



**MEDIA RELEASE  
FOR IMMEDIATE RELEASE**

**STAMFORD TYRES' REPORTS FULL YEAR NET LOSS OF \$4 MILLION**

**SINGAPORE, 27 July 2020** – Mainboard-listed Stamford Tyres Corporation Limited (“Stamford Tyres”)(STC:SP) today announced a net loss of \$4.0 million for FY20 compared to a net profit of \$0.5 million for FY19.

The losses were mainly due to:

- (i) Lower revenue arising from increased competition and oversupply in the tyre market;
- (ii) A one-time expense relating to the closure of a loss-making operation in Australia in Q2FY2020;
- (iii) Higher allowance for doubtful receivables as a result of delayed and non-payment of trade receivables when due from customers due, inter alia, to the current Covid-19 pandemic and the various government-imposed lockdowns in our key markets such as Malaysia and Thailand.

Gross profit margin increased slightly from 21.8 per cent in FY19 to 22.5 per cent in FY20.

The Group recorded revenue of \$195.7 million which was 14.7 per cent lower than FY19 at \$229.4 million primarily due to lower sales in South East Asia and the rationalization of non-profitable operations in China and Queensland, Australia.

Total operating expenses decreased by 2.2 per cent to \$51.7 million in FY20 compared to \$52.9 million in FY19. The decrease was mainly due to lower staff costs, as well as lower marketing and distribution costs and utilities, repairs and maintenance offset by higher allowance for doubtful trade receivables and foreign exchange costs.

As at 30 April 2020, the Group’s cash and cash equivalents stood at S\$25.7 million compared to S\$13.7 million as at 30 April 2019. This was mainly due to improved cash flows operations.

On a diluted basis, the Group’s earnings per ordinary share decreased from 0.20 cents for FY19 to a loss of 1.70 cents for FY20. As at 30 April 2020, the Group’s net asset value per ordinary share stood at 49.41 cents, compared to 52.34 cents as at 30 April 2019.

The Directors have recommended a first and final dividend of 0.5 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, intense market competition and uncertainties arising from the Covid-19 pandemic, 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”.

- End -

### **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, 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.

For more information, please contact:-

Chan Wei Sze / Siti Suriana

Tel: 62632228 / 62632232

Email: [weisze@stamfordtyres.com](mailto:weisze@stamfordtyres.com) / [siti@stamfordtyres.com](mailto:siti@stamfordtyres.com)