



## **MEDIA RELEASE**

### **FOR IMMEDIATE RELEASE**

#### **STAMFORD TYRES REPORTS HALF YEAR REVENUE OF S\$124 MILLION**

**- Gross Profit Margin Improved to 24%**

**SINGAPORE, 8 DECEMBER 2015** – Mainboard-listed Stamford Tyres Corporation Limited (“Stamford Tyres”)(STC:SP), one of the largest independent tyre and wheel distributors in Southeast Asia, today reported total revenue for the Group at S\$123.3 million (1HFY16), which was an 18% decrease compared to S\$150.3 million for the corresponding period last year (1HFY15). The decrease was mainly due to lower sales in certain products and markets.

Gross profit in 1HFY16 was S\$29.6 million compared to S\$32.0 million in 1HFY15. However, gross profit margin increased from 21.3% in 1HFY15 to 24.0% in 1HFY16, mainly attributable to lower cost of sales and contribution from value-added activities at its Stamford Tyres Mart retail chain and truck tyre centres.

The Group’s operating expenses decreased by 4.3% to S\$28.9 million in 1HFY16 compared to S\$30.1 million in 1HFY15. The decrease was attributed to lower marketing and distribution costs, salaries and foreign exchange costs but were offset by higher finance costs and depreciation.

The share of the results of joint ventures yielded a net profit of S\$0.4 million for 1HFY16, compared to a net profit of S\$0.2 million in 1HFY15. The increase was due to the improved performance from the Group’s India joint venture.

Net profit for the Group stood at S\$1.0 million in 1HFY16 compared to S\$1.4 million in 1HFY15.

The Group’s earnings per ordinary share decreased from 0.61 cents for 1HFY15 to 0.42 cents for 1HFY16. As at 31 October 2015, the Group’s net asset value per ordinary share was at 49.43 cents, compared to 51.38 cents as at 30 April 2015. All of the above are based on the issued share capital of 235,586,244 ordinary shares.

Commenting on the Group’s half year results, Mr Wee Kok Wah, President of Stamford Tyres Corporation Limited, said: “The global economic outlook is challenging. The Group will continue to focus on diversifying its product mix in sales of car tyres and SSW wheels as well as truck tyres and mining tyres. We are also focusing on value-adding segments such as Stamford Tyres Mart retail chain and truck centres. Despite challenging economic conditions, the Group managed to increase gross profit margin beyond 20% through a series of value-added activities.”

## ***Business Prospects***

Looking ahead, the Group expects the global economic outlook to remain uncertain. The Group will continue to optimize its product mix and manage operating costs. The Group will continue to build on its core markets in South East Asia.

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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 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, and Continental, 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:-

Mileage Communications Pte Ltd

Patsy Phay / Lee Kai Shun

Tel: 6222-1678

Email: [patsy@mileage.com.sg](mailto:patsy@mileage.com.sg) / [kaishun@mileage.com.sg](mailto:kaishun@mileage.com.sg)