of first and final tax exempt (one-tier) dividend		
4.	Re-election of Mrs Dawn Wee Wai Ying as Director		
5.	Re-election of Mr Tay Puan Siong as Director		
6.	Re-appointment of Mr Leslie Mah Kim Loong as Director		
7.	Re-appointment of Ernst & Young LLP as Auditor		
	Special Business		
9.	Authority to issue shares pursuant to Share Issue Mandate		

If you wish to exercise all your votes For or Against, please tick with '√'. Alternatively, please indicate the number of votes For or Against each resolution.

Dated this _____ day of _____ 2015

Total No. of Shares Held	
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Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF



NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. Completion and return of this instrument appointing a proxy shall not preclude a member from attending 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.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members 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 shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 19 Lok Yang Way Singapore 628635 not less than 48 hours before the time set for the Meeting.
6. 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.
7. Where an instrument appointing a proxy 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 with the instrument of proxy, failing which the instrument may be treated as invalid.
8. 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, Chapter 50 of Singapore.
9. Agent Banks acting on the request of CPF Investors who wish to attend the Meeting as observers are requested to submit in writing, a list of details of the Investors' names, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for the Meeting.

GENERAL

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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 Annual General Meeting dated 12 August 2015.



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S213



S212



S213

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