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STAMFORD TYRES' REPORTS FULL YEAR NET PROFIT OF \$2.5 MILLION

SINGAPORE, 29 July 2021 – Mainboard-listed Stamford Tyres Corporation Limited (“Stamford Tyres”)(STC:SP) today announced a net profit of \$2.5 million for FY21 compared to a net loss of \$4.0 million for FY20.

Gross profit margin increased from 22.5 per cent in FY20 to 24.9 per cent in FY21, mainly attributable to higher margins from both distribution and wheels manufacturing segments.

The Group recorded revenue of \$189.6 million which was 3.1 per cent lower than FY20 at \$195.7 million primarily due to lower sales in South East Asia markets.

Total operating expenses decreased by 6.3 per cent to \$48.5 million in FY21 compared to \$51.7 million in FY20. The decrease was mainly due to lower staff costs, as well as lower marketing and distribution costs, operating lease rentals, upkeep and maintenance; offset by higher allowance for doubtful receivables arising from the continued assessment of the Covid-19 related impact on foreseeable credit losses in accordance with FRS109.

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

As at 30 April 2021, the Group’s cash and cash equivalents stood at S\$41.8 million compared to S\$25.7 million as at 30 April 2020. This was mainly due to improved cash flow from operations.

On a diluted basis, the Group’s earnings per ordinary share was 1.05 cents for FY21 compared to a loss per share of 1.70 cents for FY20. As at 30 April 2021, the Group’s net asset value per ordinary share stood at 49.26 cents, compared to 49.41 cents as at 30 April 2020.

The Directors have recommended a first and final dividend of 1.25 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.

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 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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