

## STAMFORD TYRES CORPORATION LTD

### Unaudited Second Quarter 2018 Financial Statements

#### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2,&Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### 1(a)(i) CONSOLIDATED INCOME STATEMENT

	Group			Group		
	Q2FY18	Q2FY17	Difference	1HFY18	1HFY17	Difference
	Oct'17	Oct'16		Oct'17	Oct'16	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	59,039	57,693	2.33%	117,985	115,778	1.91%
Other revenue	851	693	22.80%	1,538	1,180	30.34%
Total revenue	59,890	58,386	2.58%	119,523	116,958	2.19%
Cost of goods sold	43,631	42,697	2.19%	86,846	86,006	0.98%
Salaries and employees benefits	6,289	5,968	5.38%	12,375	11,884	4.13%
Marketing and distribution	1,957	1,988	-1.56%	3,675	3,956	-7.10%
Utilities, repairs and maintenance	1,593	1,597	-0.25%	3,051	2,942	3.70%
Finance costs	1,019	1,100	-7.36%	2,037	2,294	-11.20%
Depreciation of property, plant and equipment	1,225	1,218	0.57%	2,467	2,430	1.52%
Operating lease rentals	1,365	1,124	21.44%	2,678	2,209	21.23%
Other operating expenses	1,468	977	50.26%	3,038	1,772	71.44%
Total expenditure	(58,547)	(56,669)	3.31%	(116,167)	(113,493)	2.36%
Share of results of joint ventures	793	434	82.72%	1,362	996	36.75%
Profit before taxation	2,136	2,151	-0.70%	4,718	4,461	5.76%
Taxation	(518)	(686)	-24.49%	(1,174)	(1,443)	-18.64%
Profit for the financial period	1,618	1,465	10.44%	3,544	3,018	17.43%
Attributable to:						
Equity holders of the company	1,618	1,465	10.44%	3,544	3,018	17.43%
	1,618	1,465	10.44%	3,544	3,018	17.43%

N.M - Not meaningful.

## 1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q2FY18 Oct'17 \$'000	Q2FY17 Oct'16 \$'000	1HFY18 Oct'17 \$'000	1HFY17 Oct'16 \$'000
Net profit for the financial period	1,618	1,465	3,544	3,018
Other comprehensive income :				
Translation adjustments arising on consolidation	179	1,352	(816)	718
Other comprehensive income for the financial period, net of tax	179	1,352	(816)	718
Total comprehensive income for the financial period	1,797	2,817	2,728	3,736
Total comprehensive income attributable to :				
Equity holders of the company	1,797	2,817	2,728	3,736
	1,797	2,817	2,728	3,736

	Q2FY18 Oct'17 \$'000	Q2FY17 Oct'16 \$'000	1HFY18 Oct'17 \$'000	1HFY17 Oct'16 \$'000
(a) Profit after taxation is stated after charging/(crediting) :				
Depreciation of property, plant and equipment (inclusive of charges included in cost of goods sold)	1,881	1,828	3,794	3,614
Allowance for doubtful trade receivables	216	491	441	345
Allowance for inventory obsolescence	72	105	254	319
Gain on disposal of property, plant and equipment	(14)	(66)	(90)	(79)
Foreign exchange loss/(gain)	461	(687)	841	(926)
Fair value (gain)/loss on derivatives	(185)	236	(110)	316
Bad debts (recovered)/written-off	(7)	3	(24)	-

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Oct'17 \$'000	Apr'17 \$'000	Oct'17 \$'000	Apr'17 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	69,325	70,679	-	-
Subsidiary companies	-	-	40,764	40,764
Amount due from subsidiary companies	-	-	14,279	14,311
Joint venture companies	17,021	16,862	6,567	6,567
Associated company	232	233	-	-
Deferred tax assets	3,017	3,109	-	-
	<u>89,595</u>	<u>90,883</u>	<u>61,610</u>	<u>61,642</u>
<b>Current assets</b>				
Inventories	82,957	77,869	-	-
Trade receivables	59,858	67,467	-	-
Derivatives	160	70	11	54
Other receivables	4,098	4,665	181	96
Prepayments and advances	4,687	3,890	31	21
Cash and cash equivalents	18,741	21,693	270	1,225
	<u>170,501</u>	<u>175,654</u>	<u>493</u>	<u>1,396</u>
<b>Less: Current liabilities</b>				
Trade payables	23,236	20,465	-	-
Trust receipts (secured)	40,286	50,808	-	-
Derivatives	-	20	-	-
Other payables	18,053	18,711	540	605
Loans (secured)	13,743	17,980	-	-
Hire-purchase liabilities	836	807	-	-
Provisions	759	689	-	-
Provision for taxation	2,725	2,742	-	12
	<u>99,638</u>	<u>112,222</u>	<u>540</u>	<u>617</u>
<b>Net current assets/(liabilities)</b>	<u>70,863</u>	<u>63,432</u>	<u>(47)</u>	<u>779</u>
<b>Non-current liabilities</b>				
Amount due to subsidiary companies	-	-	16,918	14,219
Hire-purchase liabilities	682	882	-	-
Provisions	861	861	-	-
Long-term loans (secured)	34,490	27,375	-	-
Deferred tax liabilities	1,338	1,304	108	108
	<u>37,371</u>	<u>30,422</u>	<u>17,026</u>	<u>14,327</u>
<b>Net assets</b>	<u>123,087</u>	<u>123,893</u>	<u>44,537</u>	<u>48,094</u>
<b>Equity</b>				
Share capital	35,722	35,722	35,722	35,722
Reserves	87,365	88,171	8,815	12,372
	<u>123,087</u>	<u>123,893</u>	<u>44,537</u>	<u>48,094</u>

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

As at 31/10/2017		As at 30/04/2017	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
54,865	-	69,595	-

Amount repayable after one year

As at 31/10/2017		As at 30/04/2017	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
35,172	-	28,257	-

### Details of any collateral

The Group's freehold land, certain leasehold land and buildings, leasehold improvements and certain plant and equipment with a total net book value of \$48,014,446 as at 31 October 2017 (30 April 2017: \$49,034,056) are subject to legal mortgages in connection with bank facilities granted to the Group.

The trust receipts of subsidiary companies are secured primarily by corporate guarantees from the Company.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(c)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (Q2FY2018 – Q2FY2017)

	Group	
	Q2FY18 Oct'17 \$'000	Q2FY17 Oct'16 \$'000
<b>Cash flows from operating activities:</b>		
Profit before taxation	2,136	2,151
Adjustments for:		
Depreciation of property, plant and equipment	1,881	1,828
Gain on disposal of property, plant and equipment	(14)	(66)
Fair value (gain)/loss on derivatives	(185)	236
Bad debts (recovered)/written-off	(7)	3
Foreign currency translation adjustment	456	395
Interest income	(45)	(19)
Provision for product warranties	78	98
Write-back on property, plant and equipment	(2)	(2)
Interest expenses	1,019	1,100
Share of results of joint ventures	(793)	(434)
<b>Operating cash flows before changes in working capital</b>	<u>4,524</u>	<u>5,290</u>
(Increase)/decrease in inventories	(7,856)	1,219
Decrease in receivables	2,508	276
Increase in payables	6,909	2,994
<b>Cash flows from operations</b>	<u>6,085</u>	<u>9,779</u>
Interest received	45	19
Interest paid	(1,019)	(1,100)
Income tax paid	(671)	(656)
<b>Net cash flows generated from operating activities</b>	<u>4,440</u>	<u>8,042</u>
<b>Cash flows from investing activities :</b>		
Proceeds from disposal of property, plant and equipment	14	74
Purchase of property, plant and equipment	(1,272)	(2,215)
<b>Net cash flows used in investing activities</b>	<u>(1,258)</u>	<u>(2,141)</u>
<b>Cash flows from financing activities :</b>		
Proceeds from long-term loans	17,500	907
Repayment of trust receipts	(2,113)	(1,777)
Proceed from revolving loans	50	200
Repayment of hire purchase creditors	(265)	(193)
Dividend paid to shareholders	(3,534)	(2,356)
Repayment of long-term loans	(13,546)	(2,773)
<b>Net cash flows used in financing activities</b>	<u>(1,908)</u>	<u>(5,992)</u>
Net increase/(decrease) in cash and cash equivalents	1,274	(91)
Cash and cash equivalents at beginning of financial period	17,695	16,080
Effect of exchange rate changes on cash and cash equivalents at the beginning of the financial period	(228)	287
<b>Cash and cash equivalents at end of financial period</b>	<u>18,741</u>	<u>16,276</u>

1(c)(ii) CONSOLIDATED STATEMENT OF CASH FLOWS (YTD OCTOBER FY2018 vs OCTOBER FY2017)

	Group	
	1HFY18	1HFY17
	Oct'17	Oct'16
	\$'000	\$'000
<b>Cash flows from operating activities :</b>		
Profit before taxation	4,718	4,461
Adjustments for:		
Depreciation of property, plant and equipment	3,794	3,614
Gain on disposal of property, plant and equipment	(90)	(79)
Fair value (gain)/loss on derivatives	(110)	316
Bad debts recovered	(24)	-
Foreign currency translation adjustment	414	262
Interest income	(77)	(37)
Provision for product warranties	124	185
Write-back of impairment loss on property, plant and equipment	(4)	(4)
Interest expenses	2,037	2,294
Share of results of joint ventures	(1,362)	(996)
<b>Operating cash flows before changes in working capital</b>	9,420	10,016
(Increase)/decrease in inventories	(5,088)	5,655
Decrease/(increase) in receivables	7,403	(490)
Increase in payables	2,055	3,761
<b>Cash flows from operations</b>	13,790	18,942
Interest received	77	37
Interest paid	(2,037)	(2,294)
Income tax paid	(1,065)	(1,138)
<b>Net cash flows generated from operating activities</b>	10,765	15,547
<b>Cash flows from investing activities :</b>		
Proceeds from disposal of property, plant and equipment	93	101
Dividend received from joint venture company	352	-
Purchase of property, plant and equipment	(2,187)	(3,294)
<b>Net cash flows used in investing activities</b>	(1,742)	(3,193)
<b>Cash flows from financing activities :</b>		
Proceeds from long-term loans	17,560	1,058
Repayment of trust receipts	(10,522)	(1,806)
Repayment of revolving loans	(160)	(2,606)
Repayment of hire purchase creditors	(428)	(463)
Dividend paid to shareholders	(3,534)	(2,356)
Repayment of long-term loans	(14,522)	(7,642)
<b>Net cash flows used in financing activities</b>	(11,606)	(13,815)
Net decrease in cash and cash equivalents	(2,583)	(1,461)
Cash and cash equivalents at beginning of financial period	21,693	17,425
Effect of exchange rate changes on cash and cash equivalents at the beginning of the financial period	(369)	312
<b>Cash and cash equivalents at end of financial year</b>	18,741	16,276

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding year of the immediately preceding financial year.

Group	Equity attributable to		Share capital	Revenue reserve	Other reserves, total	Capital reserve	Employee share option reserve	Foreign currency translation reserve	Discount on acquisition of non-controlling interest
	Equity, total	owners of the Company, total							
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1May 2016	117,505	117,505	35,722	98,986	(17,203)	424	-	(17,829)	202
Profit for the financial period	3,018	3,018	-	3,018	-	-	-	-	-
Other comprehensive income for the financial period	718	718	-	-	718	-	-	718	-
Total comprehensive income for the financial period	3,736	3,736	-	3,018	718	-	-	718	-
<u>Contributions by and distributions to owners</u>									
Dividend on ordinary shares	(2,356)	(2,356)	-	(2,356)	-	-	-	-	-
Total contributions by and distributions to owners	(2,356)	(2,356)	-	(2,356)	-	-	-	-	-
Total transactions with owners in their capacity as owners	(2,356)	(2,356)	-	(2,356)	-	-	-	-	-
Balance at 31Oct 2016	118,885	118,885	35,722	99,648	(16,485)	424	-	(17,111)	202
Balance at 1May 2017	123,893	123,893	35,722	104,742	(16,571)	424	-	(17,197)	202
Profit for the financial period	3,544	3,544	-	3,544	-	-	-	-	-
Other comprehensive income for the financial period	(816)	(816)	-	-	(816)	-	-	(816)	-
Total comprehensive income for the financial period	2,728	2,728	-	3,544	(816)	-	-	(816)	-
<u>Contributions by and distributions to owners</u>									
Dividend on ordinary shares	(3,534)	(3,534)	-	(3,534)	-	-	-	-	-
Total contributions by and distributions to owners	(3,534)	(3,534)	-	(3,534)	-	-	-	-	-
Total transactions with owners in their capacity as owners	(3,534)	(3,534)	-	(3,534)	-	-	-	-	-
Balance at 31Oct 2017	123,087	123,087	35,722	104,752	(17,387)	424	-	(18,013)	202

	Equity, total \$'000	Equity attributable to owners of the total \$'000	Share capital \$'000	Revenue reserve \$'000	Other reserves total \$'000
<b>Company</b>					
Balance at 1 May 2016	49,882	49,882	35,722	14,160	-
Loss for the financial period	(390)	(390)	-	(390)	-
Total comprehensive income for the financial period	(390)	(390)	-	(390)	-
<u>Contributions by and distributions to owners</u>					
Dividend on ordinary shares	(2,356)	(2,356)	-	(2,356)	-
Total contributions by and distributions to owners	(2,356)	(2,356)	-	(2,356)	-
Total transactions with owners in their capacity as owners	(2,356)	(2,356)	-	(2,356)	-
Balance at 31 Oct 2016	47,136	47,136	35,722	11,414	-
Balance at 1 May 2017	48,094	48,094	35,722	12,372	-
Profit for the financial period	(23)	(23)	-	(23)	-
Total comprehensive income for the financial period	(23)	(23)	-	(23)	-
<u>Contributions by and distributions to owners</u>					
Dividend on ordinary shares	(3,534)	(3,534)	-	(3,534)	-
Total contributions by and distributions to owners	(3,534)	(3,534)	-	(3,534)	-
Total transactions with owners in their capacity as owners	(3,534)	(3,534)	-	(3,534)	-
Balance at 31 Oct 2017	44,537	44,537	35,722	8,815	-



1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's number of shares since 30 April 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

	Company 31/10/2017	Company 30/04/2017
Ordinary shares (excluding treasury shares)	235,586,244	235,586,244

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There are no treasury shares and no subsidiary holdings as at the end of the current financial year reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5, the Group and the Company has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared with those of the audited financial statements as at 30 April 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

On 1 May 2017, the Group and the Company adopted the following new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are relevant:

Description

- Amendments to FRS 7: Disclosure Initiative
- Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to FRS 112: Classification of the scope of the standard

The adoption of the above FRS and INT FRS did not result in any substantial changes to the Group's accounting policies and did not have any significant impact on the Group and the Company.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Group		Group	
	Q2FY18 Oct'17	Q2FY17 Oct'16	1HFY18 Oct'17	1HFY17 Oct'16
Earning per share (EPS)				
- Based on the weighted average number of ordinary shares on issue (cents)	0.69	0.62	1.50	1.28
- On fully diluted basis (cents)	0.69	0.62	1.50	1.28
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Group earnings used for the calculation of EPS				
Profit for the financial period	1,618	1,465	3,544	3,018
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Number of shares used for the calculation of basic and diluted EPS:				
Weighted average number of ordinary shares in issue used for the calculation of basic EPS	235,586	235,586	235,586	235,586

Basic earning per share ("EPS") is calculated on the Group's profit for the financial period attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the financial period.

Diluted EPS is calculated on the same basis as basic EPS as there are no dilutive potential ordinary shares as at 31 October 2017.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:- (a) current financial year reported on; and (b) immediately preceding financial year.

	Group		Company	
	31/10/17	30/04/17	31/10/17	30/04/17
Net asset value per ordinary share (cents)	52.25	52.59	18.90	20.41

The net asset value per share for the Group and the Company as at 31 October 2017 are calculated based on the actual number of shares in issue of 235,586,244 ordinary shares (30 April 2017: 235,586,244 ordinary shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

## **Q2FY18**

### **Revenue**

The Group's sales revenue was 2.3% higher at S\$59.0 million in Q2FY18 compared to S\$57.7 million in Q2FY17. This was mainly due to improved sales in Australia and the South East Asian markets.

### **Gross Profit and Gross Profit Margin**

Gross profit was S\$15.4 million in Q2FY18 compared to S\$15.0 million in Q2FY17. Gross profit margin increased from 26.0% in Q2FY17 to 26.1% in Q2FY18, mainly attributable to value-added activities at the Group's Stamford Tyres Mart retail chain and truck tyre centres.

### **Operating Expenses**

Total operating expenses increased by 6.8% to S\$14.9 million in Q2FY18 compared to S\$14.0 million in Q2FY17. The increase was mainly due to higher operating lease rentals, higher foreign exchange costs and allowance for doubtful trade receivables.

### **Share of Results of Joint Ventures**

In Q2FY18, our share of profits from joint ventures amounted to a net of S\$0.8 million, compared to S\$0.4 million Q2FY17, mainly attributable to improved performance from joint ventures.

### **Net Profit**

The net profit of the Group was 10.4% higher at S\$1.6 million in Q2FY18, compared to S\$1.5 million recorded in Q2FY17.

### **Financial Position**

Property, plant and equipment decreased to S\$69.3 million as at 31 October 2017 from S\$70.7 million as at 30 April 2017.

Receivables decreased to S\$60.0 million as at 31 October 2017 from S\$67.5 million as at 30 April 2017.

Inventories increased to S\$83.0 million as at 31 October 2017 from S\$77.9 million as at 30 April 2017.

Trade payables and trust receipts decreased to S\$63.5 million as at 31 October 2017 from S\$71.3 million as at 30 April 2017.

As at 31 October 2017, the Group's cash and cash equivalents stood at S\$18.7 million compared to S\$21.7 million as at 30 April 2017.

The Group's borrowings which comprise trust receipts, revolving credit, short-term secured loans as well as long-term secured loans stood at S\$88.5 million as at 31 October 2017 compared with S\$96.2 million as at 30 April 2017. The decrease in borrowings was mainly due to the repayment of trust receipts.

## **1HFY18**

### **Revenue**

The Group's sales revenue was 1.9% higher at S\$118.0 million in 1HFY18 compared to S\$115.8 million in 1HFY17. This was mainly due to improved sales in Australia and the South East Asian markets.

### **Gross Profit and Gross Profit Margin**

Gross profit was S\$31.1 million in 1HFY18 compared to S\$30.0 million in 1HFY17. Gross profit margin increased from 25.7% in 1HFY17 to 26.4% in 1HFY18, mainly attributable to value-added activities at its Stamford Tyres Mart retail chain and truck tyre centres.

### **Operating Expenses**

Total operating expenses increased by 6.7% to S\$29.3 million in 1HFY18 compared to S\$27.5 million in 1HFY17. The increase was mainly due to higher operating lease rentals, higher foreign exchange costs and allowance for doubtful trade receivables.

### **Share of Results of Joint Ventures**

In 1HFY18, the share of results of joint ventures amounted to a net profit of S\$1.4 million, compared to S\$1.0 million in 1HFY17, mainly attributable to improved performance from our Hong Kong joint venture.

### **Net Profit**

The net profit of the Group was 17.4% higher at S\$3.5 million in 1HFY18, compared to S\$3.0 million recorded in 1HFY17.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The operating environment in the tyre business remains challenging as a result of global oversupply and intense competition.

To mitigate the impact of this challenging environment, the Group will continue to optimize its product mix, manage operating costs and build on its core markets in South East Asia.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholder for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained.

14. Aggregate value of interested person transactions entered into by the Company and/or its subsidiaries during the year.

The Company does not have a general mandate for IPT.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Wah Holdings Pte Ltd**	S\$91,200	Nil

\*\* Mr Wee Kok Wah, Mrs Daw n Wee Wai Ying and Dr Wee Li Ann are directors/shareholders of Wah Holdings Pte Ltd

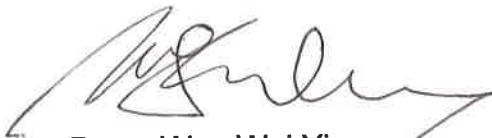
15. Statement Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The directors confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the interim financial statements of Stamford Tyres Corporation Limited for the 2<sup>nd</sup> quarter ended 31 October 2017, to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Company confirmed that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read "Dawn Wee Wai Ying". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dawn Wee Wai Ying  
Executive Director  
07 December 2017