

The background of the slide features a close-up, low-angle shot of a white car's front wheel. The wheel is a multi-spoke alloy design with a silver finish. The tire is a black rubber with visible tread patterns. The car's body is white and occupies the upper and right portions of the frame. A red and black banner is overlaid across the top, containing the company name. The word 'STAMFORD' is in white, bold, italicized capital letters on a red background, and 'TYRES' is in white, bold, italicized capital letters on a black background.

***STAMFORD* TYRES**

**Annual General
Meeting FY2016**

30 August 2016

S t a m f o r d T y r e s C o r p o r a t i o n L i m i t e d

CONTENTS

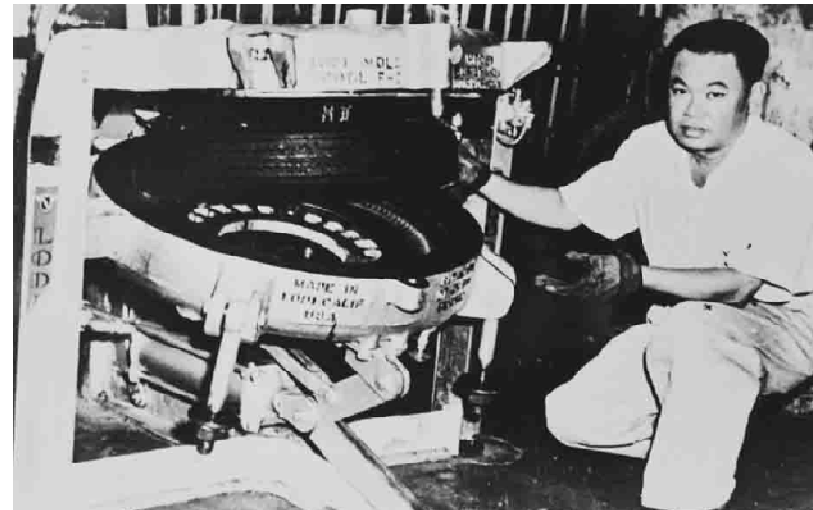
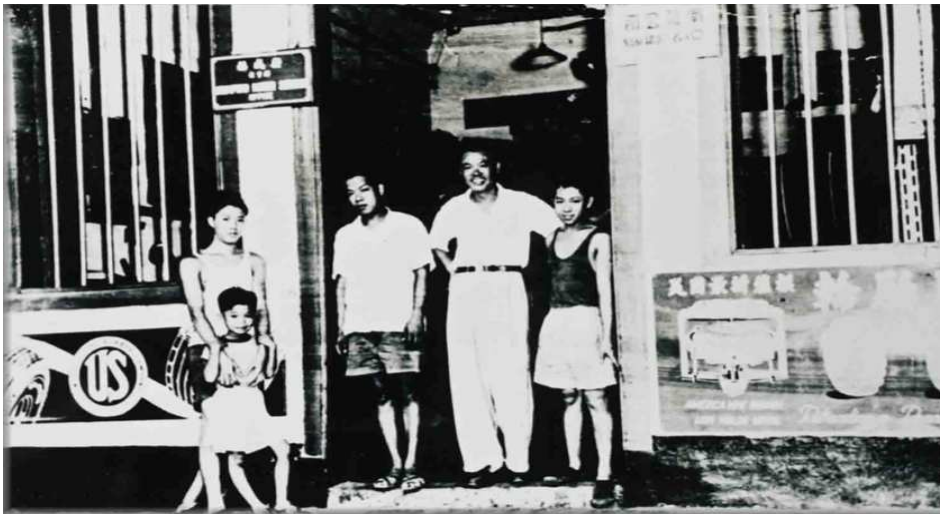
- **Stamford Tyres History / Milestones**
- **Core Activities**
- **Business Operations**
- **Stamford Tyres Regional Activities**
- **Financial Highlights – FY16**
- **Group Strategy and Outlook**
- **Q&A**

Stamford Tyres History / Milestones

Our Beginnings

1930's – The late Mr Wee Boon Kwee founded Stamford Motor Service – a modest tyre retail and petrol kiosk business located at Stamford Road.

1950's – Introduced tyre retreading in new Seah Street office.



Our Beginnings

1960's – Finance Minister Dr Goh Keng Swee officiated the new and modern Kallang Factory and office opening.



Our Beginnings

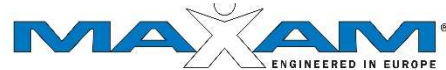
- 1970's – Mr Wee Kok Wah joined the business in 1970 – spearheaded search for tyre agency and diversification to new tyre distribution and value added services
- 1975 – Obtained rights to distribute FALKEN Tyres
- 1976 – Obtained rights to distribute Continental Tyres
- 1976 – Obtained rights to distribute TOYO Tyres



Core Activities

Our Core Competency

Major Brands



Proprietary Brands



Strong financial resources
(incl. financial personnel
to support a sustainable
distribution model)

Over 5,000 3rd Party
Retail Outlets



Distribution Centres



STAMFORD TYRES

88% of revenue
derived from
distribution

International Presence

10 Countries
22 Stamford Retail Outlets
6 Truck Centers
4 Contract Workshops
10 Mobile Fleet Service



STAMFORD TYRES

Business Operations

Business Model



Distribution

Manufacturing

Overseas Distribution Network (of Major Brands, namely Falken, Dunlop)

Retail Chain Network (for passenger car tyres & wheels, car workshops)

Truck Centres (which includes TTM, contract customers and mobile fleet services)

Off-the-Road "OTR" Tyre Centers (which includes Total Tyre Management ("TTM") services)

Proprietary Brand Tyres (passenger car radial, light truck, truck bus radial)

SSW Alloy Wheel (Manufacturing)

Retread of Truck and OTR Tyres



Central warehousing and distribution in 10 countries



22 Retail Outlets in South East Asia (mainly in Singapore)



6 Truck Centers
4 Customer Workshops
10 Mobile Fleet Service Vehicles



In Timika, Balikpapan and Sulawesi



Export to over 90 countries



Export to over 20 countries



In Malaysia, Singapore and Indonesia



Our International Presence (1/2)

Singapore



Malaysia



Indonesia



Timika



South Africa



Australia



Vietnam



Brunei



Our International Presence (2/2)

Thailand (SSW)



Thailand (STD)



Our Joint Ventures

Tyre Pacific Hong Kong (50%)
Countries: HK, Macau, Cambodia, Laos



Tyre Pacific Vietnam (50%)
Country: Vietnam



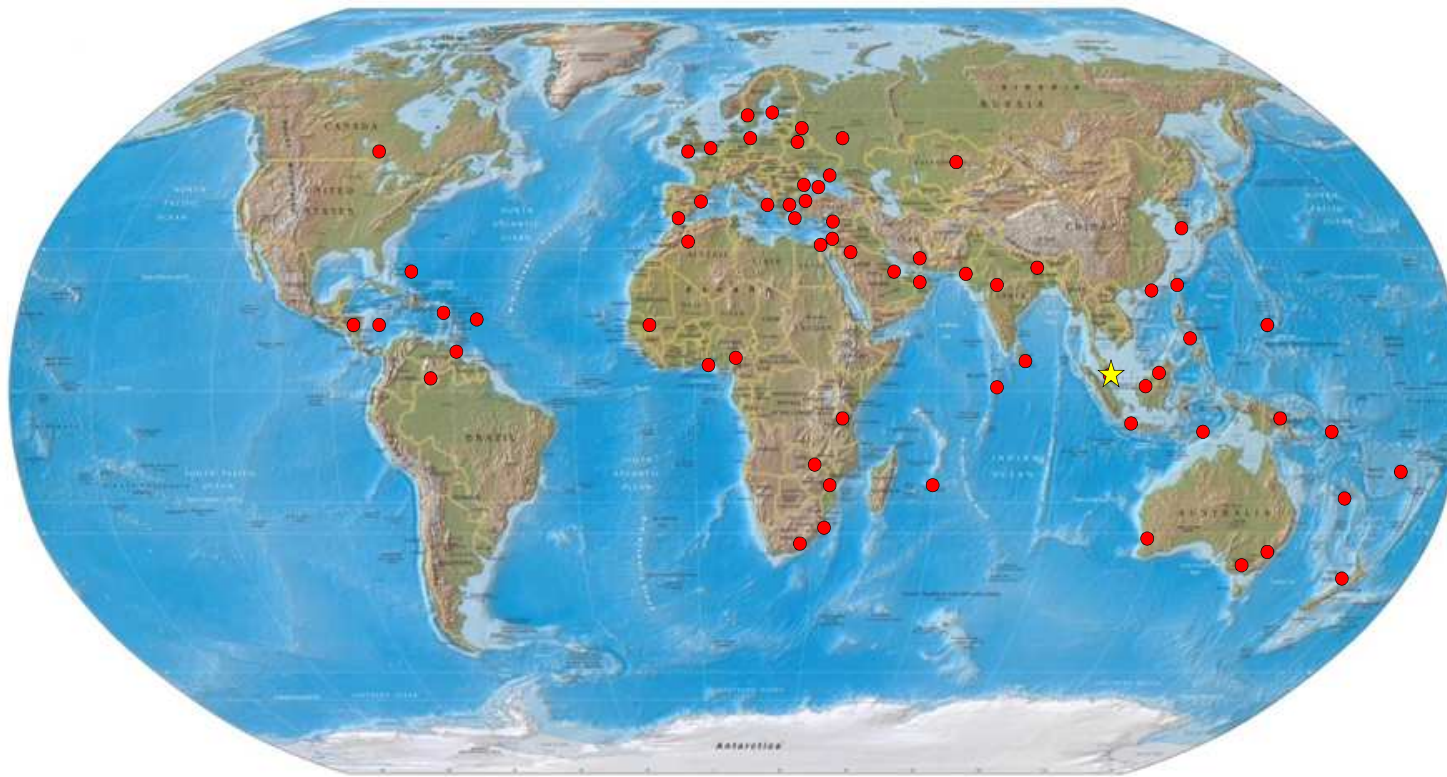
Falken Tyre India (40%)
Country: India



STAMFORD TYRES

Export – International Proprietary Brand Coverage

Currently, the Stamford Tyres distribution network spans more than 10 countries worldwide mainly in South East Asia, Australia, India and Africa. Its export network spans more than 90 countries including Eastern Europe, Western Europe, Africa, Latin America and the Middle East.



Proprietary Brands



Stamford Tyres Regional Activities

STAMFORD TYRES

STAMFORD TYRES

Stamford Tyres Regional Activities

Malaysia

Malaysia



Glenmarie warehouse, 6,500sqm



Truck centre, Kapar

- Network: 1,000 dealers nationwide.
- Warehouses: Glenmarie, Subang, Senawang and third party container yard.
- Centralised warehousing in Kapar, Selangor: Under development.



Tyre retreading plant, Senawang



Tyres unloading at Malaysia warehouse

Update On Malaysia – Kapar Warehouse

(Artist impressions only)



- 8 acres of land at Kapar for container storage.
- Capacity: 24,000 pallets + 500 containers.
- Higher efficiencies from consolidation of manpower and goods.

Stamford Tyres Regional Activities

Thailand

Thailand



SSW wheels manufacturing factory, Nonthaburi

- Comprise of:
 - Stamford Tires Distributors Co Ltd
 - Stamford Sport Wheels Co Ltd (“SSW”).
- Network: 700 dealers nationwide.
- Provincial branches at Chiang Mai, Khonkaen and Hat Yai.



Falken Corner concept 2016



Sooksawad warehouse, 7,500sqm



Roadshow at Chiang Mai, December 2015

Stamford Tyres Regional Activities

Indonesia

Indonesia



Mine site at PT Freeport, Irian Jaya

- Comprise of:
 - PT Stamford Tyres Distributors
 - PT Stamford Tyres Indonesia (Timika).
- Network and distribution points: Jakarta, Semarang, Surabaya, Medan, Balikpapan, Banjarmasin, Manado and Timika.
- Value-added activities: Wholesaling, retail network, OTR** sales and aftersales services, retreading and repair and light vehicle services.



Tyre retreading plant, Timika



Truck centre, Balikpapan



OTR repair services

**OTR = Off-the-road tyres

Stamford Tyres Regional Activities

Singapore

Singapore



Warehouse at 19 Lok Yang Way



Car servicing at Stamford Tyres Mart retail workshop

- Comprises:

- 18 Stamford Tyres Mart retail centres and workshops
- 3 Stamford Tyres truck centres
- 10 units of 24/7 Mobile Tyre Recovery Services

- Value-added activities: Wholesaling, international distribution, retail of tyres, wheels and accessories, workshop services, tyre related services, commercial tyres services, retreading and 3PL services.

- Customers include: PSA, SBS Transit, SMRT, Colex and Samwoh.



Truck centre, 21 Lok Yang Way



Tyre retreading

Stamford Tyres Regional Activities

South Africa

South Africa



Durban warehouse, 3,157 sqm



OTR open yard storage,
Johannesburg

**OTR = Off-the-road tyres

- Network: 700 dealers nationwide.
- Warehouses: Cape Town, Durban and Johannesburg.
- Value-added activities: Wholesaling, retail network, OTR** sales and aftersales services, retreading and repair and light vehicle services.



Roadshow and brand building event



Delivery vehicles

Stamford Tyres Regional Activities

Vietnam/ Brunei/
Australia/ HK

Other markets



Product launch in Ho Chi Minh, Vietnam (Falken 832i)



Dunlop showroom in Ha Tinh, Vietnam

- Comprise of:
 - Vietnam
 - Brunei
 - Australia
 - Hong Kong



Product launch event, Hong Kong (Dunlop Maxx)



Product launch event, Sydney (Blacklion)

Financial Highlights – FY2016

Key Financial Indicators (3 Years)

	FY16	FY15	FY14
	S\$'000	S\$'000	S\$'000
Revenue	239,878	292,515	290,615
Gross profit	59,131	64,505	66,219
GP %	25%	22%	23%
Operating costs	(58,246)	(62,022)	(57,597)
Share of results of JVs	1,767	89	(718)
Profit before tax	4,985	3,480	10,573
Net profit after MI	2,587	1,703	10,016
EPS (cents)	1.10	0.72	4.25
NAV (cents)	49.88	51.38	52.00

Included in FY14 was a one-time gain of S\$5.6mil from the disposal of Balestier property. The property was acquired in 1991 at S\$1.3mil and the book value was S\$0.7mil and sold for S\$6.3mil. There are 5 other retail properties and 8 industrial properties owned by the Group with book value of S\$41mil with a mix of freehold and leasehold.

Financial Ratios

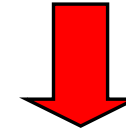
No	Ratio	FY16	FY15
1	Inventory turnover	172 days	166 days
2	Receivables turnover	103 days	98 days
3	Payables** turnover	135 days	141 days
4	Cash conversion cycle	140 days	123 days
5	Current ratio	1.82	1.56
6	Quick ratio	0.95	0.78
7	Net gearing	0.78	0.95

****Note : Payables consist of trade payables and trust receipts borrowings.**

Cash Flows

		FY16 S\$'000	FY15 S\$'000
Net cashflows from / (used in) operating activities	[A]	36,407	(4,522)
<i>Decrease / (increase) in receivables</i>		11,591	(5,270)
<i>Decrease / (increase) in inventories</i>		18,727	(1,172)
Net cash used in investing activities	[B]	(10,060)	(6,079)
<i>Additions of property, plant and equipment (PPE)</i>		(13,023)	(6,964)
<i>Proceeds from disposal of PPE</i>		99	214
Net cashflows (used in) / from financing activities	[C]	(23,889)	7,983
<i>(Repayment of) / proceeds from trust receipts</i>		(20,955)	8,835
<i>Dividends paid to shareholders</i>		(2,356)	(3,534)
Net cash increase / (decrease) during the year	[D]=[A]+[B]+[C]	2,458	(2,618)
Cash and cash equivalents at beginning of the year	[E]	15,850	18,637
Effect of exchange differences	[F]	(883)	(169)
Cash and cash equivalents at end of the year	[D]+[E]+[F]	17,425	15,850

Dividends History



	FY12 S\$'000	FY13 S\$'000	FY14 S\$'000	FY15 S\$'000	FY16 S\$'000
Profit after tax	9,757	11,558	10,016	1,703	2,587
Dividend	3,523	3,534	3,534	2,356	2,356
Payout ratio	36%	31%	35%	138%	91%
Dividend per share (cents)	1.5	1.5	1.5	1.0	1.0
Dividend yield (%)	5.0%	3.7%	3.8%	2.5%	3.7%

Group Strategy And Outlook

Group Strategy And Outlook

Continue to defend GP margin above 20%

- Expand our sales and retailer network for tyres and wheels.
- Grow our sales of commodity sizes, high performance and specialty items and truck tyres.
- Continue to focus on value-adding segments such as mining-related services, Stamford Tyres Mart retail chain and truck centres.
- Continue to buy competitively.
- Continue to work closely with our Principals to improve communication, profitability and product mix.

Continue to manage operating costs

Q&A

"Thank You!"

