



STAMFORD TYRES CORPORATION LIMITED

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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE COMPANY'S ANNUAL REPORT FOR FINANCIAL YEAR ENDED 30 APRIL 2019

The Board of Directors of Stamford Tyres Corporation Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the queries raised by the SGX-ST on 15 August 2019 and wish to respond as follows:-

SGX-ST's Query

Listing Rule 715(2) states that the Company should "*must engage a suitable accounting firm for its significant foreign-incorporated subsidiaries and associated companies*".

We note that the Company stated on pages 137 to 141 of its Annual Report that its foreign-incorporated subsidiaries / associated companies are audited by Choi Mei Bik Public Accountant (Practicing), Kantor Akuntan Publik Heliantono & Rekan, Jai Prakash Upadhahay & Co., WKA Associates, BSR & Associates LLP, Vietnam Accounting Auditing Consulting Company Limited and AS Auditing Company. Please clarify if these foreign-incorporated entities are significant and if so, let us have the Board's and Audit Committee's confirmation of the suitability of these auditing firms and the basis for their assessment.

The Company's response:

Whilst the Company's significant foreign-incorporated subsidiaries and associated companies are audited by Ernst & Young member firms in the respective countries, the Board and Audit Committee ("**AC**") have confirmed the suitability of the other auditing firms of its foreign-incorporated subsidiaries and associated companies, after taking into consideration the auditing firms' profile, size, experience, adequacy of resources and track record.

The Company is of the view that the foreign-incorporated entities audited by the auditing firms mentioned above are not significant and the Board and AC are of the opinion that the appointment of the mentioned auditing firms will not compromise the standard and effectiveness of the audit of the Group.

SGX-ST's Query

Guideline 9.3 of the Code of Corporate Governance 2012 provides that the issuer should "*disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO)*".

As required under Listing Rule 710, please make the disclosure as recommended in the Code; or otherwise disclose and explain any deviation from the recommendation.

The Company's response:

As stated on page 32 of the 2019 Annual Report, the Company believes that it is not in the best interest of the Company to disclose the details of the remuneration of the top five key management personnel (who are not directors or the CEO) as required by Guideline 9.3 of the Code of Corporate Governance 2012 in view of the competitive pressures in the labour market on retaining talent.

The Company believes that given the highly competitive industry conditions and in the interest of maintaining good morale and a strong spirit of teamwork within the Group, the disclosure would be prejudicial to the Company's interests and hamper its ability to retain and nurture the Group's talent pool as it increases the risk of having our highly experienced and qualified management team being poached individually and/or collectively, therefore affecting both our ability to nurture a sustainable talent pool and ensuring the smooth continuity of leadership to achieve the strategic business and operational objectives of the Group.

By Order of the Board

Michelle Heng
Company Secretary
20 August 2019