

STAMFORD TYRES CORPORATION LTD

2014 Financial Statements

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) CONSOLIDATED INCOME STATEMENT

	Group		Difference \$'000	Difference %
	FY14 Apr'14 \$'000	FY13 Apr'13 \$'000		
	(Restated) ¹			
Revenue	290,615	317,462	(26,847)	-8.46%
Other revenue	2,669	669	2,000	N.M
Total revenue	293,284	318,131	(24,847)	-7.81%
Cost of goods sold	224,396	249,406	(25,010)	-10.03%
Salaries and employees benefits	22,951	23,693	(742)	-3.13%
Marketing and distribution	8,444	10,416	(1,972)	-18.93%
Utilities, repairs and maintenance	5,725	5,923	(198)	-3.34%
Finance costs	4,309	5,387	(1,078)	-20.01%
Depreciation of property, plant and equipment	3,899	4,320	(421)	-9.75%
Operating lease rentals	6,048	6,879	(831)	-12.08%
Other operating expenses	6,221	10,744	(4,523)	-42.10%
Total expenditure	(281,993)	(316,768)	34,775	-10.98%
Share of results of joint ventures	(718)	13,151	(13,869)	N.M
Profit before taxation	10,573	14,514	(3,941)	-27.15%
Taxation	(557)	(2,956)	2,399	-81.16%
Profit for the financial year	10,016	11,558	(1,542)	-13.34%
Attributable to:				
Equity holders of the company	10,016	11,558	(1,542)	-13.34%
	10,016	11,558	(1,542)	-13.34%

N.M - Not meaningful.

¹Restated for comparative purpose due to retrospective application of FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures which had been early adopted by the Group.

1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	FY14 Apr'14 \$'000	FY13 Apr'13 \$'000 (Restated) ¹
Net profit for the financial year	10,016	11,558
Other comprehensive income :		
Translation adjustments arising on consolidation	(4,232)	(76)
Other comprehensive income for the financial year, net of tax	(4,232)	(76)
Total comprehensive income for the financial year	5,784	11,482
Total comprehensive income attributable to :		
Equity holders of the Company	5,784	11,482
	<u>5,784</u>	<u>11,482</u>

	FY14 Apr'14 \$'000	FY13 Apr'13 \$'000 (Restated) ¹
(a) Profit after taxation is stated after charging/(crediting) :		
Depreciation of property, plant and equipment (inclusive of charges included in cost of goods sold)	7,389	8,032
Allowance for doubtful receivables	2,696	2,331
Allowance for inventory obsolescence	1,443	581
Gain on disposal of property, plant and equipment	(5,644)	(409)
Foreign exchange loss	3,509	1,661
Fair value loss on other financial instruments	177	206
Property, plant and equipment written-off	2	2,639
Bad debts written-off	54	146
Audit fee for auditors of the company	385	415
Audit fee for other auditors	182	210
Gain on disposal of associated company	-	(11,174)
Compensation received in respect of exit from China	(1,551)	-
Writeback of deferred tax liabilities relating to plant and equipment	(2,174)	-

¹Restated for comparative purpose due to retrospective application of FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures which had been early adopted by the Group.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group			Company	
	FY14 Apr'14 \$'000	FY13 Apr'13 \$'000	FY12 Apr'12 \$'000	FY14 Apr'14 \$'000	FY13 Apr'13 \$'000
		(Restated) ¹	(Restated) ¹		
Non-current assets					
Property, plant and equipment	65,106	51,451	49,896	-	-
Subsidiary companies	-	-	-	56,130	44,372
Amount due from subsidiary companies	-	-	-	8,994	19,313
Joint venture companies	16,111	17,533	18,375	6,567	6,567
Associated company	233	233	233	-	-
Deferred tax assets	2,559	2,527	2,973	-	-
	<u>84,009</u>	<u>71,744</u>	<u>71,477</u>	<u>71,691</u>	<u>70,252</u>
Current assets					
Inventories	102,575	112,449	118,273	-	-
Trade receivables	74,601	85,956	90,710	-	-
Derivatives	-	55	175	-	6
Other receivables	4,041	10,496	9,154	88	92
Prepayments and advances	2,597	2,170	2,890	19	19
Cash and cash equivalents	18,637	21,595	14,463	1,714	219
	<u>202,451</u>	<u>232,721</u>	<u>235,665</u>	<u>1,821</u>	<u>336</u>
Less: Current liabilities					
Trade payables	22,319	19,101	15,927	-	-
Trust receipts (secured)	61,806	76,031	89,673	-	-
Derivatives	265	143	57	79	-
Other payables	20,752	26,833	27,544	519	652
Loans (secured)	13,796	22,773	35,651	-	-
Hire-purchase liabilities	775	770	597	-	-
Provisions	520	506	860	-	-
Provision for taxation	2,502	2,417	3,063	93	90
	<u>122,735</u>	<u>148,574</u>	<u>173,372</u>	<u>691</u>	<u>742</u>
Net current assets/(liabilities)	<u>79,716</u>	<u>84,147</u>	<u>62,293</u>	<u>1,130</u>	<u>(406)</u>
Non-current liabilities					
Amount due to subsidiary companies	-	-	-	365	365
Hire-purchase liabilities	805	967	1,077	-	-
Provisions	640	381	541	-	-
Long-term loans (secured)	39,111	31,862	16,334	-	-
Deferred tax liabilities	671	2,433	2,806	108	108
	<u>41,227</u>	<u>35,643</u>	<u>20,758</u>	<u>473</u>	<u>473</u>
Net assets	<u>122,498</u>	<u>120,248</u>	<u>113,012</u>	<u>72,348</u>	<u>69,373</u>
Equity					
Share capital	35,722	35,722	35,182	35,722	35,722
Reserves	86,776	84,526	77,830	36,626	33,651
	<u>122,498</u>	<u>120,248</u>	<u>113,012</u>	<u>72,348</u>	<u>69,373</u>

¹Restated for comparative purpose due to retrospective application of FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures which had been early adopted by the Group.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

As at 30/4/2014		As at 30/04/2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000 (Restated) ¹	\$'000
76,377	-	99,574	-

Amount repayable after one year

As at 30/4/2014		As at 30/04/2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
39,916	-	32,829	-

Details of any collateral

The Group's freehold land, certain leasehold land and buildings, leasehold improvements and certain plant and equipment with a total net book value of \$50,482,029 as at 30 April 2014 (30 April 2013 : \$36,138,000) are subject to legal mortgages in connection with bank facilities granted to the Group.

The trust receipts of subsidiary companies are secured primarily by corporate guarantees from the Company.

¹Restated for comparative purpose due to retrospective application of FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures which had been early adopted by the Group.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(c)(i) CONSOLIDATED CASH FLOW STATEMENT (FY2014 vs FY2013)

	Group	
	FY14 Apr'14 \$'000	FY13 Apr'13 \$'000
		(Restated) ¹
Cash flows from operating activities		
Profit before taxation	10,573	14,514
Adjustments for:		
Depreciation of property, plant and equipment	7,389	8,032
Gain on disposal of property, plant and equipment	(5,644)	(409)
Fair value loss on other financial instruments	177	206
Property, plant and equipment written-off	2	2,639
Bad debts written-off	54	146
Foreign currency translation adjustment	(1,234)	(2,145)
Interest income	(137)	(107)
Provision for/(written-back of) product warranties and reinstatement cost	446	(180)
Write-back of impairment loss on property, plant and equipment	(8)	(765)
Interest expenses	4,309	5,387
Share of results of joint ventures	718	(13,151)
Operating cashflows before changes in working capital	<u>16,645</u>	<u>14,167</u>
Decrease in inventories	9,874	5,824
Decrease in receivables	17,329	3,986
(Decrease)/increase in payables	(3,027)	2,281
Cashflows from operations	<u>40,821</u>	<u>26,258</u>
Interest received	137	107
Interest paid	(4,309)	(5,387)
Income tax paid	(2,266)	(3,529)
Net cashflows from operating activities	<u>34,383</u>	<u>17,449</u>
Cash flows from investing activities :		
Proceeds from disposal of property, plant and equipment	6,499	674
Proceeds from exercise of employee share options	-	312
Dividend income from associated company	-	17,941
Additions to property, plant and equipment	(22,956)	(10,350)
Investment in joint venture company	-	(2,560)
Net cash (used in)/generated from investing activities	<u>(16,457)</u>	<u>6,017</u>
Cash flows from financing activities :		
Proceeds from long-term loans	13,955	32,145
Repayment of trust receipts	(14,225)	(13,642)
Repayment of revolving loans	(7,664)	(11,071)
Repayment of hire purchase creditors	(1,146)	(889)
Dividend paid to shareholders	(3,534)	(3,523)
Repayment of long-term loans	(8,019)	(18,424)
Net cashflows used in financing activities	<u>(20,633)</u>	<u>(15,404)</u>
Net (decrease)/increase in cash and cash equivalents	(2,707)	8,062
Cash and cash equivalents at beginning of financial year	21,595	14,463
Effect of exchange rate changes on cash and cash equivalents at the beginning of the financial year	(251)	(930)
Cash and cash equivalents at end of financial year	<u>18,637</u>	<u>21,595</u>

¹Restated for comparative purpose due to retrospective application of FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures which had been early adopted by the Group.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding year of the immediately preceding financial year.

	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 2012	113,012	113,012	35,182	85,542	(7,712)	424	755	(9,093)	202
Profit for the financial year	11,558	11,558	-	11,558	-	-	-	-	-
Reclassification of foreign currency translation reserves to profit or loss arising from disposal of associate	(1,035)	(1,035)	-	-	(1,035)	-	-	(1,035)	-
Other comprehensive income for the year	(76)	(76)	-	-	(76)	-	-	(76)	-
Total comprehensive income for the financial year	10,447	10,447	-	11,558	(1,111)	-	-	(1,111)	-
<u>Contributions by and distributions to owners</u>									
Forfeiture of employee share options	-	-	-	273	(273)	-	(273)	-	-
Dividend on ordinary shares	(3,523)	(3,523)	-	(3,523)	-	-	-	-	-
Exercise of employee share options	312	312	540	-	(228)	-	(228)	-	-
Total contributions by and distributions to owners	(3,211)	(3,211)	540	(3,250)	(501)	-	(501)	-	-
Total transactions with owners in their capacity as owners	(3,211)	(3,211)	540	(3,250)	(501)	-	(501)	-	-
Balance at 30 April 2013	120,248	120,248	35,722	93,850	(9,324)	424	254	(10,204)	202
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 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)	-
<u>Contributions by and distributions to owners</u>									
Dividend on ordinary shares	(3,534)	(3,534)	-	(3,534)	-	-	-	-	-
Total contributions by and distributions to owners	(3,534)	(3,534)	-	(3,534)	-	-	-	-	-
Total transactions with owners in their capacity as owners	(3,534)	(3,534)	-	(3,534)	-	-	-	-	-
Balance at 30 April 2014	122,498	122,498	35,722	100,332	(13,556)	424	254	(14,436)	202

	Equity attributable to			Other	
	Equity, total \$'000	owners of the Company, total \$'000	Share capital \$'000	Revenue reserve \$'000	reserves total \$'000
Company					
Balance at 1May 2012	58,003	58,003	35,182	22,066	755
Profit for the financial year	14,581	14,581	-	14,581	-
Total comprehensive income for the financial year	14,581	14,581	-	14,581	-
<u>Contributions by and distributions to owners</u>					
Forfeiture of employee share options	-	-	-	273	(273)
Exercise of employee share options	312	312	540	-	(228)
Dividend on ordinary shares	(3,523)	(3,523)	-	(3,523)	-
Total contributions by and distributions to owners	(3,211)	(3,211)	540	(3,250)	(501)
Total transactions with owners in their capacity as owners	(3,211)	(3,211)	540	(3,250)	(501)
Balance at 30 April 2013	69,373	69,373	35,722	33,397	254
Balance at 1May 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	-
<u>Contributions by and distributions to owners</u>					
Dividend on ordinary shares	(3,534)	(3,534)	-	(3,534)	-
Total contributions by and distributions to owners	(3,534)	(3,534)	-	(3,534)	-
Total transactions with owners in their capacity as owners	(3,534)	(3,534)	-	(3,534)	-
Balance at 30 April 2014	72,348	72,348	35,722	36,372	254

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.

There was no change in the company's number of shares since 30 April 2013.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year

	Company 30/04/2014	Company 30/04/2013
Ordinary shares (excluding treasury shares)	235,586,244	235,586,244

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial year reported on

Not applicable. There are no treasury shares as at the end of the current financial year reported on.

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5, the Group and the Company has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared with those of the audited financial statements as at 30 April 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

On 1 May 2013, the Group and the Company adopted the following new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are relevant:

Description

- Amendments to FRS 1 Presentation of Items of Other Comprehensive Income
- FRS 34 Interim Financial Reporting
- Improvements to FRSs 2012
- Amendment to FRS 1 Presentation of Financial Statements
- Amendments to FRS 16 Property, Plant and Equipment
- Amendment to FRS 32 Financial Instruments: Presentation
- Amendments to FRS19 Employee Benefits (Revised)
- FRS 113 Fair Value measurement
- FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities

The adoption of the above FRS and INT FRS did not result in any substantial changes to the Group's accounting policies and did not have any significant impact on the Group and the Company. On 1 May 2013, the Group also early adopted:

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Venture

The Group has chose to early adopt the FRS 111 and Revised FRS 28 to equity account for the investments held in joint ventures in addition to associates. Previously, the Group had applied proportionate consolidation for its joint ventures. This will result in changes to the Group's financial statement presentations. Where necessary, the comparative figures have been adjusted to conform with the changes in presentation in the current period. However, there will be no impact to the Group's net profit and net asset from the change in accounting policy.

Changes in accounting estimates

Effective 1st May 2013, the group has revised its method of computing depreciation from a full year basis charge for newly acquired assets to a pro rata basis based on the month of acquisition or when the asset is available for use. The revisions were accounted for prospectively as a change in accounting estimates in current year resulting in the lower depreciation charge of \$1.4 million for the year.

6. Earnings per ordinary share of the group for the current year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	FY14	FY13
	Apr'14	Apr'13
Earning per share (EPS)		
- basic (cents)	4.25	4.92
- diluted (cents)	4.25	4.92
	\$'000	\$'000
Group earnings used for the calculation of EPS		
Profit for the financial year	10,016	11,558
	'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	235,053

Basic earning per share (“EPS”) is calculated on the Group’s profit for the financial year attributable to the shareholders 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 2014.

Unissued shares under share options as at 30 April 2014 comprise 780,000 (30 April 2013: 805,000) options entitling holders to subscribe at any time during the exercise period for the same number of ordinary shares in the Company.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:- (a) current financial year reported on; and (b) immediately preceding financial year.

	Group		Company	
	30/04/14	30/04/13	30/04/14	30/04/13
Net asset value per ordinary share (cents)	52.00	51.04	30.71	29.45

The net asset value per share for the Group and the Company as at 30 April 2014 are calculated based on the actual number of shares in issue of 235,586,244 ordinary shares (30 April 2013: 235,586,244 ordinary shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

FY14

Revenue

The Group’s total revenue was 8.5% lower at S\$290.6 million in FY14 compared to S\$317.5 million in FY13. This was mainly due to softening demand for Sumo Firenza tyres in Europe, and mining tyres in Indonesia and South Africa.

Gross Profit and Gross Profit Margin

Gross profit was S\$66.2 million in FY14 compared to S\$68.1 million in FY13. Gross profit margin increased to 22.8% compared to 21.4% previously. This was mainly attributable to:

- Better support from principals resulting in lower cost of sales in its tyre distribution segment.
- Higher contributions from value-added services at its retail chain and truck tyre centres.
- Turnaround in wheel plant operations attributable to better sales mix.

Operating Expenses

Operating expenses were 14.5% lower at S\$57.6 million in FY14 compared to S\$67.4 million in FY13 due to lower salaries, marketing and distribution and finance cost which is in line with cost reduction efforts.

Other Operating Expenses / Other Revenue

In addition to the above operating expenses, the Group recorded the following items:

- Allowance for doubtful receivables of S\$2.7 million. This is due mainly to a defaulting customer in Indonesia.
- Foreign exchange losses of S\$3.5 million in FY14, mainly due to unrealised translation losses from the strengthening of the Singapore Dollar against the Indonesian Rupiah and South African Rand.
- Allowance for inventory obsolescence of S\$1.4 million. This was mainly in respect of slow moving inventories.
- One-off gain from the compensation received from SRI amounting to S\$1.6 million in respect of the exit from China in Jul'13.
- One-off gain from the disposal of Balestier Tower property at S\$5.6 million in Aug'13.

Share of Results of Joint Ventures

In FY14, the share of results of joint ventures amounted to a net loss of S\$0.7 million, compared to a net profit of \$13.2 million in FY13. Included in last year's net profit of S\$13.2 million was a one-time gain of S\$11.1 million from the disposal of the Group's 20% stake in its China associate SRITP Limited.

Net Profit

Due to a revision in tax rules, the Group wrote-back S\$2.2 million in deferred tax liabilities relating to plant and equipment during the year. The Group recorded a net profit of S\$10.0 million in FY14, compared to S\$11.6 million recorded in FY13.

Financial Position

Receivables decreased to S\$74.6 million as at 30 April 2014 from S\$86.0 million as at 30 April 2013, in line with lower sales.

Inventories decreased to S\$102.6 million as at 30 April 2014 from S\$112.4 million as at 30 April 2013. This is in line with the Group's strategy of rationalising its inventory levels as the Group continued to optimise its product mix.

Trade payables and trust receipts decreased to S\$84.1 million as at 30 April 2014 from S\$95.1 million as at 30 April 2013. The decrease was mainly due to repayment of trust receipts.

As at 30 April 2014, the Group's cash and cash equivalents stood at S\$18.6 million compared to S\$21.6 million as at 30 April 2013. For FY2014, the Group generated net operating cash flow of \$34.4 million as compared to \$17.4 million in FY2013. This is in line with the Group's strategy of rationalising its current assets and optimising its product mix.

The Group's borrowings which comprise trust receipts, revolving credit, short-term secured loans as well as long-term secured loans stood at S\$114.7 million as at 30 April 2014 compared with S\$130.7 million as at 30 April 2013. The decline is mainly attributable to repayment of bank borrowings during the year. This resulted in a lower aggregate leverage of 40.0% as at 30 April 2014 versus 42.9% as at 30 April 2013.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting year and the next 12 months.

The global economic outlook remains uncertain. As a result, our operating environment will continue to be challenging.

To mitigate this challenging environment, the Group will continue to optimize its product mix and manage operating costs so as to enhance its performance.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.5 cent per ordinary share (tax exempt)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.5 cent per ordinary share (tax exempt)
Annual Dividend (S\$'000)	3,534

(c) Date payable

To be announced at a later date, subject to shareholders' approval at the forthcoming Annual General Meeting.

(d) Books closure date

Notice will be given later regarding the date of closure of transfer books and register of members.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholder for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENTS (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Geographical segment Group 2014	Southeast				Total segments S\$'000	Elimination S\$'000	Consolidated S\$'000
	Asia S\$'000	North Asia S\$'000	Africa S\$'000	Other S\$'000			
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
	<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>
Unallocated revenue							-
Total revenue							<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>
Add : Unallocated revenue							-
Less : Unallocated expenses							(73)
Share of profits of associated company							(718)
Profit before taxation							10,573
Taxation							(557)
Profit for the financial year							<u>10,016</u>
Other information							
Segment asset	226,783	4,828	24,892	11,054	267,557	-	267,557
Associated company	6,800	12,069	-	(2,525)	16,344	-	16,344
Unallocated assets	2,147	32	-	380	2,559	-	2,559
Total assets	<u>235,730</u>	<u>16,929</u>	<u>24,892</u>	<u>8,909</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>
Other segment information							
Additions to non-current assets							
- Property, plant and equipment	<u>23,625</u>	<u>20</u>	<u>198</u>	<u>102</u>	<u>23,945</u>	<u>-</u>	<u>23,945</u>
Significant non-cash expenses :							
Amortisation and depreciation	<u>6,913</u>	<u>88</u>	<u>298</u>	<u>90</u>	<u>7,389</u>	<u>-</u>	<u>7,389</u>
Allowance for/(write-back of) doubtful receivables	<u>2,245</u>	<u>(61)</u>	<u>95</u>	<u>417</u>	<u>2,696</u>	<u>-</u>	<u>2,696</u>
Allowance for inventory obsolescence	<u>819</u>	<u>155</u>	<u>428</u>	<u>41</u>	<u>1,443</u>	<u>-</u>	<u>1,443</u>
Write-back of impairment on property, plant and equipment	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>(8)</u>
Bad debts written-off directly to profit and loss account	<u>-</u>	<u>-</u>	<u>53</u>	<u>1</u>	<u>54</u>	<u>-</u>	<u>54</u>

Geographical segment Group 2013	Southeast				Total segments S\$'000 (Restated) ¹	Elimination S\$'000 (Restated) ¹	Consolidated S\$'000 (Restated) ¹
	Asia S\$'000	North Asia S\$'000	Africa S\$'000	Other S\$'000			
	(Restated) ¹	(Restated) ¹	(Restated) ¹	(Restated) ¹			
Revenue							
External revenue	261,947	4,176	33,376	17,963	317,462	-	317,462
Inter-segment revenue	50,127	-	-	-	50,127	(50,127)	-
Other revenue							
- Interest income	42	-	52	13	107	-	107
- Others	185	218	-	152	555	-	555
	<u>312,301</u>	<u>4,394</u>	<u>33,428</u>	<u>18,128</u>	<u>368,251</u>	<u>(50,127)</u>	<u>318,124</u>
Unallocated revenue							7
Total revenue							<u>318,131</u>
Finance costs	(5,334)	(178)	(703)	(131)	(6,346)	959	(5,387)
Segment result	<u>6,415</u>	<u>(2,777)</u>	<u>(3,074)</u>	<u>(111)</u>	<u>453</u>	<u>959</u>	<u>1,412</u>
Add : Unallocated revenue							7
Less : Unallocated expenses							(56)
Share of profits of associated company							13,151
Profit before taxation							14,514
Taxation							(2,956)
Profit for the financial year							<u>11,558</u>
Other information							
Segment asset	234,398	9,441	26,397	13,936	284,172	-	284,172
Associated company	6,800	11,147	-	(181)	17,766	-	17,766
Unallocated assets	2,232	32	-	263	2,527	-	2,527
Total assets	<u>243,430</u>	<u>20,620</u>	<u>26,397</u>	<u>14,018</u>	<u>304,465</u>	<u>-</u>	<u>304,465</u>
Segment liabilities	163,204	3,141	8,283	4,739	179,367	-	179,367
Unallocated liabilities	4,810	40	-	-	4,850	-	4,850
Total liabilities	<u>168,014</u>	<u>3,181</u>	<u>8,283</u>	<u>4,739</u>	<u>184,217</u>	<u>-</u>	<u>184,217</u>
Other segment information							
Additions to non-current assets							
- Property, plant and equipment	10,650	103	292	262	11,307	-	11,307
Significant non-cash expenses :							
Amortisation and depreciation	7,484	77	369	102	8,032	-	8,032
Allow ance for doubtful receivables	702	1,091	532	6	2,331	-	2,331
Allow ance for/(w rite-back of) inventory obsolescence	646	(6)	(7)	(52)	581	-	581
Write-back of impairment on property, plant and equipment	(765)	-	-	-	(765)	-	(765)
Bad debts w ritten-off directly to profit and loss account	-	-	146	-	146	-	146

¹Restated for comparative purpose due to retrospective application of FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures which had been early adopted by the Group.

Business Segments

	<u>Revenue</u>		<u>Non-current Assets</u>	
	<u>FY2014</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2013</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
		(Restated) ¹		
Distribution	258,285	284,842	69,750	54,187
Manufacturing	34,999	33,289	14,520	17,818
	<u>293,284</u>	<u>318,131</u>	<u>84,270</u>	<u>72,005</u>

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to the item no. 8.

16. A breakdown of sales.

	<u>Group</u>		
	<u>Latest year</u>	<u>Previous year</u>	<u>% Increase/</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>(Decrease)</u>
		(Restated) ¹	
Turnover reported for first half year	147,795	163,796	-9.77%
Profit after tax before deducting minority interest reported for first half year	5,268	3,839	37.22%
Turnover reported for second half year	142,820	153,666	-7.06%
Profit after tax before deducting minority interest reported for second half year	4,748	7,719	-38.49%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	<u>Latest Full Year</u>	<u>Previous Full Year</u>
	<u>(\$'000)</u>	<u>(\$'000)</u>
Ordinary	<u>3,534</u>	<u>3,534</u>

18. Aggregate value of interested person transactions entered into by the Company and/or its subsidiaries during the year.

Not applicable.

¹Restated for comparative purpose due to retrospective application of FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures which had been early adopted by the Group.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement:

Name	Age	Family relationship with any Director and/or substantial shareholder	Current Position and duties and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Wee Kok Wah	68	See Note (1)	President & Chief Executive Officer (1970)	N.A.
Mrs Dawn Wee Wai Ying	65	See Note (1)	Executive Vice- President (1982)	N.A.
Dr Wee Li Ann	42	See Note (1)	Non-Executive Director (2009)	N.A.
Mr John Ang Sze Hian	39	See Note (2)	Vice- President, Retail (2011) - Stamford Tyres International Pte Ltd	N.A.

Note (1) : Mr Wee Kok Wah is a director & substantial shareholder of the Company. Mr Wee Kok Wah and Mrs Dawn Wee Wai Ying are husband and wife. Dr Wee Li Ann is the daughter of Mr and Mrs Wee Kok Wah.

Note (2) : Mr John Ang Sze Hian is the nephew of Mr Wee Kok Wah.

BY ORDER OF THE BOARD



Dawn Wee Wai Ying
Executive Director
27 June 2014