

**RESPONSE TO THE QUERY FROM THE
SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)**

In response to the query from the SGX-ST in their email dated 2 June 2021, the Board of Directors of the Company wishes to provide the following information in respect of the Company’s announcement dated 28 May 2021 (the “**SGX Announcement**”) with respect to the “Unaudited Full Year Financial Statements for The Year Ended 31 March 2021”.

Query:

Please disclose the breakdown and reasons for the following variances:

- a. Large decrease in staff costs from S\$30.9 million in 2HFY2020 to S\$16.6 million in 2HFY2021, and from S\$61.9 million in FY2020 to S\$22.9 million in FY2021;

Response:

The decrease in staff costs takes into account the following:

- (i) The temporary closure of certain hotels and the scaling down of business operations during the financial year due to the Covid-19 pandemic.
 - (ii) Pay reductions and other human resource cost reduction measures on management and staff in Singapore, Australia and New Zealand.
 - (iii) Wage subsidies received from governments.
- b. Large decrease in other operating expenses from S\$27.9 million in 2HFY2020 to S\$17.2 million in 2HFY2021, and from S\$56.1 million in FY2020 to S\$30.6 million in FY2021;

Response:

The decrease in other operating expenses was due to lower costs incurred by our hotels due to temporary closure of certain hotels and the scaling down of business operations during the financial year due to the Covid-19 pandemic.

- c. Large increase in non-current other receivables from S\$0 in FY2020 to S\$34.8 million in FY2021; and

Response:

This non-current other receivable relates to the loan granted by Stamford Holdings (Australia) Pte. Ltd. to Redhill Partners Investment Pty Ltd.

Please refer to the Circular to Shareholders in relation to Divestment of Stamford Green (Formerly Known as Dynons Plaza) Located at 905 – 919 Hay Street, Perth Western Australia dated 10 March 2021 for details.

- d. Increase in current trade and other receivables from S\$15.3 million in FY2020 to S\$19.7 million in FY2021.

Response:

The increase in trade and other receivables was mainly due to the recognition of rent-free periods connected with 8 Finsbury Circus as deferred rent which will be amortised over the duration of applicable leases in accordance with accounting standards.

BY ORDER OF THE BOARD

LEE LI HUANG
Company Secretary
4 June 2021