

STAMFORD LAND CORPORATION LTD

(Company Registration No. 197701615H)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

PART I – INFORMATION REQUIRED FOR QUARTERLY ANNOUNCEMENTS

1. An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Note	The Group		Change %
	Q1 FY2018 S\$'000	Q1 FY2017 S\$'000	
Revenue	69,900	45,651	53.1
Interest income	722	458	57.6
Dividend income	70	79	(11.4)
Other gains (net) (ii)	2,234	3,480	(35.8)
<u>Expenses</u>			
Properties sold	(18,807)	-	N.M
Consumables used	(3,825)	(3,746)	2.1
Staff costs	(17,205)	(15,909)	8.1
Depreciation expense	(2,918)	(3,120)	(6.5)
Other operating expenses	(16,026)	(15,024)	6.7
Finance costs on bank borrowings	(2,008)	(2,551)	(21.3)
Profit before tax	12,137	9,318	30.3
Income tax expense	(1,054)	(1,003)	5.1
Net profit attributable to owners of the Company	11,083	8,315	33.3

Q1: First quarter ended 30 June

FY2018: Financial year ending 31 March 2018

FY2017: Financial year ended 31 March 2017

N.M: Not meaningful

Notes

- (i) For the income statement, the Australian dollars ("A\$") and New Zealand dollars ("NZ\$") are translated at average exchange rates as prescribed below:

	The Group		Change
	Q1 FY2018	Q1 FY2017	
A\$	1.0439	1.0091	3.5%
NZ\$	0.9832	0.9401	4.6%

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1. An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)

(ii) Other gains (net) comprises:

	The Group		
	Q1 FY2018	Q1 FY2017	Change
	S\$'000	S\$'000	%
Foreign exchange gain (net) ^(a)	2,319	3,549	(34.7)
Fair value loss on investments held-for-trading	(85)	(52)	63.5
Others	-	(17)	(100.0)
	2,234	3,480	(35.8)

^(a) Foreign exchange gain in Q1 FY2018 relates to unrealised gain on translation of NZ\$ deposits (refer to note 3(a) on exchange rates).

2. A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group		
	Q1 FY2018	Q1 FY2017	Change
	S\$'000	S\$'000	%
Profit for the period	11,083	8,315	33.3
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value loss on available-for-sale investments	(18)	(17)	5.9
Exchange differences on consolidation of foreign subsidiaries	(6,025)	(11,315)	(46.8)
Exchange differences on foreign currency loans forming part of net investment in foreign operations	2,919	6,478	(54.9)
Other comprehensive income for the period, net of tax	(3,124)	(4,854)	(35.6)
Total comprehensive income for the period attributable to owners of the Company	7,959	3,461	N.M

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3(a). A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	30.06.2017	31.03.2017	30.06.2017	31.03.2017
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	371,732	375,013	-	-
Investment properties	145,042	146,609	-	-
Investments in subsidiaries	-	-	364,814	367,170
Available-for-sale investments	367	385	367	385
Deferred tax assets	6,000	9,218	-	-
	523,141	531,225	365,181	367,555
Current assets				
Completed properties for sale	19,180	18,352	-	-
Development properties for sale	228,945	219,366	-	-
Inventories	1,354	1,375	-	-
Trade and other receivables	11,260	15,981	27,087	27,270
Tax recoverable	2,793	9,853	-	-
Investments held-for-trading	3,461	3,546	-	-
Cash and bank balances	123,952	118,848	10,119	3,004
	390,945	387,321	37,206	30,274
Total assets	914,086	918,546	402,387	397,829
LIABILITIES				
Current liabilities				
Trade and other payables	32,144	42,603	560	430
Current income tax liabilities	3,860	3,202	3,070	10,879
Derivative financial liabilities	396	-	62	-
	36,400	45,805	3,692	11,309
Non-current liabilities				
Amounts due to subsidiaries	-	-	220,335	209,476
Bank borrowings	365,388	364,916	-	-
Deferred tax liabilities	9,533	13,019	-	-
	374,921	377,935	220,335	209,476
Total liabilities	411,321	423,740	224,027	220,785
NET ASSETS	502,765	494,806	178,360	177,044
EQUITY				
Equity attributable to owners of the Company				
Share capital	144,632	144,632	144,632	144,632
Retained profits	368,533	357,450	33,416	32,082
Other reserves	(10,400)	(7,276)	312	330
TOTAL EQUITY	502,765	494,806	178,360	177,044

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3(a). A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year (continued)

In the balance sheets, the following closing exchange rates were used to translate the A\$ and NZ\$:

	30.06.2017	31.03.2017	Change
A\$	1.0570	1.0699	(1.2%)
NZ\$	1.0088	0.976	3.4%

3(b). Aggregate amount of the group's borrowings and debt securities

	As at 30.06.2017		As at 31.03.2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable after one year	365,388	-	364,916	-

Details of any collaterals:

The following properties are charged by way of mortgages and fixed and floating equitable charges for the above borrowings:

Stamford Plaza Melbourne
Stamford Grand Adelaide
Stamford Plaza Adelaide
Sir Stamford at Circular Quay
Stamford Plaza Sydney Airport
Dynon's Plaza in Perth
Macquarie Park Village in Sydney

The carrying amount of the properties charged as security for the bank borrowings is approximately S\$375.5 million as at 30 June 2017 (31 March 2017: S\$380.5 million).

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4. A statement of cash flows (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Note	The Group	
	Q1 FY2018 S\$'000	Q1 FY2017 S\$'000
Cash flows from operating activities		
Profit before tax	12,137	9,318
Adjustments for:		
Depreciation expense	2,918	3,120
Dividend income	(70)	(79)
Interest expense	2,008	2,551
Interest income	(722)	(458)
Property, plant and equipment written off	-	17
Unrealised foreign exchange (gain)/loss	(2,921)	1,884
Fair value loss on investments held-for-trading	85	52
Operating cash flows before changes in working capital	13,435	16,405
Changes in working capital:		
Trade and other receivables	4,775	930
Inventories	21	105
Development properties for sale	(11,736)	(29,136)
Trade and other payables	(10,391)	(17,788)
Derivative financial liabilities/(assets)	396	(1,849)
Cash used in operations	(3,500)	(31,333)
Income tax refunded/(paid)	7,559	(1,654)
Net cash flows from/(used in) operating activities	4,059	(32,987)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,398)	(2,860)
Interest received	667	443
Dividends received	70	79
Deposits pledged	-	750
Net cash flows used in investing activities	(661)	(1,588)
Cash flows from financing activities		
Repayment of borrowings	(21,811)	(23,703)
Proceeds from borrowings	26,645	41,531
Interest paid	(2,076)	(3,024)
Net cash flows from financing activities	2,758	14,804
Net increase/(decrease) in cash and cash equivalents	6,156	(19,771)
Cash and cash equivalents at beginning of the period	114,515	133,711
Effect of exchange rate changes on cash and cash equivalents	(1,001)	(487)
Cash and cash equivalents at end of the period	119,670	113,453

Note

- (i) Cash and cash equivalents in the balance sheet
Less: Deposit pledged
Cash and cash equivalents in the statement of cash flows

The Group	
30.06.2017	30.06.2016
S\$'000	S\$'000
123,952	116,423
(4,282)	(2,970)
119,670	113,453

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5(a). A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

THE GROUP

	Attributable to owners of the Company					
	Share capital S\$'000	Asset revaluation reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
<u>Q1 FY2018</u>						
Balance at 1 April 2017	144,632	3,300	330	(10,906)	357,450	494,806
Profit for the period	-	-	-	-	11,083	11,083
Other comprehensive income for the period	-	-	(18)	(3,106)	-	(3,124)
Total comprehensive income for the period	-	-	(18)	(3,106)	11,083	7,959
Balance at 30 June 2017	144,632	3,300	312	(14,012)	368,533	502,765
<u>Q1 FY2017</u>						
Balance at 1 April 2016	144,616	3,300	343	(24,982)	327,219	450,496
Profit for the period	-	-	-	-	8,315	8,315
Other comprehensive income for the period	-	-	(17)	(4,837)	-	(4,854)
Total comprehensive income for the period	-	-	(17)	(4,837)	8,315	3,461
Balance at 30 June 2016	144,616	3,300	326	(29,819)	335,534	453,957

THE COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
<u>Q1 FY2018</u>				
Balance at 1 April 2017	144,632	330	32,082	177,044
Profit for the period	-	-	1,334	1,334
Other comprehensive income for the period	-	(18)	-	(18)
Total comprehensive income for the period	-	(18)	1,334	1,316
Balance at 30 June 2017	144,632	312	33,416	178,360
<u>Q1 FY2017</u>				
Balance at 1 April 2016	144,616	343	9,935	154,894
Loss for the period	-	-	(2,144)	(2,144)
Other comprehensive income for the period	-	(17)	-	(17)
Total comprehensive income for the period	-	(17)	(2,144)	(2,161)
Balance at 30 June 2016	144,616	326	7,791	152,733

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- 5(b). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

Issued and fully paid ordinary shares

At 31 March 2017 and 30 June 2017

Number of ordinary shares
863,970,982

There were no outstanding share options, treasury shares and subsidiary holdings as at 30 June 2017 and 30 June 2016.

- 5(c). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	As at 30.06.2017	As at 31.03.2017
Total number of issued shares (excluding treasury shares)	863,970,982	863,970,982

There were no shares held as treasury shares as at 30 June 2017 and 31 March 2017.

- 5(d). A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

- 5(e). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable.

- 6. Whether the figures have been audited, or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the auditors of the Company.

- 7. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

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8. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period ended 30 June 2017 as compared to the most recently audited financial statements for the financial year ended 31 March 2017.

9. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

10. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	The Group	
	Q1 FY2018	Q1 FY2017
Profit for the period attributable to owners of the Company (S\$'000)	11,083	8,315
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	863,971	863,938
Earnings per share		
(i) Basic (cents)	1.28	0.96
(ii) Diluted (cents)	1.28	0.96

11. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	30.06.2017	31.03.2017	30.06.2016	31.03.2017
	S\$	S\$	S\$	S\$
Net asset value per ordinary share based on the total number of issued shares as at the end of the financial period/year	0.58	0.57	0.21	0.20

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12. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Consolidated income statement

	The Group			
	Q1 FY2018	Q1 FY2017	Change	
	S\$'000	S\$'000	S\$'000	%
<u>REVENUE</u>				
Hotel owning & management	42,261	40,275	1,986	4.9
Property development	23,010	207	22,803	N.M
Property investment	4,282	4,666	(384)	(8.2)
Trading	347	479	(132)	(27.6)
	69,900	45,627	24,273	53.2
Others	-	24	(24)	(100.0)
	69,900	45,651	24,249	53.1

	The Group			
	Q1 FY2018	Q1 FY2017	Change	
	S\$'000	S\$'000	S\$'000	%
<u>OPERATING PROFIT</u>				
Hotel owning & management	6,689	6,056	633	10.5
Property development	3,439	(214)	3,653	N.M
Property investment	3,145	3,815	(670)	(17.6)
Trading	2	(6)	8	N.M
	13,275	9,651	3,624	37.6
Others	(2,156)	(1,799)	(357)	(19.8)
	11,119	7,852	3,267	41.6

Hotel owning & management

- Revenue growth of 4.9% was due mainly to a stronger A\$.
- Operating profit improved on lower operating costs.

Property development

- Revenue and operating profit were higher due to revenue and profits from sale of apartments in Macquarie Park Village upon settlement of 38 apartments in Q1 FY2018.

Property investment

- Revenue was lower due to rent adjustments in FY2018.
- Operating profit declined on lower revenue and higher operating costs.

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- 12. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)**

Consolidated balance sheet

- Increase in cash and cash equivalents was mainly due to the refund of withholding tax in Q1 FY2018.
- The capitalisation of construction costs in development properties relates to Macquarie Park Village.
- Decrease in trade and other payables was due to disbursements of construction costs for Macquarie Park Village.

Consolidated statement of cash flows

- The Group registered a net increase in cash and cash equivalents of S\$6.2 million in Q1 FY2018, details as follows:
 - Cash inflow from operating activities;
 - Cash outflow from investing activities mainly due to ongoing refurbishment projects; and
 - Cash inflow from financing activities mainly due to additional borrowings drawn down for an ongoing development project.

- 13. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast was previously provided.

- 14. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

- The property development segment booked in profits from the settlement of 38 apartments in Macquarie Park Village in Q1 FY2018. As at 30 June 2017, a total of 212 apartments were settled, out of 712 apartments. The remaining apartments will be completed in FY2018 and beyond.
- The hotel segment performed slightly ahead of the previous year and is expected to remain stable.
- Property investment segment continues to deliver stable results underpinned by fixed lease income.
- Barring any unforeseen circumstances, the Group expects to remain profitable for FY2018.

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15. Dividend

(a) Current financial period reported on

No.

(b) Corresponding period of the immediately preceding financial year

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

16. If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been declared/recommended in the current reporting period.

17. Interested Person Transactions ("IPTs")

The Company has not obtained a general mandate from shareholders for any IPTs.

18. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirmed that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

19. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the financial period ended 30 June 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ow Chio Kiat
Executive Chairman

Ow Yew Heng
Chief Executive Officer

BY ORDER OF THE BOARD

Lee Li Huang
Company Secretary

28 July 2017