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STAMFORD TYRES' REPORTS FULL YEAR NET PROFIT OF \$0.5 MILLION

SINGAPORE, 28 June 2019 – Mainboard-listed Stamford Tyres Corporation Limited ("Stamford Tyres")(STC:SP) today announced a net profit of \$0.5 million for FY19 compared to \$5.2 million for FY18.

Gross profit margin decreased from 25.0 per cent in FY18 to 21.8 per cent in FY19, mainly due to higher cost of sales in tyres.

The Group recorded revenue of \$229.4 million which was 5.4 per cent lower than FY18 at \$242.4 million primarily due to lower sales in South East Asia and North Asia markets.

Total operating expenses decreased by 11.0 per cent to \$52.9 million in FY19 compared to \$59.4 million in FY18. The decrease was mainly due to lower staff costs, as well as lower operating lease rentals, upkeep and maintenance, marketing and distribution costs and write-back of inventory obsolescence.

As at 30 April 2019, the Group's cash and cash equivalents stood at S\$13.7 million compared to S\$21.9 million as at 30 April 2018. This was largely due to the repayment of long-term loans as well as the increase in inventories.

On a diluted basis, the Group's earnings per ordinary share decreased from 2.20 cents for FY18 to 0.20 cents for FY19. As at 30 April 2019, the Group's net asset value per ordinary share stood at 52.34 cents, compared to 53.42 cents as at 30 April 2018.

The Directors have recommended a first and final dividend of 1.0 cent per ordinary share, which, if approved at the upcoming Annual General Meeting, will be paid to shareholders on a date to be announced later.

Mr Wee Kok Wah, President of Stamford Tyres Corporation Limited, said: "The global economic outlook remains challenging. To address the challenges arising from the global oversupply of tyres and intense market competition, 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 and this is reflected in the lowering of operating costs 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, Brunei 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, Bridgestone 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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