

STAMFORD LAND CORPORATION LTD

(Company Registration No. 197701615H)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS

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

	<u>Notes</u>	3 months ended		
		Jun 2015	Jun 2014	Change
		S\$'000	S\$'000	%
Revenue		64,715	56,047	15.5
Interest income		451	180	150.6
Dividend income		71	84	(15.5)
Other gains - net	(iii)	36	89	(59.6)
Expenses:				
Properties sold	(iv)	(7,954)	(2,183)	264.4
Raw materials and consumables used		(4,057)	(4,474)	(9.3)
Staff costs	(v)	(15,576)	(22,336)	(30.3)
Depreciation expense		(3,275)	(3,810)	(14.0)
Other operating expenses		(14,358)	(15,032)	(4.5)
Finance costs		(2,874)	(3,899)	(26.3)
Profit before tax	(ii)	17,179	4,666	268.2
Income tax expense		(4,487)	(1,347)	233.1
Net profit attributable to shareholders		12,692	3,319	282.4

Notes

- (i) For the income statement, the Australian and New Zealand dollar are translated at average rates as prescribed below:-

	3 months ended		
	Jun 2015	Jun 2014	% change
A\$	1.0392	1.1692	-11.1%
NZ\$	0.9616	1.0768	-10.7%

- (ii) Profit before tax for Q1 FY2016 increased mainly from the sale of a penthouse in The Stamford Residences and Reynell Terraces ("TSRRT") and 2 units in The Stamford Residence 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 (losses)/gains - net comprise:

	3 months ended	
	June 2015	June 2014
	S\$'000	S\$'000
Foreign exchange gains - net	112	41
Inventories written off	(1)	-
Fair value (losses)/gains on investments held-for-trading	(75)	48
	36	89

(iv) Properties sold for YTD included cost allocated to 2 apartments at The Stamford Residences Auckland ("TSRA") and 1 penthouse at The Stamford Residences and Reynell Terraces ("TSRRT") (YTD 30 June 2014: 3 apartments at TSRA, 4 apartments at TSRRT).

(v) Lower staff cost was mainly due to closure of SGNR and a 11% decline in AUD.

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

	3 months ended	
	June 2015	June 2014
	S\$'000	S\$'000
Net profit for the period	12,692	3,319
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss		
Fair value losses on available-for-sale investments	(14)	-
Exchange differences on consolidation of foreign subsidiaries	(3,400)	1,886
Exchange differences on foreign currency loans forming part of net investment in foreign operations	(10,158)	650
Total comprehensive income/(loss), net of tax attributable to shareholders	(880)	5,855

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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	
	30.6.2015	31.3.2015	30.6.2015	31.3.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets				
Cash and cash equivalents	159,513	144,909	51,501	51,541
Investments held-for-trading	3,649	3,724	-	-
Derivative financial assets	-	44	-	-
Trade and other receivables	10,664	16,812	165	95
Inventories	1,519	1,522	-	-
Completed properties for sale	34,194	43,949	-	-
Development properties for sale	71,655	62,609	-	-
	<u>281,194</u>	<u>273,569</u>	<u>51,666</u>	<u>51,636</u>
Non-current assets				
Available-for-sale investments	392	406	392	406
Investment properties	174,972	177,127	-	-
Investments in subsidiaries	-	-	352,001	354,944
Property, plant and equipment	357,737	371,191	-	-
Deferred tax assets	2,015	1,976	-	-
	<u>535,116</u>	<u>550,700</u>	<u>352,393</u>	<u>355,350</u>
Total assets	816,310	824,269	404,059	406,986
Current liabilities				
Trade and other payables	(27,493)	(28,599)	(2,203)	(3,253)
Amounts due to subsidiaries	-	-	(15,415)	(18,008)
Current income tax liabilities	(12,521)	(10,137)	(6,146)	(2,772)
Derivative financial liabilities	(15)	-	-	-
Current bank borrowings	(170,438)	(192,623)	-	-
	<u>(210,467)</u>	<u>(231,359)</u>	<u>(23,764)</u>	<u>(24,033)</u>
Non-current liabilities				
Amounts due to subsidiaries	-	-	(195,003)	(194,989)
Non-current bank borrowings	(127,824)	(113,833)	-	-
Deferred tax liabilities	(19,690)	(19,868)	(3,000)	(4,406)
	<u>(147,514)</u>	<u>(133,701)</u>	<u>(198,003)</u>	<u>(199,395)</u>
Total liabilities	(357,981)	(365,060)	(221,767)	(223,428)
Net assets	458,329	459,209	182,292	183,558
Equity				
Capital and reserves attributable to equity holders of the Company				
Share capital	144,556	144,556	144,556	144,556
Retained profits	343,401	330,709	37,399	38,651
Other reserves	(29,628)	(16,056)	337	351
Total equity	458,329	459,209	182,292	183,558

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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 rates were used to translate the Australian dollar and New Zealand dollar:

	June 2015	Mar 2015	% change
A\$	1.0323	1.0462	-1.3%
NZ\$	0.915	1.0269	-10.9%

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

Amount repayable in one year or less, or on demand

As at 30.6.2015		As at 31.3.2015	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
170,438	-	192,623	-

Amount repayable after one year

As at 30.6.2015		As at 31.3.2015	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
127,824	-	113,833	-

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
 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 cash flow statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows for the period ended 30 Jun 2015

	3 months ended	
	June 2015	June 2014
	S\$'000	S\$'000
Cash flows from operating activities:		
Net profit for the period	12,692	3,319
Adjustments for:		
Income tax expense	4,487	1,347
Depreciation expense	3,275	3,810
Dividend income	(71)	(82)
Interest expense	2,874	3,899
Interest income	(451)	(180)
Unrealised foreign exchange gains - net	(1,459)	(41)
Fair value losses/(gains) on financial assets held for trading	75	(48)
Operating profit before working capital changes	21,422	12,024
Trade and other receivables	6,318	1,246
Inventories	3	(65)
Completed properties for sale	9,755	2,183
Development properties for sale	(10,699)	(1,375)
Trade and other payables	(1,150)	(4,009)
Derivative financial assets/liabilities	59	-
Cash generated from operations	25,708	10,004
Income taxes paid	(2,103)	(950)
Net cash from operating activities	23,605	9,054
Cash flows from investing activities:		
Purchase of investments held-for-trading	-	(248)
Purchase of property, plant and equipment	(1,316)	(1,507)
Interest received	396	171
Dividends received	71	82
Deposits pledged	764	791
Net cash used in investing activities	(85)	(711)
Cash flows from financing activities:		
(Repayment)/proceeds from borrowings	(1,791)	(1,924)
Interest paid	(2,945)	(3,798)
Net cash used in financing activities	(4,736)	(5,722)
Net change in cash and cash equivalents	18,784	2,621
Cash and cash equivalents at beginning of the period	141,771	84,742
Effect of foreign exchange differences	(3,416)	(122)
Cash and cash equivalents at end of the period	157,139	87,241
Deposits pledged	2,374	2,678
Cash and cash equivalents in the balance sheet	159,513	89,919

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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

5(a)(i) THE GROUP

Consolidated statement of changes in equity for the financial period ended 30 June 2015

	Share capital	Fair value reserve	Foreign currency translation reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>FY2016</u>					
Balance at 1 Apr 2015	144,556	351	(16,407)	330,709	459,209
Total comprehensive loss for the period	-	(14)	(13,558)	12,692	(880)
Balance at 30 Jun 2015	144,556	337	(29,965)	343,401	458,329

FY2015

Balance at 1 Apr 2014	144,556	292	19,916	326,875	491,639
Total comprehensive income for the period	-	-	2,536	3,319	5,855
Balance at 30 Jun 2014	144,556	292	22,452	330,194	497,494

5(a)(ii) THE COMPANY

Statement of changes in equity for the financial period ended 30 June 2015

	Share capital	Fair value adjustment reserve	Foreign currency translation reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>FY2016</u>					
Balance at 1 Apr 2015	144,556	351	-	38,651	183,558
Total comprehensive loss for the period	-	(14)	-	(1,252)	(1,266)
Balance at 30 June 2015	144,556	337	-	37,399	182,292
<u>FY2015</u>					
Balance at 1 Apr 2014	144,556	292	-	40,937	185,785
Total comprehensive income for the period	-	-	-	105	105
Balance at 30 Jun 2014	144,556	292	-	41,042	185,890

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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, issues 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 2015.

There are no outstanding share options as at 30 June 2015 and 30 June 2014.

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 30.6.2015	As at 31.3.2015
Total number of issued shares (excluding treasury shares)	863,833,482	863,833,482

There are no shares held as treasury shares as at 30 June 2015 and 30 June 2014.

- 5 (c) 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 standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by auditors.

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

Except as disclosed below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements as at 31 March 2015.

- 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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	3 months ended			
	June 2015		June 2014	
Earnings per ordinary share based on:-				
(i) the weighted average number of ordinary shares in issue	1.47	cents	0.38	cents
(ii) fully diluted basis	1.47	cents	0.38	cents

Note to item (i)

Group basic earnings per ordinary share is calculated by dividing Group net profit attributable to members by the weighted average number of ordinary shares in issue during the period of 863,833,482 shares (June 2014: 863,833,482 shares).

Note to item (ii)

Group diluted earnings per ordinary share is the same as Group basic earnings per ordinary share because there is no potential dilutive shares during the year ended 30 June 2015 and 30 June 2014.

- 11 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares of the issuer at the end of the:-**

(a) current financial period reported on; and

(b) immediately preceding year.

	THE GROUP		THE COMPANY	
	June 2015	Mar 2015	June 2015	Mar 2015
Net asset value per ordinary share based on the total number of issued shares as at the end of the period reported on	\$0.53	\$0.53	\$0.21	\$0.21

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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

REVENUE

	3 months ended			
	June 2015	June 2014	Change	
	S\$'000	S\$'000	S\$'000	%
Hotel Owning & Management	40,392	49,308	(8,916)	(18.1)
Property Development	20,357	2,592	17,765	685.4
Property Investment	3,334	3,528	(194)	(5.5)
Trading	608	595	13	2.2
	64,691	56,023	8,668	15.5
Others	24	24	-	-
	64,715	56,047	8,668	15.5

Q1 FY2016 revenue for hotel segment was lower. This was mainly due to the closure of Stamford Grand North Ryde ("SGNR") which made way for the development of Macquarie Park Village ("MPV") and a significant decline in AUD of 11% quarter-on-quarter. Despite the closure of SGNR, revenue from other hotels remained stable.

Property development segment registered significantly higher revenue from the sale of 1 penthouse in TSRRT and 2 units in TSRA.

Revenue for property investment segment was lower due to a 11% decline in AUD.

Trading segment results remained stable.

OPERATING PROFIT

	3 months ended			
	June 2015	June 2014	Change	
	S\$'000	S\$'000	S\$'000	%
Hotel Owning & Management	5,031	6,968	(1,937)	(27.8)
Property Development	10,848	(978)	11,826	1,209.2
Property Investment	3,611	3,629	(18)	(0.5)
Trading	(88)	(167)	79	47.3
	19,402	9,452	9,950	105.3
Others	(1,846)	(1,240)	(606)	(48.9)
	17,556	8,212	9,344	113.8

The closure of SGNR, coupled with a lower AUD, resulted in an overall decline in operating profit for the hotel segment.

Operating profit for property development segment increased due to sale of 1 penthouse in TSRRT and 2 apartments in TSRA.

Property investment segment registered stable operating profit.

Operating loss for trading segment is lower on the back of improved margins from the Group's interior decoration business.

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Balance sheet

The decrease in trade and other receivables due to receipts received.

The increase in development property is due to capitalised construction costs of an ongoing development project.

The decrease in completed properties available for sale is due to sales of 1 penthouse at TSRRT and 2 apartments at TSRA.

The increase in cash and cash equivalent is mainly due to proceeds from the sales of the completed properties.

The decrease in property, plant and equipment is mainly due to translation loss attributable by a weaker AUD.

The decrease in bank borrowings is due to loan repayment during the year and translation gain from a weaker AUD.

Consolidated Statement of Cash Flows

The Group registered a net increase in cash and cash equivalent of \$18.8m in Q1 FY2016.

Cash flow from operating activities improved due to proceeds from the sale of TSRA and TSRRT units.

Cash outflow from financing activities was primarily due to repayment of interest and bank borrowings.

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 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 Group delivered a 114% uplift in Q1 FY2016 operating profit on the back of strong performance from its property development segment. The Group will continue with its sales and marketing efforts for the remaining units at TSRRT and TSRA.

With the closure of SGNR and a declining AUD, the performance of the hotel segment remains challenging in the near term. Notwithstanding, we expect stable performances from the remaining 7 hotels and the opening of La Boca in Stamford Plaza Sydney Airport in Q2/Q3 FY2016 to augment revenue.

Dynon's Plaza, Perth continues to record stable income stream underpinned by a fixed lease.

Barring any unforeseen circumstances, the Group remains cautiously optimistic of its outlook for the financial year.

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15 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediate preceding financial period?

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 ("IPT")

The following significant IPTs were entered into by the Group:

	Current Financial Period Aggregate value of all IPT under review (excluding transactions less than \$100,000) S\$'000	Last Financial Period Aggregate value of all IPT under review (excluding transactions less than \$100,000) S\$'000
Transactions entered into by the Group with directors of the Company:		
Purchase of goods and services	485	314

All the above IPT are concluded on normal commercial terms.

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

Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below S\$100,000) is nil for both financial periods.

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Statement 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 2015 to be false or misleading in any material aspect.

On behalf of the Directors

Ow Chio Kiat
Executive Chairman

Ow Yew Heng
Chief Executive Officer

BY ORDER OF THE BOARD

Chua Siew Hwi
Deputy Chief Executive Officer/Chief Financial Officer

30 July 2015