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STAMFORD TYRES REPORTS HALF YEAR NET LOSS OF \$0.7 MILLION

SINGAPORE, 12 December 2019 – Mainboard-listed Stamford Tyres Corporation Limited (“Stamford Tyres”)(STC:SP) today announced a net loss of \$0.7 million for 1HFY20 compared to a net profit of \$0.1 million for 1HFY19. The \$0.7 million loss was inclusive of a one-time S\$0.4 million costs relating to the closure of a loss-making operation in Queensland, Australia in Q2FY20.

Gross profit margin increased slightly from 21.5 per cent in 1HFY19 to 21.9 per cent in 1HFY20.

The Group recorded revenue of \$108.3 million which was 11.0 per cent lower than 1HFY19 at \$121.7 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 6.1 per cent to \$26.3 million in 1HFY20 compared to \$28.1 million in 1HFY19. The decrease was mainly due to lower staff costs, as well as lower marketing and distribution costs and foreign exchange costs.

As at 31 October 2019, the Group’s cash and cash equivalents stood at S\$20.3 million compared to S\$13.7 million as at 30 April 2019. This was largely due to the net drawdowns of trust receipts and a term loan for working capital purposes.

On a diluted basis, the Group’s earnings per ordinary share decreased from 0.06 cents for 1HFY19 to a loss of 0.31 cents for 1HFY20. As at 31 October 2019, the Group’s net asset value per ordinary share stood at 51.61 cents, compared to 52.34 cents as at 30 April 2019.

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 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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