



STAMFORD TYRES CORPORATION LTD

(Incorporated in Singapore, Registration number: 198904415M)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 October 2022

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(Incorporated in Singapore, Registration number: 198904415M)

Condensed Interim Financial Statements for 6 Months Financial Period Ended 31 October 2022

A. Condensed interim consolidated income statement

	Group		Difference \$'000	Difference %
	1HFY23	1HFY22		
	Oct'22 \$'000	Oct'21 \$'000		
Revenue	97,011	87,999	9,012	10.24%
Other revenue	2,664	2,144	520	24.25%
Total revenue	99,675	90,143	9,532	10.57%
Cost of goods sold	71,493	63,748	7,745	12.15%
Salaries and employees' benefits	11,473	10,870	603	5.55%
Marketing and distribution	3,388	2,653	735	27.70%
Utilities, repairs and maintenance	2,833	2,624	209	7.96%
Finance costs	2,077	1,678	399	23.78%
Depreciation of property, plant and equipment and right-of-use assets	2,736	3,128	(392)	-12.53%
Lease expenses	620	640	(20)	-3.13%
Other operating expenses	3,001	3,629	(628)	-17.31%
Total expenditure	(97,621)	(88,970)	(8,651)	9.72%
Share of results of joint ventures	725	356	369	N.M
Profit before taxation	2,779	1,529	1,250	81.75%
Taxation	(648)	(833)	(185)	-22.21%
Profit for the financial period	2,131	696	1,435	N.M
Attributable to:				
Equity holders of the company	2,131	696	1,435	N.M
	2,131	696	1,435	N.M

N.M - Not meaningful.

B. Condensed interim consolidated statement of comprehensive income

	1HFY23 Oct'22 \$'000	1HFY22 Oct'21 \$'000
Net profit for the financial period	2,131	696
Other comprehensive income :		
Translation adjustments arising on consolidation	(4,720)	(924)
Other comprehensive income for the financial period, net of tax	(4,720)	(924)
Total comprehensive income for the financial period	<u>(2,589)</u>	<u>(228)</u>
Total comprehensive income attributable to :		
Equity holders of the company	<u>(2,589)</u>	<u>(228)</u>

Earnings per ordinary share for profit for the period attributable to the owners of the Company during the year:

	Group	
	1HFY23 Oct'22	1HFY22 Oct'21
Earnings per share (EPS)		
- Based on the weighted average number of ordinary shares on issue (cents)	0.90	0.29
- On fully diluted basis (cents)	<u>0.90</u>	<u>0.29</u>

C. Condensed interim statements of financial position

	Group		Company	
	Oct'22 \$'000	Apr'22 \$'000	Oct'22 \$'000	Apr'22 \$'000
Non-current assets				
Property, plant and equipment	53,287	56,417	-	-
Right-of-use assets	10,197	8,720	-	-
Investment in subsidiaries	-	-	41,615	41,615
Amount due from subsidiary companies	-	-	13,806	14,072
Joint venture companies	13,999	15,771	1,571	1,571
Associated company	210	228	-	-
Deferred tax assets	2,801	2,861	-	-
	<u>80,494</u>	<u>83,997</u>	<u>56,992</u>	<u>57,258</u>
Current assets				
Inventories	94,189	94,779	-	-
Trade receivables	29,111	36,203	-	-
Derivatives	513	3	69	-
Other receivables	3,639	3,483	185	95
Prepayments and advances	4,629	3,884	22	26
Cash and cash equivalents	28,299	35,836	388	238
	<u>160,380</u>	<u>174,188</u>	<u>664</u>	<u>359</u>
Less: Current liabilities				
Trade payables	10,560	12,118	-	-
Trust receipts (secured)	46,430	51,905	-	-
Derivatives	73	299	-	10
Other payables	18,144	18,185	835	687
Loans (secured)	23,423	28,947	1,248	1,236
Hire-purchase liabilities	136	89	-	-
Lease liabilities	1,882	1,431	-	-
Provisions	511	378	-	-
Provision for taxation	1,188	2,105	45	79
	<u>102,347</u>	<u>115,457</u>	<u>2,128</u>	<u>2,012</u>
Net current assets/(liabilities)	58,033	58,731	(1,464)	(1,653)
Non-current liabilities				
Amount due to subsidiary companies	-	-	12,816	11,115
Hire-purchase liabilities	255	233	-	-
Lease liabilities	8,765	7,680	-	-
Provisions	865	865	-	-
Long-term loans (secured)	16,440	15,640	2,026	2,653
Deferred tax liabilities	2,005	1,963	108	108
	<u>28,330</u>	<u>26,381</u>	<u>14,950</u>	<u>13,876</u>
Net assets	110,197	116,347	40,578	41,729
Equity				
Share capital	36,244	36,244	36,244	36,244
Reserves	73,953	80,103	4,334	5,485
	<u>110,197</u>	<u>116,347</u>	<u>40,578</u>	<u>41,729</u>

D. Condensed interim statements of changes in equity

	Equity, total \$'000	Equity attributable to owners of the Company, \$'000	Share capital \$'000	Revenue reserve \$'000	Other reserves, total \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Discount on acquisition of non- controlling interest \$'000
Group								
Balance at 1 May 2021	116,934	116,934	36,244	97,955	(17,265)	675	(18,142)	202
Profit for the financial period	696	696	-	696	-	-	-	-
Other comprehensive income for the financial period	(924)	(924)	-	-	(924)	-	(924)	-
Total comprehensive income for the financial period	(228)	(228)	-	696	(924)	-	(924)	-
<u>Contributions by and distributions to owners</u>								
Dividend on ordinary shares	(2,968)	(2,968)	-	(2,968)	-	-	-	-
Total contributions by and distributions to owners	(2,968)	(2,968)	-	(2,968)	-	-	-	-
Balance at 31 October 2021	113,738	113,738	36,244	95,683	(18,189)	675	(19,066)	202
Balance at 1 May 2022	116,347	116,347	36,244	98,874	(18,771)	675	(19,648)	202
Profit for the financial period	2,131	2,131	-	2,131	-	-	-	-
Other comprehensive income for the financial period	(4,720)	(4,720)	-	-	(4,720)	-	(4,720)	-
Total comprehensive income for the financial period	(2,589)	(2,589)	-	2,131	(4,720)	-	(4,720)	-
<u>Contributions by and distributions to owners</u>								
Dividend on ordinary shares	(3,561)	(3,561)	-	(3,561)	-	-	-	-
Total contributions by and distributions to owners	(3,561)	(3,561)	-	(3,561)	-	-	-	-
Balance at 31 October 2022	110,197	110,197	36,244	97,444	(23,491)	675	(24,368)	202

	Equity attributable to			
	Equity, total \$'000	owners of the Company, total \$'000	Share capital \$'000	Revenue reserve \$'000
Company				
Balance at 1 May 2021	41,346	41,346	36,244	5,102
Profit for the financial period	1,694	1,694	-	1,694
Total comprehensive income for the financial period	1,694	1,694	-	1,694
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares	(2,968)	(2,968)	-	(2,968)
Total contributions by and distributions to owners	(2,968)	(2,968)	-	(2,968)
Balance at 31 October 2021	40,072	40,072	36,244	3,828
Balance at 1 May 2022	41,729	41,729	36,244	5,485
Profit for the financial period	2,410	2,410	-	2,410
Total comprehensive income for the financial period	2,410	2,410	-	2,410
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares	(3,561)	(3,561)	-	(3,561)
Total contributions by and distributions to owners	(3,561)	(3,561)	-	(3,561)
Balance at 31 October 2022	40,578	40,578	36,244	4,334

E. Condensed Interim consolidated statement of cash flows

	Group	
	1HFY23	1HFY22
	Oct'22	Oct'21
	\$'000	\$'000
Cash flows from operating activities:		
Profit before taxation	2,779	1,529
Adjustments for:		
Depreciation of property, plant and equipment	2,657	2,965
Depreciation of right-of-use assets	1,078	1,184
Gain on disposal of property, plant and equipment	(60)	(11)
Fair value gain on derivatives	(736)	(351)
Bad debts recovered	(5)	(2)
Foreign currency translation adjustment	(4,267)	(1,079)
Interest income	(120)	(91)
Provision for product warranties	256	75
Interest expense	2,077	1,678
Share of results of joint ventures	(725)	(356)
Operating cash flows before changes in working capital	2,934	5,541
Decrease/(increase) in inventories	590	(9,236)
Decrease in receivables	6,196	1,236
Decrease in payables	(1,702)	(4,127)
Cash flows generated from/(used in) operations	8,018	(6,586)
Interest received	120	91
Interest paid	(2,077)	(1,678)
Income tax paid	(1,463)	(1,057)
Net cash flows generated from/(used in) operating activities	4,598	(9,230)
Cash flows from investing activities :		
Proceeds from disposal of property, plant and equipment	72	17
Dividend received from joint venture company	2,493	1,904
Purchase of property, plant and equipment	(1,027)	(1,059)
Net cash flows generated from investing activities	1,538	862
Cash flows from financing activities :		
(Repayment of)/proceeds from trust receipts	(3,135)	2,015
Repayment of short-term loans	(896)	(717)
Repayment of hire purchase creditors	(69)	(88)
Dividend paid to shareholders	(3,561)	(2,968)
Principal element of lease payments	(1,033)	(1,089)
Repayment of long-term loans	(3,341)	(3,234)
Net cash flows used in financing activities	(12,035)	(6,081)
Net decrease in cash and cash equivalents	(5,899)	(14,449)
Cash and cash equivalents at beginning of financial period	35,836	41,834
Effect of exchange rate changes on cash and cash equivalents at the beginning of the financial period	(1,638)	(336)
Cash and cash equivalents at end of financial period	28,299	27,049

F. Notes to the condensed interim consolidated financial statements

1. Corporation information

Stamford Tyres Corporation Limited is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

Its registered office and principal place of business is at 19 Lok Yang Way, Singapore 628635.

The principal activity of the Company is that of an investment holding company and the principal activities of the subsidiary companies consist of the wholesale and retail of tyres and wheels, design and contract manufacturing of tyres for proprietary brands, tyre retreading, equipment trading, servicing of motor vehicles, and manufacturing and sale of aluminium alloy wheels.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 October 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 April 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollar ("S\$") and all values are rounded to the nearest thousand ("S\$'000") except when otherwise indicated.

As at 31 October 2022, the Company's current liabilities exceeded its current assets by S\$1,464,000 (30 April 2022: S\$1,653,000). The directors have considered the financial position of the Company and are of the view that the Company will be able to meet its obligations as and when they fall due by way of dividend income to be drawn from the reserves of its subsidiaries as and when necessary.

2.1 New and amended standards adopted by the Group

The adoption of the various new/revised SFRS(I) effective for the financial year beginning on 1 May 2022 does not have a material financial effect on the Group and the Company.

2.2 Use of Judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 April 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

For management purposes, the Group is organised into business units based on their geographical locations, and has four reportable segments as follows:

- I. South East Asia
- II. North Asia
- III. Africa
- IV. Others

Distribution of tyres and wheels to external customers are included in the South East Asia, North Asia, Africa and other segments. Manufacturing of alloy wheels sold directly to external customers are included in the South East Asia segment.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

4.1 Reportable segments

Geographical segment Group 1HFY23	Southeast				Total segments	Elimination	Consolidated
	Asia S\$'000	North Asia S\$'000	Africa S\$'000	Other S\$'000			
Revenue							
External revenue	86,454	836	7,525	2,196	97,011	-	97,011
Inter-segment revenue	13,290	1,164	-	-	14,454	(14,454)	-
Other revenue							
- Interest income	107	-	11	-	118	-	118
- Others	1,716	756	6	68	2,546	-	2,546
Total revenue	101,567	2,756	7,542	2,264	114,129	(14,454)	99,675
Finance costs	(2,181)	(3)	(126)	(6)	(2,316)	239	(2,077)
Segment result	1,349	501	237	(249)	1,838	239	2,077
Less : Unallocated expenses							(23)
Share of profits of joint ventures	-	718	-	7	725	-	725
Profit before taxation							2,779
Taxation							(648)
Profit for the financial year							2,131
Other information							
Segment assets	198,518	5,624	17,794	1,928	223,864	-	223,864
Associated and joint venture companies	210	13,998	-	1	14,209	-	14,209
Unallocated assets	2,648	153	-	-	2,801	-	2,801
Total assets	201,376	19,775	17,794	1,929	240,874	-	240,874
Segment liabilities	117,730	437	6,788	2,529	127,484	-	127,484
Unallocated liabilities	3,150	43	-	-	3,193	-	3,193
Total liabilities	120,880	480	6,788	2,529	130,677	-	130,677
Other segment information							
Additions to non-current assets							
- Property, plant and equipment	1,058	-	121	4	1,183	-	1,183
Significant non-cash expenses :							
Amortisation and depreciation of property, plant and equipment	2,600	4	51	2	2,657	-	2,657
(Write-back of)/allow ance for doubtful trade receivables	(79)	(11)	-	17	(73)	-	(73)
(Write-back of)/allow ance for inventory obsolescence	360	(58)	(303)	(64)	(65)	-	(65)
Bad debts recovered directly to profit and loss account	(5)	-	-	-	(5)	-	(5)
Depreciation -Right-of-use assets	798	90	120	70	1,078	-	1,078

Geographical segment Group 1HFY22	Southeast				Total		
	Asia S\$'000	North Asia S\$'000	Africa S\$'000	Other S\$'000	segments S\$'000	Elimination S\$'000	Consolidated S\$'000
Revenue							
External revenue	75,780	661	8,090	3,468	87,999	-	87,999
Inter-segment revenue	16,442	620	-	-	17,062	(17,062)	-
Other revenue							
- Interest income	70	-	15	5	90	-	90
- Others	1,243	790	8	13	2,054	-	2,054
Total revenue	93,535	2,071	8,113	3,486	107,205	(17,062)	90,143
Finance costs	(1,709)	(9)	(196)	(23)	(1,937)	259	(1,678)
Segment result	204	487	537	(282)	946	259	1,205
Less : Unallocated expenses							(32)
Share of profits of joint ventures	-	418	-	(62)	356	-	356
Profit before taxation							1,529
Taxation							(833)
Profit for the financial year							696
Other information							
Segment assets	201,929	5,531	16,986	3,777	228,223	-	228,223
Associated and joint venture companies	229	13,643	-	(60)	13,812	-	13,812
Unallocated assets	3,179	143	-	-	3,322	-	3,322
Total assets	205,337	19,317	16,986	3,717	245,357	-	245,357
Segment liabilities	117,650	796	6,522	3,028	127,996	-	127,996
Unallocated liabilities	3,623	-	-	-	3,623	-	3,623
Total liabilities	121,273	796	6,522	3,028	131,619	-	131,619
Other segment information							
Additions to non-current assets							
- Property, plant and equipment	1,164	-	114	1	1,279	-	1,279
Significant non-cash expenses :							
Amortisation and depreciation of property, plant and equipment	2,849	8	89	19	2,965	-	2,965
Allowance for doubtful trade receivables	1,863	82	93	47	2,085	-	2,085
Allowance for inventory obsolescence	282	-	128	30	440	-	440
Bad debts recovered directly to profit and loss account	-	-	(2)	-	(2)	-	(2)
Depreciation -Right-of-use assets	790	132	127	135	1,184	-	1,184

4.2 Disaggregation of Revenue

Group	Singapore	Malaysia	Thailand	Indonesia	South Africa	Other	Consolidated
1HFY23	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

Tyres and wheels:

Total revenue	38,216	15,854	13,950	17,234	7,525	4,232	97,011
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Group	Singapore	Malaysia	Thailand	Indonesia	South Africa	Other	Consolidated
1HFY22	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

Tyres and wheels:

Total revenue	37,039	12,722	12,927	12,213	8,090	5,008	87,999
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Revenue contribution from a single country is disclosed separately when it exceeds 9% of the Group's revenue respectively. The satisfaction of performance obligation of the above revenue stream is at a point in time.

5. Financial assets and financial liabilities

	Group		Company	
	Oct'22	Apr'22	Oct'22	Apr'22
	\$'000	\$'000	\$'000	\$'000
Financial assets measured at amortised cost				
Trade receivables	29,111	36,203	-	-
Other receivables	3,639	3,483	185	95
Cash and cash equivalents	28,299	35,836	388	238
Amount due from subsidiary companies	-	-	13,806	14,072
	<u>61,049</u>	<u>75,522</u>	<u>14,379</u>	<u>14,405</u>
Financial liabilities measured at amortised cost				
Trade payables	10,560	12,118	-	-
Trust receipts (secured)	46,430	51,905	-	-
Other payables	18,144	18,185	835	687
Loans (secured)	39,863	44,587	3,274	3,889
Hire-purchase liabilities	391	322	-	-
Lease Liabilities	10,647	9,111	-	-
Amounts due to subsidiary companies	-	-	12,816	11,115
	<u>126,035</u>	<u>136,228</u>	<u>16,925</u>	<u>15,691</u>
Fair value through profit or loss				
Forward currency contracts				
Derivatives assets	513	3	69	-
Derivatives liabilities	(73)	(299)	-	(10)

6. Profit before taxation

6.1 Significant items

	1HFY23 Oct'22 \$'000	1HFY22 Oct'21 \$'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)	2,657	2,965
Depreciation of right-of-use assets	1,078	1,184
(Write-back of)/allow ance for doubtful trade receivables	(73)	2,085
(Write-back of)/allow ance for inventory obsolescence	(65)	440
Gain on disposal of property, plant and equipment	(60)	(11)
Foreign exchange loss/(gain)	1,928	(111)
Fair value gain on derivatives	(736)	(351)
Bad debts recovered	(5)	(2)

6.2 Related party transactions

	1HFY23 \$'000	1HFY22 \$'000
Income from services rendered to a joint venture company	845	852
Consultancy fee paid to a related party	(249)	-
One-off lump sum payment to a related party **	(300)	-
Rental expenses paid to a company with common directors	-	(46)

** This was approved at Annual General Meeting held on 31 August 2022, pursuant to Section 168 of the Companies Act 1967.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	1HFY23 \$'000	1HFY22 \$'000
Current income tax expense	713	736
Deferred income tax expense relating to origination and reversal of temporary differences	24	99
Withholding tax	1	-
	<u>738</u>	<u>835</u>
Over provision in previous financial years		
Income Tax	<u>(90)</u>	<u>(2)</u>
	<u>648</u>	<u>833</u>

8. Dividends

	Group and Company	
	1HFY23 \$'000	1HFY22 \$'000
Ordinary dividends paid:		
Final exempt (one-tier) dividend of 1.50 cent (2022: 1.25 cent), per share in respect of the previous financial year	3,561	2,967
Paid during the year	<u>3,561</u>	<u>2,967</u>

9. Net Asset Value

	Group		Company	
	Oct-22	Apr-22	Oct-22	Apr-22
Net asset value per ordinary share (cents)	46.42	49.01	17.09	17.58

The net asset value per share for the Group and the Company as at 31 October 2022 are calculated based on the actual number of shares in issue of 237,386,244 ordinary shares (30 April 2022: 237,386,244 ordinary shares).

10. Property, plant and equipment

During the six months ended 31 October 2022, the Group acquired assets amounting to \$1,183,000 (31 October 2021: \$1,279,000).

11. Borrowings

Amount repayable in one year or less, or on demand

As at 31/10/2022		As at 30/04/2022	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
69,989	-	80,941	-

Amount repayable after one year

As at 31/10/2022		As at 30/04/2022	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
16,695	-	15,873	-

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 \$39,588,000 as at 31 October 2022 (30 April 2022: \$41,553,000) 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.

12. Share Capital

	Group and Company			
	Number of shares	Share capital	Number of shares	Share capital
	Oct'22	Oct'22	Apr'22	Apr'22
	'000	\$'000	'000	\$'000
<i>Issued and fully paid:</i>				
<i>At end of financial year</i>	237,386	36,244	237,386	36,244

The Company did not hold any treasury shares as at 31 October 2022.

The Company's subsidiaries do not hold any shares in the Company as at 31 October 2022 and 30 April 2022.

13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

G. Other information required by Listing Rule Appendix 7.2

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

The condensed consolidated statement of financial position of Stamford Tyres Corporation Ltd and its subsidiaries as at 31 October 2022 and the related condensed consolidated income statement and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed. The figures have not been audited or reviewed by the Company's auditors.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

Not applicable.

3. 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.

1HFY23

Revenue

The Group's sales revenue was 10.2% higher at S\$97.0 million in 1HFY23 compared to S\$88.0 million in 1HFY22, primarily due to higher sales in the South East Asia markets.

Gross Profit and Gross Profit Margin

Gross profit margin was lower at 26.3% in 1HFY23 compared to 27.6% in 1HFY22. This was mainly due to higher cost of tyres and wheel production.

Gross profit dollar increased by S\$1.3mil to S\$25.6mil in 1HFY23 compared to S\$24.3mil in 1HFY22. The increase was mainly attributable to higher sales.

Operating Expenses

Total operating expenses increased by 3.6% to S\$26.1 million in 1HFY23 compared to S\$25.2 million in 1HFY22. The increase was mainly due to higher staff cost, marketing and distribution cost, finance cost and foreign exchange cost; offset by net write-back of allowance for doubtful debts from the recovery of debts previously provided for, and net write-back of provision for inventory obsolescence.

Share of Results of Joint Ventures

In 1HFY23, the share of results of joint ventures amounted to a net profit of S\$725,000 compared to S\$356,000 in 1HFY22, mainly attributable to improved performance from our Hong Kong joint venture.

Net Profit

The net profit of the Group was S\$2.1 million in 1HFY23, compared to S\$0.7 million recorded in 1HFY22.

Financial Position

Property, plant and equipment decreased to S\$53.3 million as at 31 October 2022 from S\$56.4 million as at 30 April 2022.

Receivables decreased to S\$29.1 million as at 31 October 2022 from S\$36.2 million as at 30 April 2022.

Inventories decreased to S\$94.2 million as at 31 October 2022 from S\$94.8 million as at 30 April 2022.

Trade payables and trust receipts decreased to S\$57.0 million as at 31 October 2022 from S\$64.0 million as at 30 April 2022.

As at 31 October 2022, the Group's cash and cash equivalents stood at S\$28.3 million compared to S\$35.8 million as at 30 April 2022.

The Group's borrowings which comprise trust receipts, revolving credit, hire-purchase liabilities, short-term secured loans as well as long-term secured loans stood at S\$86.7 million as at 31 October 2022 compared to S\$96.8 million as at 30 April 2022. The decrease in cash and cash equivalents, and borrowings were mainly due to net repayment of trust receipts and loans during the period.

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

Not applicable.

5. 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 intense competition and major geo-political and financial events globally.

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.

6. Dividend information

(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.

7. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended in 1HFY23 by the board of directors of the Company as the declaration of dividends will be determined at year end.

8. 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.

9. 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	Nature of relationship	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)
Wee Kok Wah **	Founder and Senior Advisor	S\$249,000	Nil
Wee Kok Wah **	Former President and Managing Director	S\$300,000**	Nil

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

** One-off lump sum payment approved at Annual General Meeting held on 31 August 2022, pursuant to Section 168 of the Companies Act 1967.

10. Confirmation that the issuer has procured undertaking 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 in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the listing Manual of SGX-ST.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months period ended 31 October 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Mrs. Dawn Wee Wai Ying
Director

Dr. Wee Li Ann
Director

14 December 2022