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STAMFORD TYRES REPORTS \$10 MILLION NET PROFIT FOR FY2014
- Gross profit margins increased to 22.8% from 21.4%
- Proposes dividend of 1.5 cents per share

SINGAPORE, 27 June 2014 – Mainboard-listed Stamford Tyres Corporation Limited (“Stamford Tyres”)(STC:SP) today announced a decrease of 8.5 per cent in the Group’s total turnover of \$290.6 million for FY2014 as compared to \$317.5 million for FY2013. This was mainly due to softening demand for Sumo Firenza tyres in Europe, and mining tyres in Indonesia and South Africa. As a result of lower topline volume, the Group generated a gross profit of \$66.2 million in FY2014 as compared to \$68.1 million in FY2013.

Despite the decrease, gross profit margin for FY2014 increased to 22.8% as compared to 21.4 per cent last year. This increase was achieved as a result of:

- Better support from principals resulting in lower cost of sales in its tyre distribution segment.
- Higher contributions from value-added services at its retail chain and truck tyre centres.
- Turnaround in wheel plant operations attributable to better sales mix.

As a result of a revision in tax rules, the Group wrote-back \$2.2 million in deferred tax liabilities relating to plant and equipment in FY2014. For FY2014, the Group recorded a net profit of \$10.0 million as compared to \$11.6 million in FY2013. In line with its cost reduction strategy, the Group recorded a 14.5% decline in operating expenses from S\$67.4 million in FY2013 to S\$57.6 million in FY2014.

The cash and cash equivalent of the Group stood at \$18.6 million as at 30 April 2014 as compared to \$21.6 million as at last year. For FY2014, the Group generated net operating cash flow of \$34.4 million as compared to \$17.4 million in FY2013. This is in line with the Group’s strategy of rationalising its current assets and optimising its product mix.

On a diluted basis, the Group’s earnings per ordinary share decreased from 4.92 cents for FY2013 to 4.25 cents for FY2014. As at 30 April 2014, the Group’s net asset value per ordinary share stood at 52 cents, compared to 51.04 cents as at 30 April 2013.

The Directors have recommended a first and final dividend of 1.5 cents per ordinary share for 235,586,244 shares, which, if approved at the upcoming Annual General Meeting, will be paid to shareholders on a date to be announced later.

Commenting on the full-year financial performance, Mr Wee Kok Wah, President of Stamford Tyres Corporation Limited, said: “Stamford Tyres’ full-year financial results were commendable bearing in mind the challenging environment we operate in. In April this year, we opened a new Commercial Centre which is located next to our existing premises. With the new Commercial Centre, we are now not only the largest independent tyres and wheels distributor in Singapore, but also the region. This will enable us to build on our core markets in South East Asia.”

Business Prospects

Looking ahead, Stamford Tyres will continue to further tighten its operational costs and provide more value-added services to maintain its profit margin. The opening of Stamford Tyres Commercial Centre will enable Group to optimise its product mix to enhance its overall performance.

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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, China, 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, Continental and Toyo Tires, 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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