



STAMFORD TYRES CORPORATION LTD

(Incorporated in Singapore, Registration number: 198904415M)

Condensed Interim Financial Statements for Half-Year ended 31 October 2021

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Condensed Interim Financial Statements for Half-Year ended 31 October 2021

A. Condensed interim consolidated income statement

	Group		Difference \$'000	Difference %
	1HFY22	1HFY21		
	Oct'21	Oct'20		
	\$'000	\$'000		
Revenue	87,999	95,654	(7,655)	-8.00%
Other revenue	2,144	2,324	(180)	-7.75%
Total revenue	90,143	97,978	(7,835)	-8.00%
Cost of goods sold	63,748	73,571	(9,823)	-13.35%
Salaries and employees benefits	10,870	8,485	2,385	28.11%
Marketing and distribution	2,653	2,567	86	3.35%
Utilities, repairs and maintenance	2,624	2,282	342	14.99%
Finance costs	1,678	2,070	(392)	-18.94%
Depreciation expenses	3,128	3,398	(270)	-7.95%
Operating lease rentals	640	545	95	17.43%
Other operating expenses	3,629	3,274	355	10.84%
Total expenditure	(88,970)	(96,192)	7,222	-7.51%
Share of results of joint ventures	356	517	(161)	-31.14%
Profit before taxation	1,529	2,303	(774)	-33.61%
Taxation	(833)	(550)	283	51.45%
Profit for the financial period	696	1,753	(1,057)	-60.30%
Attributable to:				
Equity holders of the company	696	1,753	(1,057)	-60.30%
	696	1,753	(1,057)	-60.30%

N.M - Not meaningful.

B. Condensed interim consolidated statement of comprehensive income

	1HFY22 Oct'21 \$'000	1HFY21 Oct'20 \$'000
Net profit for the financial period	696	1,753
Other comprehensive income :		
Translation adjustments arising on consolidation	(924)	288
Other comprehensive income for the financial period, net of tax	(924)	288
Total comprehensive income for the financial period	<u>(228)</u>	<u>2,041</u>
Total comprehensive income attributable to :		
Equity holders of the company	<u>(228)</u>	<u>2,041</u>
	<u>(228)</u>	<u>2,041</u>

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

	Group	
	1HFY22 Oct'21	1HFY21 Oct'20
Earnings per share (EPS)		
- Based on the weighted average number of ordinary shares on issue (cents)	0.29	0.74
- On fully diluted basis (cents)	<u>0.29</u>	<u>0.74</u>

C. Condensed interim statements of financial position

	Group		Company	
	Oct'21 \$'000	Apr'21 \$'000	Oct'21 \$'000	Apr'21 \$'000
Non-current assets				
Property, plant and equipment	53,448	55,547	-	-
Right-of-use assets	9,631	9,410	-	-
Investment in subsidiaries	-	-	41,800	41,800
Amount due from subsidiary companies	-	-	13,821	13,810
Joint venture companies	13,583	14,910	1,571	1,571
Associated company	229	241	-	-
Deferred tax assets	3,322	3,254	-	-
	<u>80,213</u>	<u>83,362</u>	<u>57,192</u>	<u>57,181</u>
Current assets				
Inventories	90,580	81,344	-	-
Trade receivables	38,599	42,693	-	-
Derivatives	160	-	-	-
Other receivables	3,355	3,262	177	91
Prepayments and advances	5,401	2,634	25	26
Cash and cash equivalents	27,049	41,834	601	1,256
	<u>165,144</u>	<u>171,767</u>	<u>803</u>	<u>1,373</u>
Less: Current liabilities				
Trade payables	10,588	16,075	-	-
Trust receipts (secured)	44,375	42,969	-	-
Derivatives	97	288	15	33
Other payables	17,562	16,194	448	315
Loans (secured)	25,894	21,603	1,223	945
Hire-purchase liabilities	80	95	-	-
Lease liabilities	1,886	1,817	-	-
Provisions	456	395	-	-
Provision for taxation	1,929	2,251	9	77
	<u>102,867</u>	<u>101,687</u>	<u>1,695</u>	<u>1,370</u>
Net current assets/(liabilities)	<u>62,277</u>	<u>70,080</u>	<u>(892)</u>	<u>3</u>
Non-current liabilities				
Amount due to subsidiary companies	-	-	12,846	11,675
Hire-purchase liabilities	275	130	-	-
Lease liabilities	8,090	7,871	-	-
Provisions	865	865	-	-
Long-term loans (secured)	17,828	26,114	3,274	4,055
Deferred tax liabilities	1,694	1,528	108	108
	<u>28,752</u>	<u>36,508</u>	<u>16,228</u>	<u>15,838</u>
Net assets	<u>113,738</u>	<u>116,934</u>	<u>40,072</u>	<u>41,346</u>
Equity				
Share capital	36,244	36,244	36,244	36,244
Reserves	77,494	80,690	3,828	5,102
	<u>113,738</u>	<u>116,934</u>	<u>40,072</u>	<u>41,346</u>

D. Condensed interim statements of changes in equity

	Equity attributable to owners of the Company, total	Share capital	Revenue reserve	Other reserves, total	Capital reserve	Share-based Compensation reserve	Foreign currency translation reserve	Discount on acquisition of non-controlling interest	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Group									
Balance at 1 May 2020	117,005	117,005	36,070	96,825	(15,890)	505	122	(16,719)	202
Profit for the financial period	1,753	1,753	-	1,753	-	-	-	-	-
Other comprehensive income for the financial period	288	288	-	-	288	-	-	288	-
Total comprehensive income for the financial period	2,041	2,041	-	1,753	288	-	-	288	-
<u>Contributions by and distributions to owners</u>									
Share-based compensation expense	44	44	-	-	44	-	44	-	-
Transfer from revenue reserve to capital reserve	-	-	-	(58)	58	58	-	-	-
Dividend on ordinary shares	(1,184)	(1,184)	-	(1,184)	-	-	-	-	-
Total contributions by and distributions to owners	(1,140)	(1,140)	-	(1,242)	102	58	44	-	-
Balance at 31 Oct 2020	117,906	117,906	36,070	97,336	(15,500)	563	166	(16,431)	202
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 Oct 2021	113,738	113,738	36,244	95,683	(18,189)	675	-	(19,066)	202

Company	Equity, total \$'000	Equity attributable to the total \$'000	Share capital \$'000	Revenue reserve \$'000	Other reserves total \$'000	Share-based Compensation reserve \$'000
Balance at 1 May 2020	38,606	38,606	36,070	2,414	122	122
Loss for the financial period	2,553	2,553	-	2,553	-	-
Total comprehensive income for the financial period	2,553	2,553	-	2,553	-	-
<u>Contributions by and distributions to owners</u>						
Share-based compensation expense	44	44	-	-	44	44
Dividend on ordinary shares	(1,184)	(1,184)	-	(1,184)	-	-
Total contributions by and distributions to owners	(1,140)	(1,140)	-	(1,184)	44	44
Balance at 31 Oct 2020	40,019	40,019	36,070	3,783	166	166
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 Oct 2021	40,072	40,072	36,244	3,828	-	-

E. Condensed Interim consolidated statement of cash flows

	Group	
	1HFY22	1HFY21
	Oct'21	Oct'20
	\$'000	\$'000
Cash flows from operating activities :		
Profit before taxation	1,529	2,303
Adjustments for:		
Depreciation of property, plant and equipment	2,965	3,296
Depreciation of right-of-use assets	1,184	1,210
Gain on disposal of property, plant and equipment	(11)	(62)
Share-based compensation expenses	-	44
Fair value (gain)/loss on derivatives	(351)	315
Bad debts recovered	(2)	(7)
Foreign currency translation adjustment	(1,079)	898
Interest income	(91)	(48)
Provision for product warranties	75	86
Interest expense	1,678	2,070
Share of results of joint ventures	(356)	(517)
Operating cash flows before changes in working capital	5,541	9,588
(Increase)/decrease in inventories	(9,236)	22,980
Decrease/(increase) in receivables	1,236	(1,688)
Decrease in payables	(4,127)	(1,062)
Cash flows (used in)/generated from operations	(6,586)	29,818
Interest received	91	48
Interest paid	(1,678)	(2,070)
Income tax paid	(1,057)	(349)
Net cash flows (used in)/generated from operating activities	(9,230)	27,447
Cash flows from investing activities :		
Proceeds from disposal of property, plant and equipment	17	67
Dividend received from joint venture company	1,904	1,923
Purchase of property, plant and equipment	(1,059)	(1,773)
Net cash flows generated from investing activities	862	217
Cash flows from financing activities :		
Proceeds from long-term loans	-	10,044
Proceeds from/(repayment of) trust receipts	2,015	(7,609)
Repayment of short-term loans	(717)	(4,793)
Repayment of hire purchase creditors	(88)	(68)
Dividend paid to shareholders	(2,968)	(1,184)
Principal element of lease payments	(1,089)	(1,198)
Repayment of long-term loans	(3,234)	(6,682)
Net cash flows used in financing activities	(6,081)	(11,490)
Net (decrease)/increase in cash and cash equivalents	(14,449)	16,174
Cash and cash equivalents at beginning of financial period	41,834	25,730
Effect of exchange rate changes on cash and cash equivalents at the beginning of the financial period	(336)	155
Cash and cash equivalents at end of financial period	27,049	42,059

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 2021 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 2021.

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.

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 2021 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 2021.

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 1HFY22	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	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	<u>93,535</u>	<u>2,071</u>	<u>8,113</u>	<u>3,486</u>	<u>107,205</u>	<u>(17,062)</u>	<u>90,143</u>
Finance costs	(1,709)	(9)	(196)	(23)	(1,937)	259	(1,678)
Segment result	<u>204</u>	<u>487</u>	<u>537</u>	<u>(282)</u>	<u>946</u>	<u>259</u>	<u>1,205</u>
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							<u>696</u>
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	<u>205,337</u>	<u>19,317</u>	<u>16,986</u>	<u>3,717</u>	<u>245,357</u>	<u>-</u>	<u>245,357</u>
Segment liabilities	117,650	796	6,522	3,028	127,996	-	127,996
Unallocated liabilities	3,623	-	-	-	3,623	-	3,623
Total liabilities	<u>121,273</u>	<u>796</u>	<u>6,522</u>	<u>3,028</u>	<u>131,619</u>	<u>-</u>	<u>131,619</u>
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

Geographical segment Group 1HFY21	Southeast				Total		Consolidated S\$'000
	Asia S\$'000	North Asia S\$'000	Africa S\$'000	Other S\$'000	segments S\$'000	Elimination S\$'000	
Revenue							
External revenue	81,381	1,819	8,881	3,573	95,654	-	95,654
Inter-segment revenue	10,970	652	-	-	11,622	(11,622)	-
Other revenue							
- Interest income	7	7	16	18	48	-	48
- Others	1,208	969	10	89	2,276	-	2,276
Total revenue	<u>93,566</u>	<u>3,447</u>	<u>8,907</u>	<u>3,680</u>	<u>109,600</u>	<u>(11,622)</u>	<u>97,978</u>
Finance costs	(2,191)	(7)	(63)	(26)	(2,287)	217	(2,070)
Segment result	<u>1,149</u>	<u>695</u>	<u>263</u>	<u>(508)</u>	<u>1,599</u>	<u>217</u>	<u>1,816</u>
Less : Unallocated expenses							(30)
Share of profits of joint ventures	-	514	-	3	517	-	517
Profit before taxation							2,303
Taxation							(550)
Profit for the financial year							<u>1,753</u>
Other information							
Segment assets	207,531	7,574	13,280	4,120	232,505	-	232,505
Associated and joint venture companies	248	14,304	-	525	15,077	-	15,077
Unallocated assets	2,698	35	-	-	2,733	-	2,733
Total assets	<u>210,477</u>	<u>21,913</u>	<u>13,280</u>	<u>4,645</u>	<u>250,315</u>	<u>-</u>	<u>250,315</u>
Segment liabilities	119,297	1,268	5,411	2,697	128,673	-	128,673
Unallocated liabilities	3,806	-	-	-	3,806	-	3,806
Total liabilities	<u>123,103</u>	<u>1,268</u>	<u>5,411</u>	<u>2,697</u>	<u>132,479</u>	<u>-</u>	<u>132,479</u>
Other segment information							
Additions to non-current assets							
- Property, plant and equipment	<u>1,851</u>	<u>1</u>	<u>6</u>	<u>3</u>	<u>1,861</u>	<u>-</u>	<u>1,861</u>
Significant non-cash expenses :							
Amortisation and depreciation of property, plant and equipment	<u>3,031</u>	<u>159</u>	<u>79</u>	<u>27</u>	<u>3,296</u>	<u>-</u>	<u>3,296</u>
Allowance for doubtful trade receivables	<u>1,250</u>	<u>-</u>	<u>-</u>	<u>35</u>	<u>1,285</u>	<u>-</u>	<u>1,285</u>
Allowance for/(w rite-back of) inventory obsolescence	<u>123</u>	<u>(10)</u>	<u>-</u>	<u>29</u>	<u>142</u>	<u>-</u>	<u>142</u>
Bad debts recovered directly to profit and loss account	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>(7)</u>
Depreciation -Right-of-use assets	<u>796</u>	<u>138</u>	<u>145</u>	<u>131</u>	<u>1,210</u>	<u>-</u>	<u>1,210</u>

4.2 Disaggregation of Revenue

Group 1HFY22	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	37,039	12,722	12,927	12,213	8,090	5,008	87,999
Timing of Revenue recognition:							
Contract liabilities -Advance from customers	622	-	2	-	-	-	624
Contract liabilities - IFRS 115	226	-	-	-	-	-	226
Total revenue	848	-	2	-	-	-	850

Group 1HFY21	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	31,677	21,425	15,269	11,560	8,881	6,842	95,654
Timing of Revenue recognition:							
Contract liabilities -Advance from customers	663	-	113	-	-	-	776
Contract liabilities- IFRS 115	214	-	-	-	-	-	214
Total revenue	877	-	113	-	-	-	990

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'21 \$'000	Apr'21 \$'000	Oct'21 \$'000	Apr'21 \$'000
Financial assets measured at amortised cost				
Trade receivables	38,599	42,693	-	-
Other receivables	3,355	3,262	177	91
Cash and cash equivalents	27,049	41,834	601	1,256
Amount due from subsidiary companies	-	-	13,821	13,810
	<u>69,003</u>	<u>87,789</u>	<u>14,599</u>	<u>15,157</u>
Financial liabilities measured at amortised cost				
Trade payables	10,588	16,075	-	-
Trust receipts (secured)	44,375	42,969	-	-
Other payables	17,562	16,194	448	315
Loans (secured)	43,722	47,717	4,497	5,000
Hire-purchase liabilities	355	225	-	-
Lease Liabilities	9,976	9,688	-	-
Amounts due to subsidiary companies	-	-	12,846	11,675
	<u>126,578</u>	<u>132,868</u>	<u>17,791</u>	<u>16,990</u>
Fair value through profit or loss				
Forward currency contracts				
Derivatives assets	160	-	-	-
Derivatives liabilities	(97)	(288)	(15)	(33)

6. Profit before taxation

6.1 Significant items

	1HFY22	1HFY21
	Oct'21	Oct'20
	\$'000	\$'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)	2,965	3,296
Depreciation of right-of-use assets	1,184	1,210
Allowance for doubtful trade receivables	2,085	1,285
Allowance for inventory obsolescence	440	142
Gain on disposal of property, plant and equipment	(11)	(62)
Foreign exchange (gain)/loss	(111)	111
Fair value (gain)/loss on derivatives	(351)	315

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

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	
	Oct'21	Oct'20
	\$'000	\$'000
Current income tax expense	734	521
Deferred income tax expense relating to origination and reversal of temporary differences	99	29
	<u>833</u>	<u>550</u>

8. Dividends

	Group and Company	
	1HFY22	1HFY21
	\$'000	\$'000
Ordinary dividends paid:		
Final exempt (one-tier) dividend of 1.25 cent (2021: 0.5 cent), per share in respect of the previous financial year	2,967	1,184
Paid during the year	<u>2,967</u>	<u>1,184</u>

9. Net Asset Value

	Group		Company	
	Oct-21	Apr-21	Oct-21	Apr-21
Net asset value per ordinary share (cents)	47.91	49.26	16.88	17.42

The net asset value per share for the Group and the Company as at 31 October 2021 are calculated based on the actual number of shares in issue of 237,386,244 ordinary shares (30 April 2021: 237,386,244 ordinary shares).

10. Property, plant and equipment

During the six months ended 31 October 2021, the Group acquired assets amounting to \$1,279,000 (31 October 2020: \$1,861,000).

11. Borrowings

Amount repayable in one year or less, or on demand

As at 31/10/2021		As at 30/04/2021	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
70,349	-	64,667	-

Amount repayable after one year

As at 31/10/2021		As at 30/04/2021	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
18,103	-	26,244	-

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 \$41,809,000 as at 31 October 2021 (30 April 2021: \$42,890,000) 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'21	Oct'21	Apr'21	Apr'21
	'000	\$'000	'000	\$'000
Issued and fully paid:				
At beginning of financial year	237,386	36,244	236,786	36,070
Share issuance under performance share plan	-	-	600	174
At end of financial year	237,386	36,244	237,386	36,244

The Company did not hold any treasury shares as at 31 October 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 October 2021 and 30 April 2021.

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 2021 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 three-month 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.

1HFY22

Revenue

The Group's sales revenue was 8% lower at S\$88.0 million in 1HFY22 compared to S\$95.7 million in 1HFY21, primarily due to lower sales in the South East Asia markets (as disclosed in Note (F)(4.1) above).

Gross Profit and Gross Profit Margin

Gross profit margin was higher at 27.6% in 1HFY22 compared to 23.1% in 1HFY21. This was mainly attributable to higher margins from both distribution and wheels manufacturing segments.

Gross profit dollar increased by S\$2.2mil to S\$24.3mil in 1HFY22 compared to S\$22.1mil in 1HFY21. The increase was in line with the above-mentioned improvements gross profit margins.

Operating Expenses

Total operating expenses increased by 11.5% to S\$25.2 million in 1HFY22 compared to S\$22.6 million in 1HFY21. The increase was mainly due to higher labour cost, particularly for tyre fitters, and higher allowance for doubtful receivables arising from the continued assessment of the Covid-19 related impact on foreseeable credit losses in accordance with SFRS(I)9 and additional provision for inventory obsolescence.

Due to the Covid-19 pandemic, the Group received government support through wage-related subsidies for some of its subsidiaries during the last year. The Group had recognised S\$1.3 million of government grant income within the "salaries and employees benefits" line item on the income statement in 1HFY21.

Share of Results of Joint Ventures

In 1HFY22, the share of results of joint ventures amounted to a net profit of S\$356,000 compared to S\$517,000 in 1HFY21, mainly due to lower sales from our Hong Kong joint venture and losses from India joint venture.

Net Profit

The net profit of the Group was S\$0.7 million in 1HFY22, compared to S\$1.8 million recorded in 1HFY21.

Financial Position

Property, plant and equipment decreased to S\$53.4 million as at 31 October 2021 from S\$55.5 million as at 30 April 2021.

Receivables decreased to S\$38.6 million as at 31 October 2021 from S\$42.7 million as at 30 April 2021.

Inventories increased to S\$90.6 million as at 31 October 2021 from S\$81.3 million as at 30 April 2021 in anticipation of supply chain issues.

Trade payables and trust receipts decreased to S\$55.0 million as at 31 October 2021 from S\$59.0 million as at 30 April 2021.

As at 31 October 2021, the Group's cash and cash equivalents stood at S\$27.0 million compared to S\$41.8 million as at 30 April 2021.

The Group's borrowings which comprise trust receipts, revolving credit, short-term secured loans as well as long-term secured loans stood at S\$88.1 million as at 31 October 2021 compared with S\$90.7 million as at 30 April 2021. The decrease in borrowings was mainly due to repayment of long-term loans and trust receipts as at 31 October 2021.

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 uncertainties arising from the Covid-19 pandemic.

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 1HFY22 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	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)
Wah Holdings Pte Ltd**	S\$91,200	Nil

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

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-month period ended 31 October 2021 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

10 December 2021