

STAMFORD LAND CORPORATION LTD

(Company Registration No. 197701615H)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

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 FY2017	Q1 FY2016	
		S\$'000	S\$'000	
Revenue		44,762	64,715	(30.8)
Interest income		458	685	(33.1)
Dividend income		79	71	11.3
Other gains (net)	(iii)	3,480	36	N.M
<u>Expenses</u>				
Properties sold		-	(7,954)	N.M
Consumables used		(3,746)	(4,057)	(7.7)
Staff costs		(15,909)	(16,266)	(2.2)
Depreciation expense		(3,120)	(3,275)	(4.7)
Other operating expenses		(14,135)	(13,668)	3.4
Finance costs		(2,551)	(3,108)	(17.9)
Profit before tax	(ii)	9,318	17,179	(45.8)
Income tax expense	(iv)	(1,003)	(4,487)	(77.6)
Net profit attributable to owners of the Company		8,315	12,692	(34.5)

Q1: First quarter ended 30 June

FY2017: Financial year ending 31 March 2017

FY2016: Financial year ended 31 March 2016

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 FY2017	Q1 FY2016	
A\$	1.0091	1.0392	(2.9%)
NZ\$	0.9401	0.9616	(2.2%)

- (ii) Profit before tax for Q1 FY2017 is lower as there were no apartment sales. Q1 FY2016 included sales of 1 penthouse in The Stamford Residences & The Reynell Terraces ("TSRRT") and 2 units in The Stamford Residences Auckland ("TSRA").

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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)

(iii) Other gains (net) comprises:

	The Group		Change
	Q1 FY2017	Q1 FY2016	
	S\$'000	S\$'000	%
Foreign exchange gain (net) (a)	3,549	112	N.M
Fair value loss on investments held-for-trading	(52)	(75)	(30.7)
Others	(17)	(1)	N.M
	3,480	36	N.M

(a) Foreign exchange gain in Q1 FY2017 relates to realised gain on forward exchange contracts fulfilled and unrealised gain on translation of NZ\$ deposits (refer to note 3(a) on exchange rates).

(iv) Income tax expense for Q1 FY2016 included tax provision on apartments sold.

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		Change
	Q1 FY2017	Q1 FY2016	
	S\$'000	S\$'000	%
Net profit for the period	8,315	12,692	(34.5)
Other comprehensive (loss)/income:			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Fair value loss on available-for-sale investments	(17)	(14)	21.4
Exchange differences on consolidation of foreign subsidiaries	(11,315)	(3,400)	N.M
Exchange differences on foreign currency loans forming part of net investment in foreign operations	6,478	(10,158)	70.4
	(4,854)	(13,572)	(64.2)
Total comprehensive income/(loss), net of tax, attributable to owners of the Company	3,461	(880)	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	
	30.06.2016	31.03.2016	30.06.2016	31.03.2016
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	116,423	137,507	2,927	33,010
Investments held-for-trading	3,584	3,636	-	-
Trade and other receivables	12,324	13,238	56,048	30,314
Tax recoverable	2,491	1,406	-	-
Inventories	1,135	1,240	-	-
Completed properties for sale	23,942	23,652	-	-
Development properties for sale	181,765	157,161	-	-
	341,664	337,840	58,975	63,324
Non-current assets				
Available-for-sale investments	381	398	381	398
Investment properties	154,503	158,265	-	-
Investments in subsidiaries	-	-	297,323	299,725
Property, plant and equipment	351,190	357,838	-	-
Deferred tax assets	7,046	6,975	-	-
	513,120	523,476	297,704	300,123
Total assets	854,784	861,316	356,679	363,447
<u>LIABILITIES</u>				
Current liabilities				
Trade and other payables	30,628	48,571	776	774
Amounts due to subsidiaries	-	-	-	-
Current income tax liabilities	8,290	7,840	7,743	7,743
Derivative financial liabilities	137	1,986	7	337
Borrowings	189,565	279,455	-	-
	228,620	337,852	8,526	8,854
Non-current liabilities				
Amounts due to subsidiaries	-	-	195,420	199,699
Borrowings	160,482	60,897	-	-
Deferred tax liabilities	11,725	12,071	-	-
	172,207	72,968	195,420	199,699
Total liabilities	400,827	410,820	203,946	208,553
NET ASSETS	453,957	450,496	152,733	154,894
<u>EQUITY</u>				
Capital and reserves attributable to owners of the Company				
Share capital	144,616	144,616	144,616	144,616
Retained profits	335,534	327,219	7,791	9,935
Other reserves	(26,193)	(21,339)	326	343
TOTAL EQUITY	453,957	450,496	152,733	154,894

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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\$:

	30.06.2016	31.03.2016	Change
A\$	1.0026	1.0311	(2.8%)
NZ\$	0.9577	0.9306	2.9%

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

	As at 30.06.2016		As at 31.03.2016	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	189,565	-	279,455	-
Amount repayable after one year	160,482	-	60,897	-

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 Auckland
 Sir Stamford at Circular Quay
 Stamford Plaza Sydney Airport
 Stamford Plaza Brisbane
 Dynon's Plaza in Perth
 Macquarie Park Village in Sydney

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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 FY2017 S\$'000	Q1 FY2016 S\$'000
Cash flows from operating activities		
Net profit	8,315	12,692
Adjustments for:		
Income tax expense	1,003	4,487
Depreciation expense	3,120	3,275
Dividend income	(79)	(71)
Interest expense	2,551	3,108
Interest income	(458)	(685)
Property, plant and equipment written off	17	-
Unrealised foreign exchange loss/(gain) (net)	1,884	(1,417)
Fair value loss on investments held-for-trading	52	75
Operating cash flows before changes in working capital	16,405	21,464
Trade and other receivables	930	6,318
Inventories	105	3
Completed properties for sale	-	9,755
Development properties for sale	(29,136)	(10,699)
Trade and other payables	(17,788)	(1,150)
Derivative financial (assets)/liabilities	(1,849)	59
Cash (used in)/generated from operations	(31,333)	25,750
Income taxes paid	(1,654)	(2,103)
Net cash (used in)/from operating activities	(32,987)	23,647
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,860)	(1,316)
Interest received	443	630
Dividends received	79	71
Deposits pledged	750	(13)
Net cash used in investing activities	(1,588)	(628)
Cash flows from financing activities		
Repayment of borrowings	(23,703)	(1,791)
Proceeds from borrowings	41,531	-
Interest paid	(3,024)	(3,179)
Net cash from/(used in) financing activities	14,804	(4,970)
Net change in cash and cash equivalents	(19,771)	18,049
Cash and cash equivalents at beginning of the period	133,711	141,771
Effect of currency translation on cash and cash equivalents	(487)	(3,416)
Cash and cash equivalents at end of the period	113,453	156,404

Note

	The Group	
	30.06.2016 S\$'000	30.06.2015 S\$'000
(i) Cash and cash equivalents in the balance sheet	116,423	159,513
Less: Deposit pledged	(2,970)	(3,109)
Cash and cash equivalents in the statement of cash flows	113,453	156,404

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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 FY2017</u>						
Balance at 1 April 2016	144,616	3,300	343	(24,982)	327,219	450,496
Net profit for the period	-	-	-	-	8,315	8,315
Other comprehensive loss for the period	-	-	(17)	(4,837)	-	(4,854)
Total comprehensive (loss)/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
<u>Q1 FY2016</u>						
Balance at 1 April 2015	144,556	-	351	(16,407)	330,709	459,209
Net profit for the period	-	-	-	-	12,692	12,692
Other comprehensive loss for the period	-	-	(14)	(13,558)	-	(13,572)
Total comprehensive (loss)/income for the period	-	-	(14)	(13,558)	12,692	(880)
Balance at 30 June 2015	144,556	-	337	(29,965)	343,401	458,329

THE COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
<u>Q1 FY2017</u>				
Balance at 1 April 2016	144,616	343	9,935	154,894
Net loss for the period	-	-	(2,144)	(2,144)
Other comprehensive loss for the period	-	(17)	-	(17)
Total comprehensive loss for the period	-	(17)	(2,144)	(2,161)
Balance at 30 June 2016	144,616	326	7,791	152,733
<u>Q1 FY2016</u>				
Balance at 1 April 2015	144,556	351	38,651	183,558
Net loss for the period	-	-	(1,252)	(1,252)
Other comprehensive loss for the period	-	(14)	-	(14)
Total comprehensive loss for the period	-	(14)	(1,252)	(1,266)
Balance at 30 June 2015	144,556	337	37,399	182,292

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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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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**

There have been no changes in the issued share capital of the Company since 31 March 2016.

There are no outstanding share options as at 30 June 2016 and 30 June 2015.

- 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 30.06.2016	As at 31.03.2016
Total number of issued shares (excluding treasury shares)	863,938,482	863,938,482

There were no shares held as treasury shares as at 30 June 2016 and 31 March 2016.

- 5(d). A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares 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.

- 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 2016 as compared to the most recently audited financial statements for the financial year ended 31 March 2016.

- 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.

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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 FY2017	Q1 FY2016
Earnings per ordinary share based on:		
(i) the weighted average number of ordinary shares in issue	0.96 cents	1.47 cents
(ii) fully diluted basis	0.96 cents	1.47 cents

Note to item (i)

The Group's basic earnings per ordinary share is calculated by dividing the Group's net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period of 863,938,482 ordinary shares (Q1 FY2016: 863,833,482 ordinary shares).

Note to item (ii)

The Group's fully diluted earnings per ordinary share is the same as the Group's basic earnings per ordinary share as there is no potential dilutive equity instruments for Q1 FY2017 and Q1 FY2016.

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:
- current financial period reported on; and
 - immediately preceding financial year.

	The Group		The Company	
	30.06.2016	31.03.2016	30.06.2016	31.03.2016
	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	0.53	0.52	0.18	0.18

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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 FY2017	Q1 FY2016	Change	
	S\$'000	S\$'000	S\$'000	%
<u>REVENUE</u>				
Hotel owning & management	40,275	40,392	(117)	(0.3)
Property development	207	20,357	(20,150)	(99.0)
Property investment	3,777	3,334	443	13.3
Trading	479	608	(129)	(21.2)
	44,738	64,691	(19,953)	(30.8)
Others	24	24	-	-
	44,762	64,715	(19,953)	(30.8)

	The Group			
	Q1 FY2017	Q1 FY2016	Change	
	S\$'000	S\$'000	S\$'000	%
<u>OPERATING PROFIT</u>				
Hotel owning & management	6,056	5,100	956	18.7
Property development	(214)	12,199	(12,413)	N.M
Property investment	3,815	3,619	196	5.4
Trading	(6)	21	(27)	N.M
	9,651	20,939	(11,288)	(53.9)
Others	(1,799)	(1,444)	(355)	24.6
	7,852	19,495	(11,643)	(59.7)

Hotel segment

- Revenue growth of 2.6% was offset by a weak A\$, which declined by 2.9%.
- Operating profit improved on higher revenue and lower operating costs.

Property development segment

- Revenue and operating profit were lower as there were no units sold in Q1 FY2017 (Q1 FY2016: 1 TSRRT penthouse and 2 TSRA apartments).

Property investment segment

- Revenue and operating profit were higher due to higher rent for FY2017.

Trading segment

- Revenue and operating profit decrease due to challenging business environment in both travel agency and interior decoration business.

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Balance sheet

- Decrease in cash and cash equivalents is mainly due to repayment of borrowings.
- Increase in development properties for sale is due to capitalisation of construction costs of an ongoing development project.
- Decrease in trade and other payables is mainly due to payment of construction costs of an ongoing development project.
- Increase in borrowings is due mainly to net proceeds from additional bank borrowings drawn for an ongoing development project.

Consolidated statement of cash flows

- The Group registered a net decrease in cash and cash equivalents of S\$19.8 million in Q1 FY2017.
- Cash outflow from operating activities is mainly due to construction costs of an ongoing development project.
- Cash outflow from investing activities is mainly due to ongoing refurbishment projects.
- Cash inflow from financing activities is mainly due to additional borrowings drawn 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

- For Q1 FY2017, there were no contributions from property development sales. Hence, net profit declined by 34.5% compared to Q1 FY2016, which booked in 3 highly profitable sales.
- Performance of the hotel segment was slightly ahead of the previous year and it is expected to remain stable. The Group expects the additional 26 suites at Stamford Plaza Melbourne to contribute to Q3 FY2017 revenue.
- Contributions from property development segment will be substantial on completion of Phase One of Macquarie Park Village either in Q4 FY2017 or later.
- Property investment segment continues to deliver stable results underpinned by fixed lease income.
- Barring any unforeseen circumstances, the Group expects to remain profitable for FY2017.

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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/recommendeded, 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.

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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 2016 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

Ow Yew Heng
Chief Executive Officer

28 July 2016