



Stamford Tyres Corporation Ltd

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**RESPONSE TO QUERY FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
("SGX-ST") ON THE FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31
OCTOBER 2012 ("Q2FY2013")**

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 11 December 2012 with regard to the Company's financial results for the second quarter ended 31 October 2012:-

Question :

The Company has provided an allowance for doubtful receivables of approximately S\$1.10 million in Q2FY2013. Please provide an update on the Company's efforts in the collection of the overdue receivables.

Company's reply :

The allowance for doubtful receivables of approximately S\$1.10 million was made in accordance with the accounting policy of the Company and its subsidiaries ("the Group") with regard to normal collection issues faced by the Group in collecting overdue trade debts from certain European and Chinese customers in the ordinary course of business.

Collection efforts undertaken by the Company include constant engagement and follow up with customers, structuring of repayment plans and legal actions, when applicable. Proactive measures undertaken by the Company include constant credit risk monitoring as described in the risk management policies of the Corporate Governance Report and Note 36 of the Annual Report of the Company.

In accordance with the accounting policy of the Group, allowance for doubtful receivables will be written-back upon successful collection of these overdue receivables in the future.

By Order of the Board

Lo Swee Oi
Company Secretary

12 December 2012