



Stamford Tyres Corporation Ltd

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INCREASE IN INVESTMENT IN STC TYRES (MALAYSIA) SDN BHD

The Board of Directors of Stamford Tyres Corporation Limited (the "Company") wishes to announce that the Company has increased its shareholding in STC Tyres (Malaysia) Sdn Bhd, from 50% to 100%. The increase in shareholding is the result of the Company's acquisition of the remaining 800,001 ordinary shares in STC Tyres (Malaysia) Sdn Bhd from the other shareholder, Hajat Tiara Sdn Bhd ("Acquisition") for a cash consideration of RM800,001 ("Consideration").

The Consideration was agreed upon on an arms' length basis taking into consideration STC Tyres (Malaysia) Sdn Bhd's unaudited net tangible asset value of RM2.6 million as at 29 April 2011. The Acquisition was funded through internal resources.

STC Tyres (Malaysia) Sdn Bhd is a property holding company with a paid-up capital of RM1,600,000 comprising 1,600,000 ordinary shares.

Following the aforesaid Acquisition, STC Tyres (Malaysia) Sdn Bhd became a 100% wholly-owned subsidiary of the Company.

The transaction is not expected to have any material impact on the earnings per share or the consolidated net tangible assets per share of the Company and its subsidiaries for the financial year ended 30 April 2011.

None of the Directors, controlling shareholders or substantial shareholders of the Company has an interest, direct or indirect, in the above transaction.

By Order of the Board

Lo Swee Oi
Company Secretary

23 May 2011