



STAMFORD TYRES CORPORATION LIMITED

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

RESPONSE TO SUBSTANTIAL AND RELEVANT QUESTIONS BY SHAREHOLDER IN RELATION TO THE ANNUAL REPORT 2023

The Board of Directors of Stamford Tyres Corporation Limited (the “**Company**”), and together with its subsidiaries, the “**Group**”) would like to thank shareholders for submitting their questions in advance of the Annual General Meeting (“**AGM**”) to be held at 19 Lok Yang Way, Singapore 628635 on Thursday, 31 August 2023 at 3.00 p.m. The response to the questions sent in are set out as follows:

Q1: Has Falken Tyre India ceased operating?

Response: No, Falken Tyre India (“**FTI**”) has not ceased operations. As disclosed in Note 15 on page 97 of the Annual Report, the market disruptions arising from the ongoing import restrictions in India has significantly affected the financial viability of the joint venture. The Company holds 40% of FTI’s equity and shall continue to engage its majority-stake joint venture partner – Sumitomo Rubber Industries Ltd – with regard to developments within the India market.

Q2: Were the proprietary tyres profitable?

Response: As disclosed on pages 14 and 15 of the Annual Report, the Russia-Ukraine war caused supply chain disruption, particularly to shipping and logistics route throughout Eastern Europe. This impacted export sales of tyres and wheels, which included the exports of proprietary brand tyres. Consequently, the profitability of the proprietary brand tyres segment was adversely impacted. In response to the changing markets, the Group has diversified its topline and sourcing of Sumo Firenza tyres, mainly in the truck and commercial tyres segment. The Group remains focused on leveraging on its established brand name and core strength of delivering timely response to market and customer needs.

Q3: Was wheel manufacturing loss-making as revenue plunged to S\$25.5mil in FY23 from S\$35.8mil in prior year?

Response: As disclosed on page 16 of the Annual Report, higher production costs and the weakening of the Thai Baht negatively impacted the profitability of the SSW factory in FY23. Consequently, the wheel manufacturing operations were loss-making in FY23. On a positive note, SSW products continue to enjoy strong demand in South East Asia as we continue to build on our SSW branding and marketing in the digital space.

Q4: To what extent does the warehouse in Klang improve efficiency?

Response: As disclosed on page 16, the Kapar warehouse serves as a consolidated warehouse and logistics facility, being in close proximity to Port Klang and Klang Valley, in supporting our tyre distribution operations in Malaysia.

Q5: Is demand for large tyres for mining and forestry rising?

Response: As disclosed on pages 16 and 17 of the Annual Report, Group has established warehouses and distribution points in Balikpapan, Banjarmasin, Makassar, Manado, Timika as well as consignment and technical centres in Sulawesi to support the booming mining sector. This includes the corresponding higher demand for large-sized earthmover tyres used mainly for nickel mining activities in Indonesia.

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 AGM on 31 August 2023. We will upload the presentation slides via SGXNet together with the results of the AGM.

By Order of the Board

Michelle Heng
Company Secretary
25 August 2023