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## **STAMFORD TYRES' REPORTS FULL YEAR NET PROFIT OF \$3.9 MILLION**

**SINGAPORE, 24 June 2022** – Mainboard-listed Stamford Tyres Corporation Limited (“Stamford Tyres”)(STC:SP) today announced a net profit of \$3.9 million for FY22 compared to \$2.5 million for FY21.

Gross profit margin increased from 24.9 per cent in FY21 to 27.4 per cent in FY22, mainly attributable to higher margins from both distribution and wheels manufacturing segments.

The Group recorded revenue of \$190.3 million which was 0.4 per cent higher than FY21 at \$189.6 million primarily due to higher sales in South East Asia markets.

Total operating expenses increased by 6.5 per cent to \$51.6 million in FY22 compared to \$48.5 million in FY21. The increase was mainly due to higher labour cost, particularly for tyre fitters, additional provision for inventory obsolescence and 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.

Due to the Covid-19 pandemic, the Group received government support through wage-related subsidies for some of its subsidiaries in FY21. The Group recognised S\$1.5 million of government grant income within the “salaries and employees benefits” line item on the income statement in FY21.

As at 30 April 2022, the Group’s cash and cash equivalents stood at S\$35.8 million compared to S\$41.8 million as at 30 April 2021. Inventories increased to S\$94.8 million as at 30 April 2022 from S\$81.3 million as at 30 April 2021 in anticipation of supply chain issues.

On a diluted basis, the Group’s earnings per ordinary share was 1.64 cents for FY22 compared to 1.05 cents for FY21. As at 30 April 2022, the Group’s net asset value per ordinary share stood at 49.01 cents, compared to 49.26 cents as at 30 April 2021.

The Directors have recommended a first and final dividend of 1.5 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 have also taken more steps to right-size our operations during the year. 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, 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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