

STAMFORD LAND CORPORATION LTD

(Company Registration No. 197701615H)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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 FY2020	Q1 FY2019	
		S\$'000	S\$'000	
Revenue		43,602	124,488	(65.0)
Interest income		679	919	(26.1)
Dividend income		165	229	(28.0)
Other gains/(losses) (net)	(ii)	19	(2,555)	N.M
<u>Expenses</u>				
Properties sold		(628)	(59,401)	(98.9)
Consumables used		(3,724)	(3,743)	(0.5)
Staff costs		(15,987)	(16,114)	(0.8)
Depreciation expense		(2,876)	(2,710)	6.1
Other operating expenses		(13,965)	(16,516)	(15.4)
Finance costs		(1,840)	(1,072)	71.6
Profit before tax		5,445	23,525	(76.9)
Income tax expense		(603)	(6,502)	(90.7)
Net profit attributable to owners of the Company		4,842	17,023	(71.6)

Q1: First quarter ended 30 June

FY2020: Financial year ending 31 March 2020

FY2019: Financial year ended 31 March 2019

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 FY2020	Q1 FY2019	
A\$	0.9539	1.0070	(5.3%)
NZ\$	0.9045	0.9314	(2.9%)

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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/(losses)(net) comprises:

	The Group		Change
	Q1 FY2020	Q1 FY2019	
	S\$'000	S\$'000	%
Foreign exchange loss (net) ^(a)	(133)	(2,374)	(94.4)
Fair value gain/(loss) on investments securities	152	(181)	N.M
	19	(2,555)	N.M

^(a) Foreign exchange difference in Q1 FY2020 relates to realised exchange difference on forward exchange contracts fulfilled and unrealised exchange difference 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		Change
	Q1 FY2020	Q1 FY2019	
	S\$'000	S\$'000	%
Profit for the period	4,842	17,023	(71.6)
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value loss on equity instruments at fair value through other comprehensive income	30	–	100.0
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value loss on equity instruments at fair value through other comprehensive income	-	(10)	(100.0)
Exchange differences on consolidation of foreign subsidiaries	(5,054)	254	N.M
Exchange differences on foreign currency loans forming part of net investment in foreign operations	(94)	366	N.M
	(5,148)	610	N.M
Other comprehensive income for the period, net of tax	(5,118)	610	N.M
Total comprehensive income for the period attributable to owners of the Company	(276)	17,633	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	
	30.06.2019	31.03.2019	30.06.2019	31.03.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Non-current assets				
Property, plant and equipment	328,594	333,752	-	-
Right-of-use asset	72,122	-	-	-
Investment properties	114,793	116,056	-	-
Investments in subsidiaries	-	-	232,163	232,163
Investment securities	396	366	396	366
Deferred tax assets	4,725	4,791	-	-
	520,630	454,965	232,559	232,529
Current assets				
Completed properties for sale	23,731	23,589	-	-
Development properties for sale	7,388	7,456	-	-
Inventories	638	1,369	-	-
Trade and other receivables	9,781	12,097	93,988	93,608
Tax recoverable	3,599	3,560	-	-
Investment securities	14,276	14,124	-	-
Cash and bank balances	149,571	150,235	14,181	5,023
	208,984	212,430	108,169	98,631
Total assets	729,614	667,395	340,728	331,160
<u>LIABILITIES</u>				
Current liabilities				
Trade and other payables	24,432	29,224	1,191	319
Current income tax liabilities	8,843	8,793	8,898	8,898
Bank borrowings	104,368	105,710	-	-
Lease liability	613	-	-	-
Derivative financial liabilities	220	292	32	50
	138,476	144,019	10,121	9,267
Non-current liabilities				
Amounts due to subsidiaries	-	-	31,182	18,786
Lease liability	71,817	-	-	-
Deferred tax liabilities	7,246	7,353	-	-
	79,063	7,353	31,182	18,786
Total liabilities	217,539	151,372	41,303	28,053
NET ASSETS	512,075	516,023	299,425	303,107
<u>EQUITY</u>				
Equity attributable to owners of the Company				
Share capital	144,693	144,693	144,693	144,693
Treasury shares	(21,217)	(17,545)	(21,217)	(17,545)
Retained profits	438,205	433,363	175,608	175,648
Other reserves	(49,606)	(44,488)	341	311
TOTAL EQUITY	512,075	516,023	299,425	303,107

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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\$:

	30.06.2019	31.03.2019	Change
A\$	0.9488	0.9610	(1.3%)
NZ\$	0.9075	0.9212	(1.5%)

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

	As at 30.06.2019		As at 31.03.2019	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year or less, or on demand	104,368	-	105,710	-

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

The carrying amount of the properties charged as security for the bank borrowings is approximately S\$85.8 million as at 30 June 2019 (31 March 2019: S\$87.1 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 FY2020 S\$'000	Q1 FY2019 S\$'000
Cash flows from operating activities		
Profit before tax	5,445	23,525
Adjustments for:		
Depreciation expense	2,876	2,710
Dividend income	(165)	(229)
Unrealised foreign exchange (gain)/loss	(2,169)	2,274
Interest expense	1,840	1,072
Interest income	(679)	(919)
Fair value (gain)/loss on investment securities	(152)	181
Operating cash flows before changes in working capital	6,996	28,614
Changes in working capital:		
Trade and other receivables	2,305	(805)
Inventories	731	234
Completed properties for sale	452	-
Development properties for sale	-	58,359
Trade and other payables	(4,792)	(7,176)
Derivative financial assets	(72)	(95)
Cash flows from operations	5,620	79,131
Income tax paid	(506)	(604)
Net cash flows from operating activities	5,114	78,527
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,390)	(1,807)
Interest received	691	737
Dividends received	165	229
Deposits pledged	-	642
Net cash flows used in investing activities	(534)	(199)
Cash flows from financing activities		
Repayment of borrowings	-	(99,294)
Purchase of treasury shares	(3,672)	-
Payment of lease liability	(1,104)	-
Interest paid	(820)	(1,115)
Net cash flows used in financing activities	(5,596)	(100,409)
Net decrease in cash and cash equivalents	(1,016)	(22,081)
Cash and cash equivalents at beginning of the period	146,366	154,534
Effect of exchange rate changes on cash and cash equivalents	401	9
Cash and cash equivalents at end of the period	145,751	132,462

(i)

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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 (continued)

Note

	The Group	
	30.06.2019	30.06.2018
	S\$'000	S\$'000
(i) Cash and bank balances in the balance sheet	149,571	139,001
Less: Deposit pledged	(3,820)	(6,539)
Cash and cash equivalents in the statement of cash flows	145,751	132,462

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	Treasury shares 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 FY2020</u>							
Balance at 1 April 2019	144,693	(17,545)	3,300	311	(48,099)	433,363	516,023
Profit for the period	-	-	-	-	-	4,842	4,842
Other comprehensive income for the period	-	-	-	30	(5,148)	-	(5,118)
Total comprehensive income for the period	-	-	-	30	(5,148)	4,842	(276)
<u>Contributions by and distributions to owners</u>							
Purchase of treasury shares	-	(3,672)	-	-	-	-	(3,672)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	(3,672)	-	-	-	-	(3,672)
Balance at 30 June 2019	144,693	(21,217)	3,300	341	(53,247)	438,205	512,075
<u>Q1 FY2019</u>							
Balance at 1 April 2018	144,693	-	3,300	314	(23,733)	394,295	518,869
Profit for the period	-	-	-	-	-	17,023	17,023
Other comprehensive income for the period	-	-	-	(10)	620	-	610
Total comprehensive income for the period	-	-	-	(10)	620	17,023	610
Balance at 30 June 2018	144,693	-	3,300	304	(23,113)	411,318	536,502

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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 (continued)

THE COMPANY

	Share capital S\$'000	Treasury shares S\$'000	Fair value reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
<u>Q1 FY2020</u>					
Balance at 1 April 2019	144,693	(17,545)	311	175,648	303,107
Loss for the period	-	-	-	(40)	(40)
Other comprehensive income for the period	-	-	30	-	30
Total comprehensive income for the period	-	-	30	(40)	(10)
<u>Contributions by and distributions to owners</u>					
Purchase of treasury shares	-	(3,672)	-	-	(3,672)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	(3,672)	-	-	(3,672)
Balance at 30 June 2019	144,693	(21,217)	341	175,608	299,425

	Share capital S\$'000	Fair value reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
<u>Q1 FY2019</u>				
Balance at 1 April 2018	144,693	314	73,722	218,729
Loss for the period	-	-	(362)	(362)
Other comprehensive income for the period	-	(10)	-	(10)
Total comprehensive income for the period	-	(10)	(362)	(372)
Balance at 30 June 2018	144,693	304	73,360	218,357

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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

	Number of ordinary shares	
	Issued Share Capital	Treasury Shares
As at 1 April 2019	864,087,982	35,739,400
Treasury shares purchased	-	7,607,300
As at 30 June 2019	864,087,982	43,346,700

Treasury shares

As at 30 June 2019, the number of treasury shares held by the Company represented 5.28% (30 June 2018: Nil) of the total number of issued ordinary shares (excluding treasury shares).

Share options and subsidiary holdings

There were no outstanding share options and subsidiary holdings as at 30 June 2019 and 30 June 2018.

- 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 30.06.2019	As at 31.03.2019
Total number of issued shares (excluding treasury shares)	820,741,282	828,348,582

- 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

There was no sale, transfer, cancellation and/or use of treasury shares during the financial period ended 30 June 2019.

- 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.

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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

Except as disclosed in note 9 below, 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 2019 as compared to the most recently audited financial statements for the financial year ended 31 March 2019.

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

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 *Leases* which is effective for annual periods beginning on or after 1 January 2019. The Group has adopted SFRS(I) 16 on a modified retrospective basis with no adjustment to the opening retained earnings at the date of initial application, 1 April 2019.

As Lessee

The Group has committed to lease a land for a period of 65 years commencing on 17 October 2000.

On adoption of SFRS(I) 16, the Group has measured the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments related to that lease recognised in the balance sheet immediately before 1 April 2019. The Group has also elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

On adoption of SFRS(I) 16, the Group recognised a right-of-use asset and a lease liability of \$72,513,000 for its lease previously classified as operating lease as at 1 April 2019.

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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 FY2020	Q1 FY2019
Profit for the period attributable to owners of the Company (S\$'000)	4,842	17,023
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	825,786	864,088
Earnings per share		
(i) Basic (cents)	0.59	1.97
(ii) Diluted (cents)	0.59	1.97

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	
	30.06.2019	31.03.2019	30.06.2019	31.03.2019
	S\$	S\$	S\$	S\$
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the financial period/year	0.62	0.62	0.36	0.37

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 FY2020	Q1 FY2019	Change	
	S\$'000	S\$'000	S\$'000	%
REVENUE				
Hotel owning & management	38,076	41,436	(3,360)	(8.1)
Property development	1,381	78,567	(77,186)	(98.2)
Property investment	3,793	3,997	(204)	(5.1)
Trading	183	330	(147)	(44.6)
	43,433	124,330	(80,897)	(65.1)
Others	169	158	11	7.0
	43,602	124,488	(80,886)	(65.0)

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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 income statement (continued)

	The Group			
	Q1 FY2020	Q1 FY2019	Change	
	S\$'000	S\$'000	S\$'000	%
<u>OPERATING PROFIT</u>				
Hotel owning & management	5,257	7,007	(1,750)	(25.0)
Property development	557	17,771	(17,214)	(96.9)
Property investment	2,984	3,224	(240)	(7.4)
Trading	56	98	(42)	(42.9)
	8,854	28,100	(19,246)	(68.5)
Others	(2,432)	(2,096)	(336)	(16.0)
	6,422	26,004	(19,582)	(75.3)

Hotel owning & management

- Revenue decline of 8.1% was mainly due to a weaker A\$. Consequently, operating profit decreased in line with revenue.

Property development

- Revenue and operating profit were lower due to decreased number of units settled in Macquarie Park Village in Q1 FY2020 (Q1 FY2020: 2 units; Q1 FY2019: 111 units).

Property investment

- Revenue and operating profit decline of 5.1% and 7.4% respectively was mainly due to a weaker A\$.

Consolidated balance sheet

- Decrease in cash and bank balances was mainly due to purchase of treasury shares.

Consolidated statement of cash flows

- The Group registered a decrease in cash and cash equivalents of S\$1.0 million in Q1 FY2020, details as follows:
 - Cash inflow from operating activities;
 - Cash outflow from investing activities was mainly due to ongoing refurbishment projects; and
 - Cash outflow from financing activities was mainly due to purchase of treasury shares.

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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

- As at 30 June 2019, 672 units out of a total 712 units in Macquarie Park Village were settled. The market is currently suffering a severe downturn. We continue to work on the sale or lease of the remaining units.
- The hotel segment continues to be stable.
- Barring any unforeseen circumstances, the Group expects to be profitable in FY2020, albeit the profitability will be a downward trend.

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 2019 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

31 July 2019