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STAMFORD TYRES REPORTS FULL YEAR NET PROFIT OF \$6 MILLION

SINGAPORE, 27 June 2024 – Mainboard-listed Stamford Tyres Corporation Limited (“Stamford Tyres”)(STC:SP) today announced a net profit of \$6 million for FY24 compared to \$4.2 million for FY23. The net profit is inclusive of a one-off gain from the disposal of property, plant and equipment amounting to S\$1.9 million during the year.

Gross profit margin was lower at 26.3 per cent in FY24 compared to 26.7 per cent in FY23, mainly due to higher cost of tyres.

The Group recorded revenue of \$184.8 million which was 1.9 per cent lower than S\$188.3 million in FY23, mainly due to lower sales in the South East Asia markets.

Excluding the aforementioned one-off gain from the disposal of property, plant and equipment, total operating expenses decreased by 4.6 per cent to \$49.1 million in FY24 compared to \$51.5 million in FY23. The decrease was mainly due to net write-back of allowance for doubtful receivables from the continued credit assessment in accordance with SFRS(I) 9 and the recovery of debts previously provided for, net write-back of provision for inventory obsolescence from the sale of slow-moving stocks previously provided for as well as lower foreign exchange cost; offset against higher staff cost, finance cost, utilities, repair and maintenance cost and marketing and distribution cost.

As at 30 April 2024, the Group’s cash and cash equivalents stood at S\$32.5 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\$60.4mil as at 30 April 2024 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 year.

On a diluted basis, the Group’s earnings per ordinary share was 2.53 cents for FY24 compared to 1.75 cents for FY23. As at 30 April 2024, the Group’s net asset value per ordinary share stood at 47.16 cents, compared to 47.53 cents as at 30 April 2023.

To thank shareholders for their continuing support, the Company is proposing a final dividend of 1.5 cents per ordinary share, and a special dividend of 0.5 cents per ordinary share which, if approved at the upcoming Annual General Meeting, will be paid to shareholders on a date to be announced later.

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 (STC:SP)

Stamford Tyres is one of the largest independent tyre and wheel distributors in Southeast Asia with distribution centres in Singapore, Malaysia, Thailand, Indonesia, Hong Kong, India, 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 50 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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