



STAMFORD TYRES CORPORATION LTD

(Incorporated in Singapore, Registration number: 198904416M)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 October 2023

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A. Condensed interim consolidated income statement

	Group		Difference \$'000	Difference %
	1HFY24 Oct'23 \$'000	1HFY23 Oct'22 \$'000		
Revenue	95,632	97,011	(1,379)	-1.42%
Other revenue	2,684	2,664	20	0.75%
Total revenue	98,316	99,675	(1,359)	-1.36%
Cost of goods sold	71,168	71,493	(325)	-0.45%
Salaries and employees' benefits	11,111	11,473	(362)	-3.16%
Marketing and distribution	3,514	3,388	126	3.72%
Utilities, repairs and maintenance	3,032	2,833	199	7.02%
Finance costs	2,482	2,077	405	19.50%
Depreciation of property, plant and equipment and right-of-use assets	2,460	2,736	(276)	-10.09%
Lease expenses	946	620	326	52.58%
Other operating expenses	1,520	3,001	(1,481)	-49.35%
Total expenditure	(96,233)	(97,621)	1,388	-1.42%
Share of results of joint ventures	220	725	(505)	-69.66%
Profit before taxation	2,303	2,779	(476)	-17.13%
Taxation	(694)	(648)	46	7.10%
Profit for the financial period	1,609	2,131	(522)	-24.50%
Attributable to:				
Equity holders of the company	1,609	2,131	(522)	-24.50%
	1,609	2,131	(522)	-24.50%

B. Condensed interim consolidated statement of comprehensive income

	1HFY24 Oct'23 \$'000	1HFY23 Oct'22 \$'000
Net profit for the financial period	1,609	2,131
Other comprehensive income :		
Foreign currency translation adjustments arising on consolidation	(2,032)	(4,720)
Other comprehensive income for the financial period, net of tax	(2,032)	(4,720)
Total comprehensive income for the financial period	<u>(423)</u>	<u>(2,589)</u>
Total comprehensive income attributable to :		
Equity holders of the company	<u>(423)</u>	<u>(2,589)</u>
	<u>(423)</u>	<u>(2,589)</u>

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

	Group	
	1HFY24 Oct'23	1HFY23 Oct'22
Earnings per share (EPS)		
- Based on the weighted average number of ordinary shares on issue (cents)	0.68	0.90
- On fully diluted basis (cents)	<u>0.68</u>	<u>0.90</u>

C. Condensed interim statements of financial position

	Group		Company	
	Oct'23 \$'000	Apr'23 \$'000	Oct'23 \$'000	Apr'23 \$'000
Non-current assets				
Property, plant and equipment	48,808	51,782	-	-
Right-of-use assets	8,135	8,929	-	-
Investment in subsidiaries	-	-	41,615	41,615
Amount due from subsidiary companies	-	-	13,517	13,806
Joint venture companies	12,608	14,106	1,571	1,571
Associated company	215	221	-	-
Deferred tax assets	3,112	3,303	-	-
	<u>72,878</u>	<u>78,341</u>	<u>56,703</u>	<u>56,992</u>
Current assets				
Inventories	76,833	85,277	-	-
Trade receivables	28,055	30,885	-	-
Derivatives	8	201	-	49
Other receivables	3,682	3,648	180	93
Prepayments and advances	4,129	3,966	32	23
Assets held for sale	692	-	-	-
Amount due from subsidiary companies	-	-	300	2,005
Cash and cash equivalents	34,760	30,294	1,162	1,212
	<u>148,159</u>	<u>154,271</u>	<u>1,674</u>	<u>3,382</u>
Less: Current liabilities				
Trade payables	10,786	11,971	-	-
Trust receipts (secured)	42,082	38,160	-	-
Derivatives	141	32	1	-
Other payables	15,611	15,878	259	503
Loans (secured)	23,124	25,346	1,273	1,260
Hire-purchase liabilities	121	137	-	-
Lease liabilities	1,490	1,535	-	-
Provisions	510	621	-	-
Provision for taxation	1,391	1,979	39	71
	<u>95,256</u>	<u>95,659</u>	<u>1,572</u>	<u>1,834</u>
Net current assets	<u>52,903</u>	<u>58,612</u>	<u>102</u>	<u>1,548</u>
Non-current liabilities				
Amount due to subsidiary companies	-	-	11,986	13,202
Hire-purchase liabilities	158	204	-	-
Lease liabilities	7,241	7,954	-	-
Provisions	865	865	-	-
Long-term loans (secured)	6,865	13,290	754	1,394
Deferred tax liabilities	1,799	1,803	108	108
	<u>16,928</u>	<u>24,116</u>	<u>12,848</u>	<u>14,704</u>
Net assets	<u>108,853</u>	<u>112,837</u>	<u>43,957</u>	<u>43,836</u>
Equity				
Share capital	36,244	36,244	36,244	36,244
Reserves	72,609	76,593	7,713	7,592
	<u>108,853</u>	<u>112,837</u>	<u>43,957</u>	<u>43,836</u>

D. Condensed interim statements of changes in equity

Group	Equity, total \$'000	Equity attributable to ow ners of the Company, total \$'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
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
Balance at 1 May 2023	112,837	112,837	36,244	99,464	(22,871)	675	(23,748)	202
Profit for the financial period	1,609	1,609	-	1,609	-	-	-	-
Other comprehensive income for the financial period	(2,032)	(2,032)	-	-	(2,032)	-	(2,032)	-
Total comprehensive income for the financial period	(423)	(423)	-	1,609	(2,032)	-	(2,032)	-
<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 2023	108,853	108,853	36,244	97,512	(24,903)	675	(25,780)	202

	Equity, total \$'000	Equity attributable to owners of the Company, total \$'000	Share capital \$'000	Revenue reserve \$'000
Company				
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
Balance at 1 May 2023	43,836	43,836	36,244	7,592
Profit for the financial period	3,682	3,682	-	3,682
Total comprehensive income for the financial period	3,682	3,682	-	3,682
<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 2023	43,957	43,957	36,244	7,713

E. Condensed Interim consolidated statement of cash flows

	Group	
	1HFY24	1HFY23
	Oct'23	Oct'22
	\$'000	\$'000
Cash flows from operating activities:		
Profit before taxation	2,303	2,779
Adjustments for:		
Depreciation of property, plant and equipment	2,438	2,657
Depreciation of right-of-use assets	950	1,078
Gain on disposal of property, plant and equipment	(50)	(60)
Fair value loss/(gain) on derivatives	302	(736)
Bad debts recovered	-	(5)
Foreign currency translation adjustment	(2,026)	(4,267)
Interest income	(225)	(120)
Provision for product w warranties	72	256
Interest expense	2,482	2,077
Share of results of joint ventures	(220)	(725)
Operating cash flows before changes in working capital	6,026	2,934
Decrease in inventories	8,444	590
Decrease in receivables	2,633	6,196
Decrease in payables	(1,623)	(1,702)
Cash flows generated from operations	15,480	8,018
Interest received	225	120
Interest paid	(2,482)	(2,077)
Income tax paid	(1,095)	(1,463)
Net cash flows generated from operating activities	12,128	4,598
Cash flows from investing activities :		
Proceeds from disposal of property, plant and equipment	54	72
Dividend received from joint venture company	1,902	2,493
Purchase of property, plant and equipment	(896)	(1,027)
Net cash flows from investing activities	1,060	1,538
Cash flows from financing activities :		
Proceeds from/(repayment of) from trust receipts	4,888	(3,135)
Repayment of short-term loans	(5,226)	(896)
Repayment of hire purchase creditors	(72)	(69)
Dividend paid to shareholders	(3,561)	(3,561)
Principal element of lease payments	(906)	(1,033)
Repayment of long-term loans	(3,178)	(3,341)
Net cash flows used in financing activities	(8,055)	(12,035)
Net increase/(decrease) in cash and cash equivalents	5,133	(5,899)
Cash and cash equivalents at beginning of financial period	30,294	35,836
Effect of exchange rate changes on cash and cash equivalents at the beginning of the financial period	(667)	(1,638)
Cash and cash equivalents at end of financial period	34,760	28,299

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 6 months ended 31 October 2023 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 2023.

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 2023, the Company's net current assets amounting to S\$102,000 (30 April 2023: S\$1,548,000). 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 2023 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 2023.

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 1HFY24	Southeast Asia S\$'000	North Asia S\$'000	Africa S\$'000	Other S\$'000	Total segments S\$'000	Elimination S\$'000	Consolidated S\$'000
Revenue							
External revenue	84,310	855	9,144	1,323	95,632	-	95,632
Inter-segment revenue	11,652	1,384	23	55	13,114	(13,114)	-
Other revenue							
- Interest income	207	-	17	1	225	-	225
- Others	1,519	697	5	238	2,459	-	2,459
Total revenue	<u>97,688</u>	<u>2,936</u>	<u>9,189</u>	<u>1,617</u>	<u>111,430</u>	<u>(13,114)</u>	<u>98,316</u>
Finance costs	(2,623)	(3)	(150)	(5)	(2,781)	299	(2,482)
Segment result	<u>1,027</u>	<u>461</u>	<u>194</u>	<u>100</u>	<u>1,782</u>	<u>299</u>	<u>2,081</u>
Less : Unallocated expenses							(16)
Share of profits of joint ventures	-	220	-	-	220	-	220
Profit before taxation							2,285
Taxation							(694)
Profit for the financial year							<u>1,591</u>
Other information							
Segment assets	184,133	5,856	14,372	741	205,102	-	205,102
Associated and joint venture companies	215	12,608	-	-	12,823	-	12,823
Other assets	2,964	148	-	-	3,112	-	3,112
Total assets	<u>187,312</u>	<u>18,612</u>	<u>14,372</u>	<u>741</u>	<u>221,037</u>	<u>-</u>	<u>221,037</u>
Segment liabilities	101,305	927	5,135	1,627	108,994	-	108,994
Other liabilities	3,135	55	-	-	3,190	-	3,190
Total liabilities	<u>104,440</u>	<u>982</u>	<u>5,135</u>	<u>1,627</u>	<u>112,184</u>	<u>-</u>	<u>112,184</u>
Other segment information							
Additions to non-current assets							
- Property, plant and equipment	846	-	64	-	910	-	910
Significant non-cash expenses :							
Amortisation and depreciation of property, plant and equipment	2,400	2	36	-	2,438	-	2,438
Allow ance for/(w rite-back of) doubtful trade receivables	154	(7)	1	126	274	-	274
Write-back of for inventory obsolescence	(1,451)	(1)	6	(175)	(1,621)	-	(1,621)
Depreciation -Right-of-use assets	729	44	107	70	950	-	950

Geographical segment Group 1HFY23	Southeast				Total segments S\$'000	Elimination S\$'000	Consolidated S\$'000
	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
Other 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
Other 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

4.2 Disaggregation of Revenue

Group 1HFY24	Singapore S\$'000	Malaysia S\$'000	Thailand S\$'000	Indonesia S\$'000	South Africa S\$'000	Other S\$'000	Consolidated S\$'000
Tyres and wheels:							
Total revenue	38,744	10,358	13,294	19,356	9,144	4,736	95,632

Group 1HFY23	Singapore S\$'000	Malaysia S\$'000	Thailand S\$'000	Indonesia S\$'000	South Africa S\$'000	Other S\$'000	Consolidated S\$'000
Tyres and wheels:							
Total revenue	38,216	15,854	13,950	17,234	7,525	4,232	97,011

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'23 \$'000	Apr'23 \$'000	Oct'23 \$'000	Apr'23 \$'000
Financial assets measured at amortised cost				
Trade receivables	28,055	30,885	-	-
Other receivables	3,682	3,648	180	93
Cash and cash equivalents	34,760	30,294	1,162	1,212
Amount due from subsidiary companies	-	-	13,817	15,811
	<u>66,497</u>	<u>64,827</u>	<u>15,159</u>	<u>17,116</u>
Financial liabilities measured at amortised cost				
Trade payables	10,786	11,971	-	-
Trust receipts (secured)	42,082	38,160	-	-
Other payables	15,611	15,878	259	503
Loans (secured)	29,989	38,636	2,027	2,654
Hire-purchase liabilities	279	341	-	-
Lease Liabilities	8,731	9,489	-	-
Amounts due to subsidiary companies	-	-	11,986	13,202
	<u>107,478</u>	<u>114,475</u>	<u>14,272</u>	<u>16,359</u>
Fair value through profit or loss				
Forward currency contracts				
Derivatives assets	8	201	-	49
Derivatives liabilities	(141)	(32)	(1)	-

6. Profit before taxation

6.1 Significant items

	1HFY24 Oct'23 \$'000	1HFY23 Oct'22 \$'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)	2,438	2,657
Depreciation of right-of-use assets	950	1,078
Allowance for/(write-back of) doubtful trade receivables	274	(73)
Write-back of inventory obsolescence	(1,639)	(65)
Gain on disposal of property, plant and equipment	(50)	(60)
Foreign exchange loss	659	1,928
Fair value loss/(gain) on derivatives	302	(736)
Bad debts recovered	-	(5)

6.2 Related party transactions

	1HFY24 \$'000	1HFY23 \$'000
Income from services rendered to a joint venture company	784	845
Consultancy fee paid to a related party	(509)	(555)
One-off lump sum payment to a related party **	-	(300)

** 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	
	1HFY24 \$'000	1HFY23 \$'000
Current income tax expense	200	713
Deferred income tax expense relating to origination and reversal of temporary differences	138	24
Withholding tax	160	1
	498	738
Under/(over) provision in previous financial years		
Income Tax	-	(90)
Deferred income tax	196	-
	694	648

8. Dividends

	Group and Company	
	1HFY24 \$'000	1HFY23 \$'000
Ordinary dividends paid:		
Final exempt (one-tier) dividend of 1.50 cent (2023: 1.50 cent), per share in respect of the previous financial year	3,561	3,561
Paid during the year	3,561	3,561

9. Net Asset Value

	Group		Company	
	Oct-23	Apr-23	Oct-23	Apr-23
Net asset value per ordinary share (cents)	45.85	47.53	18.52	18.47

The net asset value per share for the Group and the Company as at 31 October 2023 are calculated based on the actual number of shares in issue of 237,386,244 ordinary shares (30 April 2023: 237,386,244 ordinary shares).

10. Property, plant and equipment

During the 6 months ended 31 October 2023, the Group acquired assets amounting to \$910,000 (31 October 2022: \$1,183,000).

As at 31 October 2023, the Group had reclassified a property as asset held for sale from property, plant and equipment. The sale of the property was completed and announced on 3 November 2023.

11. Borrowings

Amount repayable in one year or less, or on demand

As at 31/10/2023		As at 30/04/2023	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
65,327	-	63,643	-

Amount repayable after one year

As at 31/10/2023		As at 30/04/2023	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
7,023	-	13,494	-

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 \$37,192,000 as at 31 October 2023 (30 April 2023: \$38,756,000) 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.

Breach of the Group's loan covenant

As at 31 October 2023, the Group did not fulfil the maintenance of a minimum tangible networth above S\$110 million, in relation to an outstanding term loan of S\$5.9 million.

As a result of the above-mentioned technical breach, the bank is contractually entitled to request immediate repayment of the outstanding amount. The Group has presented all outstanding amounts with the bank under current liabilities as at 31 October 2023.

The bank has subsequently granted waiver of the technical breach of the afore-mentioned covenant before this announcement was authorised for issue. As such, the relevant outstanding amounts with the bank will subsequently be presented as non-current liabilities.

The technical breach of the loan covenant is not expected to have any significant impact to the Group's working capital. The Board of Directors are of the opinion that the Group is able to meet its obligations as and when they fall due.

12. Share Capital

	Group and Company			
	Number of shares	Share capital	Number of shares	Share capital
	Oct'23	Oct'23	Apr'23	Apr'23
	'000	\$'000	'000	\$'000
<i>Issued and fully paid:</i>				
<i>At beginning and end of period</i>	237,386	36,244	237,386	36,244

The Company did not hold any treasury shares as at 31 October 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 October 2023 and 30 April 2023.

13. Subsequent events

On 3 November 2023, the Group had completed the sale of property that was classified as held for sale as at 31 October 2023. Upon completion of the sale, the Group had recorded a net gain on disposal of S\$1,508,000. The financial effect have not been included in this set of condensed interim consolidation financial statements and will be reflected in the full year consolidated financial statements ending 30 April 2024.

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 2023 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 6 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.

1HFY24

Revenue

The Group's revenue was 1.4% lower at S\$95.6 million in 1HFY24 compared to S\$97.0 million in 1HFY23, primarily due to lower sales in the South East Asia and export markets.

Gross Profit and Gross Profit Margin

Gross profit margin was lower at 25.6% in 1HFY24 compared to 26.3% in 1HFY23. This was mainly due to higher cost of tyres and wheel production.

Gross profit decreased by S\$1.1 million to S\$24.5 million in 1HFY24 compared to S\$25.5mil in 1HFY23. The decrease was mainly due to lower sales and lower gross profit margin.

Operating Expenses

Total operating expenses decreased by 4.1% to S\$25.1 million in 1HFY24 compared to S\$26.1 million in 1HFY23. The decrease was mainly due to lower staff cost, foreign exchange cost as well as and net write-back of provision for inventory obsolescence from the sale of slow moving stocks previously provided for; offset by higher finance cost, utilities, repairs and maintenance cost, and marketing and distribution cost.

Share of Results of Joint Ventures

In 1HFY24, the share of results of joint ventures amounted to a net profit of S\$220,000 compared to S\$725,000 in 1HFY23, mainly due to lower sales by the Hong Kong joint venture.

Net Profit

The net profit of the Group was S\$1.6 million in 1HFY24, compared to S\$2.1 million recorded in 1HFY23.

Financial Position

Property, plant and equipment decreased to S\$48.8 million as at 31 October 2023 from S\$51.8 million as at 30 April 2023 mainly due to depreciation during the period and the reclassification of assets held for sale, amounting to S\$692,000, as announced on 3 November 2023.

Trade receivables decreased to S\$28.1 million as at 31 October 2023 from S\$30.9 million as at 30 April 2023.

Inventories decreased to S\$76.8 million as at 31 October 2023 from S\$85.3 million as at 30 April 2023.

Trade payables and trust receipts increased to S\$52.9 million as at 31 October 2023 from S\$50.1 million as at 30 April 2023.

As at 31 October 2023, the Group's cash and cash equivalents stood at S\$34.8 million compared to S\$30.3 million as at 30 April 2023.

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\$72.4 million as at 31 October 2023 compared to S\$77.1 million as at 30 April 2023. The decrease in borrowings was mainly due to net repayment of term 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 macroeconomic 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 1HFY24 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\$509,000	Nil

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 6 months period ended 31 October 2023 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 2023