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STAMFORD TYRES' REPORTS HALF YEAR NET PROFIT OF \$2.1 MILLION

SINGAPORE, 14 December 2022 – Mainboard-listed Stamford Tyres Corporation Limited (“Stamford Tyres”) today announced a net profit of \$2.1 million for 1HFY23 compared to \$0.7 million for 1HFY22.

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

The Group recorded revenue of \$97.0 million which was 10.2 per cent higher than 1HFY22 at \$88.0 million primarily due to higher sales in South East Asia markets.

Total operating expenses increased by 3.6 per cent to \$26.1 million in 1HFY23 compared to \$25.2 million in 1HFY22. The increase was mainly due to higher staff cost, marketing and distribution costs, 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.

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\$86.7mil 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.

On a diluted basis, the Group’s earnings per ordinary share was 0.90 cents for 1HFY23 compared to 0.29 cents for 1HFY22. As at 31 October 2022, the Group’s net asset value per ordinary share stood at 46.42 cents, compared to 49.01 cents as at 30 April 2022.

Dr Wee Li Ann, Executive Director of Stamford Tyres Corporation Limited, said: “The global economic outlook remains challenging. To address the challenges arising from the uncertainties due to intense market competition and geo-political and financial events globally, the Group has deployed resources and implemented strategies to diversify its product offerings to adapt to the ongoing market changes. We will continue to focus on growing our sales of car tyres and SSW wheels, as well as truck tyres and mining tyres. We are also focusing on improving our sales productivity and upgrading value-added segments such as Stamford Tyres Mart retail chain and truck centres”.

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About Stamford Tyres Corporation Limited

Stamford Tyres is one of the largest independent tyre and wheel distributors in South East Asia with distribution centres in Singapore, Malaysia, Thailand, Indonesia, Hong Kong, India, Australia, South Africa and Vietnam. It provides many value-added services such as regional retail operations, on-site management services to fleet owners and mining operators. The Group has also set up a state-of-the-art plant in Thailand to manufacture alloy wheels.

Stamford Tyres was established in the 1930s and was listed on the Second Board of Singapore Stock Exchange (then known as SGX-Sesdaq) in 1991, and was upgraded to the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST) in April 2003. Today, Stamford Tyres has a sales and operations network in more than 90 countries around the world. The Group continues to focus on its core business of tyre distribution of its major brands – Falken, Dunlop, Continental and Maxam. It has also strengthened its development capabilities and introduced innovative products to grow its proprietary brands in international markets – Sumo Firenza, Sumo Tire and SSW Wheels.

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