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For Immediate Release

Stamford Tyres to sell minority stake in China tyre distribution JV to Sumitomo Rubber Industries for S$22 million

- Sale of SRITP at 8.19 times of earnings and 2.65 times of NTA
- Disposal strengthened balance sheet with NTA up 10.9% to 50.41 S$ cents
- Proceeds to fund expansion of South Africa and India together with Sumitomo Rubber Industries as well as redevelopment of Singapore warehouse
- Stamford Tyres will maintain presence in China through tyre distribution business in Shanghai, Guangzhou and Beijing

Singapore, 30 March 2012 – One of South East Asia's largest independent tyre and wheel distributors, Stamford Tyres Corporation Limited ("Stamford Tyres" or "the Group"), wishes to announce that Tyre Pacific (HK) Ltd ("TPHK"), a joint venture (JV) company in which Stamford Tyres and Advance Pacific Holdings Limited ("Advance Pacific") each owns 50%, has entered into an equity transfer agreement with Sumitomo Rubber Industries ("SRI") to transfer TPHK's 40% interest in SRITP Limited ("SRITP") to SRI for a consideration of S$44 million. Stamford Tyres will receive S$22 million for the disposal of its deemed stake in SRITP. The transaction is outlined below for easy reference.

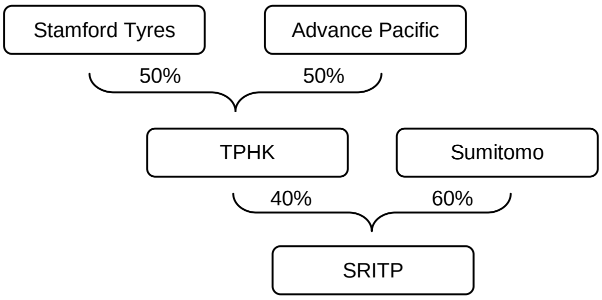

Fig 1: Shareholding structure before disposal

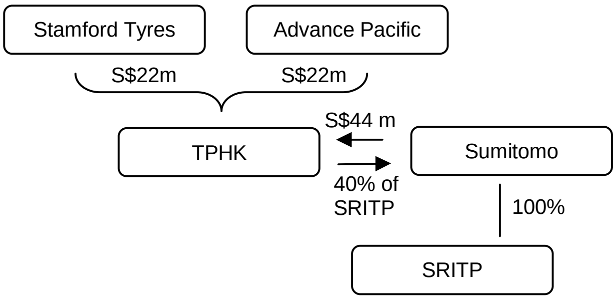

Fig 2: Shareholding structure and consideration after disposal

SRITP is mainly involved in the wholesale and distribution of tyres in China. The consideration for SRITP is based on a price earnings ratio of 8.19 times and 2.65 times of NTA for SRITP as at 31 December 2011. The Directors of Stamford Tyres are of the view that the disposal is in the best interest of the Group and its shareholders, as the disposal enables the Group to realise its investment in SRITP and unlock significant shareholder value.

Stamford Tyres will continue to maintain a strong presence in China through the wholesale and distribution of tyres in the tier-one cities of Beijing, Shanghai and Guangzhou. This business is conducted via TPHK, as Stamford Tyres continue to explore other business opportunities with JV partner Advance Pacific.

"This disposal reflects the ongoing strength of our relationship with our major supplier and strategic shareholder Sumitomo Rubber Industries. We not only unlock the value of our investment in China through SRI but we intend to use part of the proceeds to work with SRI to expand fast growing areas such as India and South Africa.

Notwithstanding our emphasis on growing new markets outside of China, we firmly maintain our presence in the metropolises of Beijing, Shanghai and Guangzhou which have high passenger vehicle populations.

Lastly, we will also consider using the proceeds to fund the redevelopment of one of our main warehouses at 21/21A Lok Yang Way as Singapore continues to be a base for us to support our steadily growing Southeast Asian business."

Mr Wee Kok Wah, President & CEO of Stamford Tyres

Positive Financial Impact of Disposal

The disposal would strengthen the Group's earnings and balance sheet considerably. For illustrative purposes, the impact on the 12 months ended 30 April 2011 (being the last full financial year) is as follows:

	Before the Disposal	After the Disposal[1]
NTA (S$'000)	106,803	118,005
NTA per share (cents)	45.47	50.41
Group Profit after tax (S$'000)	13,306	24,576
EPS (cents):-		
Basic	5.71	10.55
Diluted	5.71	10.55
Weighted average number of shares	232,890,411	232,890,411

As the disposal constitutes a major transaction under Chapter 10 of the Listing Manual, shareholders' approval is required for the disposal. A circular will be sent out in due course to shareholders to give notice of the extraordinary general meeting.

Strong Outlook of South Africa and India's Automotive Markets

The Group has been expanding its presence in South Africa since 2009 and the continued growth of South Africa's car manufacturing industry bodes well for tyre demand. According to the information portal SouthAfrica.info, all major vehicle makers and eight of the world's top 10 auto component manufacturers are represented in South Africa. In addition the South African government has identified the automotive industry as a key growth sector, with the aim of increasing vehicle production to 1.2 million units by 2020.

While the Group is in currently in India in a limited fashion, the potential of India cannot be ignored as it is one of the largest and fastest growing globally. India is set to overtake Brazil to become the world's sixth largest passenger vehicle producer, growing 16-18% to sell around three million units in the course of 2011-2012. As of 2010, India is home to more than 40 million passenger vehicles. The Group is already in initial discussions with Sumitomo Rubber Industries on the various ways to expand this huge market.

[1] Based on Stamford Tyres' 50% shareholding interest in TPHK which in turns holds 40% shareholding interest in SRITP.

Overall, Stamford Tyres will seek to grow the South African and Indian markets by securing higher allocations of the well received Falken brand from SRI to meet growing local demands.

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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 today 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.

Please visit www.stamfordtyres.com for more information on the Group.

Issued for and on behalf of **Stamford Tyres Corporation Limited**

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