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RESPONSE TO QUERY FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 JULY 2011 ("1ST QUARTER RESULTS")

The Board of Directors of Stamford Tyres Corporation Ltd ("the Company") wishes to provide the following information in response to SGX-ST's query on 7 September 2011 with regard to the Company's financial results for the first quarter ended 31 July 2011.

Question
As at 31 July 2011, the amount payable by the Group in one year or less is S$107.3 million. The Group's cash and bank deposits as at 31 July 2011 is S$27.5 million, and the Group has a negative operating cash flow for the three-month period ended 31 July 2011. Please advise whether and how the Group can meet its short term obligations as and when they fall due.

Company's reply
The short-term obligations of the Group consist of trust receipts of S$87.0m, short-term revolving loan of S$8.9m, current portion of long-term loan of S$11.0m and hire purchase of S$0.4m. The aggregate of these obligations amounted to S$107.3m as at 31 July 2011.

The Group has cash and bank deposit of S$27.5m, inventories of S$112.7m and trade receivables of S$78.8m. The aggregate of these current assets amounted to S$219.0m as at 31 July 2011.

The Group's increased buying of its inventory products in the first quarter of each financial year, resulted in a negative operating cash flow for the three-month period ended 31 July 2011 and 2010.

The Group has adequate current assets to convert to cash, to meet its short-term obligations as and when they fall due.

By Order of the Board

Lo Swee Oi
Company Secretary

9 September 2011