



**STAMFORD TYRES CORPORATION LIMITED**

Company Registration No: 198904416M

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**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS BY SHAREHOLDERS  
IN RELATION TO THE ANNUAL REPORT 2021**

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The Company has received the questions below from shareholders and would like to respond as follows:

*Q1: Was 2HFY21 GP% around 27%, given full year's 24.9% and 1HFY21's 23.1%?*

Response: Yes, the gross profit margin for 2HFY21 was 27%.

*Q2: Was higher average selling price the cause for stronger gross profit margin in 2HFY21?*

Response: The stronger gross profit margin in 2HFY21 was attributable to better sales mix and stronger product and allocation support, as well as rebate incentives from principal suppliers.

*Q3: Is capital injection into Falken Tyre India being planned?*

Response: The Board of Directors of Stamford Tyres Corporation Ltd is monitoring the market development in India and together with our joint-venture partner, Sumitomo Rubber Asia, we are focused on right-sizing the operations of Falken Tyre India ("FTI") at the present. There are currently no plans for further capital injection into FTI and the Board will conduct the appropriate evaluation if there is an investment opportunity.

*Q4: What is the rough market value of land and buildings in Singapore vs book value?*

Response: As explained by the Board in prior years, the Group does not conduct valuation of its properties for purposes of assets revaluation as they are mainly held for use in support of its operations.

*Q5: How well did our own-brand tyres perform? Who is manufacturing the tyres?*

Response: As explained in prior years, the Group has managed to build up its budget tyres offerings, particularly in the commercial tyre segment, to about one-third of its revenue. As disclosed on page 15 of the Annual Report, the proprietary brand tyres continue to enjoy stable demand in the Group's key markets in South East Asia. The proprietary brand tyres are produced by factories in China, Thailand and Vietnam, which are selected based on the Group's internal quality standards (refer to page 11 of the Annual Report).

*Q6: What accounted for improved results in South Africa?*

Response: As disclosed in Note 40 of the financial statements, the improved results were mainly on the back of higher revenue during the year. This was attributable to stronger product and allocation support from suppliers and better product mix.

*Q7: Is the land bought in Malaysia several years ago still vacant?*

Response: As disclosed on pages 16 and 134 of the Annual Report, the Kapar, Selangor site has been developed into a key warehousing facility to support the Malaysian operations.

*Q8: Is Stamford Tyres being restricted in selling more car tyre brands?*

Response: The Group is not restricted in selling more car tyre brands and will continue to work as a long-term partner with its principal tyre brand suppliers, as well as tapping into its sourcing strength to continuously broaden its product line-up and seek new value-adding opportunities in all its markets.

In addition to the above, we will be addressing key issues which we think are of interest to our shareholders and interested investors in our Management Presentation during our Annual General Meeting on 29 September 2021. We will upload the presentation slides via SGXNet together with the results of the AGM.