



STAMFORD TYRES CORPORATION LIMITED

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

RESPONSE TO SUBSTANTIAL AND RELEVANT QUESTIONS BY A SHAREHOLDER IN RELATION TO THE ANNUAL REPORT 2024

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 Friday, 30 August 2024 at 3.00 p.m. The response to the questions sent in are set out as follows:

Q1: Has Falken Tyre India ceased operations? What was the profit/loss in the past two years, if not?

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. As disclosed in Note 15 on page 98 of the Annual Report, the Group’s share of the losses from FTI amounted to S\$17,000 in FY24 and S\$173,000 in FY23. 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: Are tyres imported for distribution by the Group in South Africa? Is the Group facing challenges mentioned in an article per Yogender Malik (on tyreview.com)?

Response: Without going into a discourse over the content of the article, it is observed that the article brought up the subject matter pertaining to the imposition of anti-dumping duties on imported Chinese tyres, by the South African authorities. As explained on page 15 of the Annual Report, the Group has diversified its topline and sourcing of its proprietary brand (Sumo Firenza) and Chinese budget tyres, in response to changing market conditions. Within the context of the Group’s South Africa operations, its topline remained well-diversified with major brand tyres and imported Chinese budget tyres.

Q3: Are more highways being built in Indonesia?

Response: In accordance with publicly available information, since President Joko Widodo (“**Jokowi**”) took office in 2014, the Jokowi administration had announced the revival of the Trans-Java Toll Road initiative, which involved the ongoing construction of an expressway network which runs from Merak (northwest of Java Island) to Banyuwangi (east of Java Island), including its many complementary road networks across the Java Island.

Q4: Who competes with us in fleet management?

Response: Other third-party fleet management service providers in the Singapore market range from small-scale roadside service operators to full-scope service providers.

Q5: What factors did the management consider in distributing Kumho tyres, and giving up Maxam tyres?

Response: As an independent tyre distributor, the addition of the Kumho agency is in line with the Group’s strategy of product diversification as the Kumho brand allows the Group to leverage and build on its distribution network in Thailand, South Africa and Hong Kong to further expand its revenue base. The Group continues to sell Maxam brand tyres in Indonesia and Singapore.

As explained in the Letter to Shareholders on page 3 of the Annual Report, despite the imposition of import quota restrictions market-wide by the Indonesian authorities during the year, Indonesia remains a key growth area for the Group. As such, the Maxam line of earthmover tyres still forms an important part of the Group’s inherent competitive advantage in terms of product sourcing, to capitalise on this growth area.



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Q6: Are spaces being rented out at warehouses located at Lok Yang Way? Are the rental income part of the S\$162.7mil distribution revenue?

Response: The logistics service income in relation to the provision of third-party logistics services (including the storage and handling of goods) are classified under "Other Revenue" and are disclosed under Note 5 on page 89 of the Annual Report.

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 30 August 2024. We will upload the presentation slides via SGXNet together with the results of the AGM.

By Order of the Board

Michelle Heng
Company Secretary
23 August 2024