



MEDIA RELEASE

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STAMFORD TYRES RECORDS 32% INCREASE IN PROFIT BEFORE TAX FOR 3RD QUARTER

SINGAPORE, 3 MARCH 2016 – Mainboard-listed Stamford Tyres Corporation Limited (“Stamford Tyres”)(STC:SP), one of the largest independent tyre and wheel distributors in Southeast Asia, today reported an increase of 32 per cent in the profit before tax for the Group at S\$1.6 million (Q3FY16) compared to S\$1.2 million for the corresponding period last year (Q3FY15). This was achieved despite a drop of 20 percent in total Group revenue.

The Group’s total revenue stood at \$60.3 million (Q3FY16) which was 20 per cent lower as compared to \$75.0 million for Q3FY15.

Gross profit margin increased from 21.8 per cent in Q3FY15 to 25.2 per cent in Q3FY16, mainly attributable to lower cost of sales and contribution from value-added activities at its Stamford Tyres Mart retail chain and truck tyre centres.

The Group’s operating expenses decreased by 4.8 per cent to S\$15.0 million in Q3FY16 compared to S\$15.7 million in Q3FY15. The decrease was attributed to lower marketing and distribution costs, operating lease rentals and depreciation but were offset by higher finance costs. The operating expenses also included an allowance for doubtful debt of \$0.3 million due to a slow-paying customer in Russia.

The share of the results of joint ventures yielded a net profit of S\$0.8 million for Q3FY16, compared to a net profit of S\$0.4 million in Q3FY15. The increase was due to the improved performance from the Group’s Hong Kong joint venture.

Net profit for the Group stood at S\$0.9 million in Q3FY16 which was comparable to Q3FY15.

Commenting on the Group’s third quarter results, Mr Wee Kok Wah, President of Stamford Tyres Corporation Limited, said: “Despite the challenging global economic environment, the Group managed to remain profitable through a series of value-added activities. We will focus on diversifying our product mix in the sales of car tyres and SSW wheels as well as truck tyres and mining tyres. We are also focusing on value-adding segments such as Stamford Tyres Mart retail chain and truck centres”.

The Group’s earnings per ordinary share increased from 0.36 cents for Q3FY15 to 0.38 cents for Q3FY16. As at 31 January 2016, the Group’s net asset value per ordinary share was at 50.17 cents, compared to 51.38 cents as at 30 April 2015. All of the above are based on the issued share capital of 235,586,244 ordinary shares.

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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, Australia and South Africa. 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. While the Group continues to focus on its core business of tyre distribution of its major brands – Falken, Dunlop, and Continental, 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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