Stamford Tyres Corporation Limited
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RCB Reg. No.: 198904416M

SETTING UP OF JOINT VENTURE COMPANY IN INDIA

The Board of Directors of Stamford Tyres Corporation Limited ("the "Company" and together with its subsidiaries and associated companies, the "Stamford Tyres Group") wishes to announce that the Company has on 9th August 2012 entered into a joint venture agreement with Sumitomo Rubber Asia (Tyre) Pte. Ltd. (a wholly owned subsidiary and Asia sales company of Sumitomo Rubber Industries, Ltd in Kobe, Japan) to establish a joint venture sales company, Falken Tyre India Private Limited in India ("Falken Tyre India") (the "Joint Venture") for the distribution and sales of replacement tyres in India.

Falken Tyre India will have an initial authorised and paid up capital of INR 550 million (approximately S$12.3 million) of which 40% is to be owned by the Company. The initial estimated investment for the Joint Venture is INR110 million (approximately S$2.5 million) and the Company's maximum share of the investment is INR220 million (approximately S$4.9 million). The Company's investment will be financed by internal resources.

Falken Tyre India will aim to enhance customer satisfaction and expand sales of replacement tyres by supplying tyres which meet the local needs. The Joint Venture will commence business in April 2013.

The setting up of Falken Tyre India is not expected to have any material impact on the consolidated earnings per share or the consolidated net tangible assets per share of the Company and the Stamford Tyres Group for the financial year ending 30 April 2013.

None of the Directors, controlling shareholders or substantial shareholders of the Company has an interest, direct or indirect, in the above transaction other than through their shareholding interests in the Company.

By Order of the Board

Lo Swee Oi
Company Secretary

9 August 2012