

STAMFORD LAND CORPORATION LTD

Company Registration No. 197701615H

UNAUDITED 1ST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

PART 1– INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS

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

	3 mths ended		Increase/ (decrease)
	June 2014	June 2013	
	S\$'000	S\$'000	%
Revenue	56,047	64,430	(13.0)
<u>Other Items of Income</u>			
5 Interest Income	180	443	(59.4)
Dividend Income	84	70	20.0
3 Other Credits	89	4	2,125.0
<u>Other Items of Expense</u>			
6 Completed Properties Sold	(2,183)	(5,100)	(57.2)
Raw Materials and Consumables Used	(4,474)	(4,997)	(10.5)
Staff Costs	(22,336)	(22,762)	(1.9)
Depreciation Expense	(3,810)	(3,758)	1.4
Other Operating Expenses	(15,032)	(16,144)	(6.9)
Finance Costs	(3,899)	(3,989)	(2.3)
4 Other Charges	-	(493)	(100.0)
2 Profit Before Tax	4,666	7,704	(39.4)
Income Tax Expense	(1,347)	(1,358)	(0.8)
Profit Attributable to Shareholders	3,319	6,346	(47.7)

Notes

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

	Jun 2014	Jun 2013
A\$	S\$1.1692	S\$1.2198
NZ\$	S\$1.0768	S\$1.0183

2 Profit before tax decreased by 39.4% due to:

(i) Lower contributions from the property development segment

	Jun 2014	Jun 2013
The Stamford Residences Auckland ("TSRA")	3 units	2 units
The Stamford Residences and Reynell Terraces ("TSRRT")	Nil	2 units
Operating (loss) / profit	(\$310,000)	\$1,334,000

(ii) Lower hotel profits owing to partial closure of Stamford Grand North Ryde ("SGNR") as alluded in the last announcement.

3 Other Credits comprise:

	3 mths ended	
	Jun 2014	Jun 2013
	S\$'000	S\$'000
Foreign exchange gains	41	-
Gains on fair value of investments held-for-trading	48	-
Gains on disposal of property, plant and equipment	-	4
	89	4

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

	3 mths ended	
	Jun 2014	Jun 2013
	S\$'000	S\$'000
4 Other Charges comprise:		
Foreign exchange losses	-	(102)
Losses on fair value of investments held-for-trading	-	(391)
	<u>-</u>	<u>(493)</u>

5 Interest income is lower due to lower bank deposits in Australian dollar.

6 Completed properties sold included cost allocated to 3 apartments at TSRA sold (2013: 2 apartments at TSRA, 1 apartment and 1 commercial unit at TSRRT).

1 (a)(ii) Consolidated Statement of Total Comprehensive Income

	3 mths ended		increase/ (decrease) %
	Jun 2014	Jun 2013	
	S\$'000	S\$'000	
Profit for the year	3,319	6,346	(47.7)
Gains/(Losses) on fair value of available- for-sale investments	-	(33)	(100.0)
Exchange differences on consolidation of foreign subsidiaries	1,886	(38,204)	(104.9)
Exchange differences on foreign currency loans forming part of net investment in foreign operations	650	(2,347)	(127.7)
Total Comprehensive Income, Net of Income Tax, Attributable to Shareholders	<u>5,855</u>	<u>(34,238)</u>	<u>(117.1)</u>

1(b)(i) 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	
	Jun 2014	Mar 2014	Jun 2014	Mar 2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	466,337	465,430	-	-
Investment properties	205,137	203,534	-	-
Investments in subsidiaries	-	-	376,513	376,513
Available-for-sale investments	347	347	347	347
Deferred tax assets	2,404	2,384	-	-
	674,225	671,695	376,860	376,860
Current assets				
Amounts due from subsidiaries	-	-	14	14
Development properties for sale	44,264	42,527	-	-
Completed properties for sale	69,219	71,238	-	-
Inventories	1,794	1,719	-	-
Trade and other receivables	11,746	13,029	35	6
Other assets	7,127	7,012	-	-
Investments held-for-trading	3,735	3,439	-	-
Cash and cash equivalents	89,919	88,166	776	463
	227,804	227,130	825	483
Total assets	902,029	898,825	377,685	377,343
Non-current liabilities				
Long-term bank borrowings	(131,602)	(132,413)	-	-
Amounts due to subsidiaries	-	-	(171,684)	(171,547)
Deferred tax liabilities	(24,961)	(24,751)	(5,216)	(5,216)
	(156,563)	(157,164)	(176,900)	(176,763)
Current liabilities				
2 Current portion of long-term bank borrowings	(212,683)	(211,136)	-	-
Income tax payable	(5,077)	(4,679)	(3,664)	(3,699)
Amounts due to subsidiaries	-	-	(6,214)	(6,163)
Trade and other payables	(30,212)	(34,207)	(5,017)	(4,933)
	(247,972)	(250,022)	(14,895)	(14,795)
Total liabilities	(404,535)	(407,186)	(191,795)	(191,558)
Net assets	497,494	491,639	185,890	185,785
Equity				
Share capital	144,556	144,556	144,556	144,556
Retained earnings	330,194	326,875	41,042	40,937
Other reserves	22,744	20,208	292	292
Total equity	497,494	491,639	185,890	185,785

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

Notes

- 1 In the balance sheets, the following closing rates were used to translate the Australian dollar and New Zealand dollar:

	Jun 2014	Mar 2014
A\$	1.1739	1.1640
NZ\$	1.0908	1.0915

- 2 This current liability comprises hotel loans repayable in October, November and December 2014, and April and June 2015.

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

Amount repayable in one year or less, or on demand

As at 30/6/2014		As at 31/3/2014	
Secured	Unsecured	Secured	Unsecured
\$ 212,683,000	-	\$ 211,136,000	-

Amount repayable after one year

As at 30/6/2014		As at 31/3/2014	
Secured	Unsecured	Secured	Unsecured
\$ 131,602,000	-	\$ 132,413,000	-

Details of any collateral

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

- 1 Stamford Grand North Ryde
- 2 Stamford Plaza Melbourne
- 3 Stamford Grand Adelaide
- 4 Stamford Plaza Adelaide
- 5 Stamford Plaza Auckland
- 6 Sir Stamford at Circular Quay
- 7 Stamford Plaza Sydney Airport
- 8 Stamford Plaza Brisbane
- 9 9th Floor Southpoint Building in Singapore
- 10 Dynons Plaza in Perth

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

	3 mths ended	
	Jun 2014	Jun 2013
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit for the period	3,319	6,346
Adjustments for:		
Income tax expense	1,347	1,358
Depreciation expense	3,810	3,758
Dividend income	(82)	(70)
Foreign exchange (gains)/ losses	(41)	102
Interest expense	3,899	3,989
Interest income	(180)	(443)
Gains on disposal of property, plant and equipment	-	(4)
Operating profit before working capital changes	12,072	15,036
Development properties for sale	(1,375)	(1,049)
Completed properties for sale	2,183	5,100
Inventories	(65)	155
Investments held-for-trading	(296)	391
Trade and other receivables	1,246	3,988
Trade and other payables	(4,009)	(4,674)
Cash generated from operations	9,756	18,947
Income taxes paid	(950)	(1,121)
Net cash from operating activities	8,806	17,826
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	-	4
Purchase of property, plant and equipment	(1,507)	(1,896)
Interest received	171	401
Dividends received	82	70
Net cash used in investing activities	(1,254)	(1,421)
Cash flows from financing activities:		
Net (repayment) / drawdown of borrowings	(1,924)	10,534
Interest paid	(3,798)	(4,215)
Net cash used in financing activities	(5,722)	6,319
Net increase in cash and cash equivalents	1,830	22,724
Cash and cash equivalents at beginning of the period	84,742	75,378
Effect of foreign exchange rates adjustment	(122)	(4,517)
Cash and cash equivalents at end of the period	86,450	93,585
Deposits pledged	3,469	4,085
Cash and cash equivalents in the balance sheet	89,919	97,670

1 (d)(i) 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	Share capital	Fair value adjustment reserve	Foreign currency translation reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Previous Year:					
Opening Balance at 31 Mar 2013	144,556	329	50,189	325,662	520,736
Total comprehensive income for the period	-	(33)	(40,551)	6,346	(34,238)
Closing Balance at 30 Jun 2013	144,556	296	9,638	332,008	486,498
Current Year:					
Opening Balance at 31 Mar 2014	144,556	292	19,916	326,875	491,639
Total comprehensive income for the period	-	-	2,536	3,319	5,855
Closing Balance at 30 Jun 2014	144,556	292	22,452	330,194	497,494

THE COMPANY	Share capital	Fair value adjustment reserve	Foreign currency translation reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Previous Year:					
Opening Balance at 31 Mar 2013	144,556	329	-	61,055	205,940
Total comprehensive income for the period	-	(33)	-	(13,902)	(13,935)
Closing Balance at 30 Jun 2013	144,556	296	-	47,153	192,005
Current Year:					
Opening Balance at 31 Mar 2014	144,556	292	-	40,937	185,785
Total comprehensive income for the period	-	-	-	105	105
Closing Balance at 30 Jun 2014	144,556	292	-	41,042	185,890

1(d)(ii) 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 2014.

There are no outstanding share options as at 30 June 2014 and 30 June 2013.

1(d)(iii) 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 June 2014	As at 31 March 2014
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 2014 and 30 June 2013.

1(d)(iv) 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.

2 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.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 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 item no. 5 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 2014.

5 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 adopted the following new/revised Singapore Financial Reporting Standards (FRSs) relevant to the Group's operations with effect from 1 April 2014 :

Amendments to FRS 32 Financial Instruments : Presentation - Offsetting Financial Assets and Financial Liabilities

FRS 110 : Consolidated Financial Statements

FRS 111 : Joint Arrangements

FRS 112 : Disclosure of Interests in Other Entities

The adoption of the above FRSs did not have any significant impact on the financial statements of the Group.

6 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

	<u>Jun 2014</u>	<u>Jun 2013</u>
Earnings per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue	0.38 cent	0.73 cent
(ii) fully diluted basis	0.38 cent	0.73 cent

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 2013: 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 as at 30 June 2014 and 30 June 2013.

**7 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.**

	<u>THE GROUP</u>		<u>THE COMPANY</u>	
	<u>Jun 2014</u>	<u>Mar 2014</u>	<u>Jun 2014</u>	<u>Mar 2014</u>
Net asset value per ordinary share based on the total number of issued shares as at the end of the period reported on	\$0.58	\$0.57	\$0.22	\$0.22

- 8 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

REVENUE

	3 months ended		increase/ (decrease)	
	Jun 2014	Jun 2013		
	S\$'000	S\$'000	S\$'000	%
Hotel Owning & Management	49,308	51,948	(2,640)	(5.1)
Property Development	2,592	8,068	(5,476)	(67.9)
Property Investment	3,528	3,542	(14)	(0.4)
Trading	595	848	(253)	(29.8)
	56,023	64,406	(8,383)	(13.0)
Unallocated corporate revenue	24	24	-	-
	56,047	64,430	(8,383)	(13.0)

Despite positive signs of recovery in Adelaide, revenue for the hotel segment was lower due mainly to weaker performances in Sydney and Brisbane. This was further impacted by the decline in the Australian dollar of more than 4%.

The property development segment reported lower revenue due to absence of TSRRT sale in the current reporting period.

The trading segment saw a decline in revenue due to lower contributions from the Group's interior decoration and travel agency businesses.

OPERATING PROFIT

	3 months ended		increase/ (decrease)	
	Jun 2014	Jun 2013		
	S\$'000	S\$'000	S\$'000	%
Hotel Owning & Management	6,529	7,681	(1,152)	(15.0)
Property Development	(310)	1,334	(1,644)	(123.2)
Property Investment	3,331	3,385	(54)	(1.6)
Trading	(98)	77	(175)	(227.3)
	9,452	12,477	(3,025)	(24.2)
Unallocated corporate expenses	(1,240)	(808)	(432)	53.5
	8,212	11,669	(3,457)	(29.6)

A weaker Australian dollar, coupled with lower contributions from Stamford Plaza Brisbane and Stamford Grand North Ryde, resulted in the hotel segment recording a lower operating profit. This was partially offset by better performance in Adelaide.

The property development segment reported a marginal loss due mainly to lower profit from the sale of 3 apartments at TSRA.

The trading segment recorded a loss due to lower revenue from the interior decoration and travel agency businesses.

9 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.

10 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

As a result of the impending closure of SGNR and some weakness seen in Brisbane, the hotels overall performed slightly better. The next quarter is not expected to improve owing to (i) the imminent closure of SGNR, (ii) advance expenditure incurred (without matching revenue) for preparation of development sites including marketing for Dulwich Hill and Stamford on Macquarie.

Construction for Macquarie Park Village ("MPV") is expected to commence in Q4 2014. No revenue will be recognised from MPV until its completion in 2017. Development approval for Dulwich Hill was obtained in June 2014. Marketing campaign for the 250-unit residential project is expected to commence in Q4 2014.

Dynons Plaza Perth will continue to perform well, underpinned by fixed lease income of over A\$11 million per annum until 2020.

11 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 immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

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

13 **Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

For the 3 months ended 30 June

Jun 2014	Hotel Owning & Management	Property Development	Property Investment	Trading	Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE						
External sales	49,308	2,592	3,528	595	-	56,023
Inter-segment sales	-	-	113	2	(115)	-
	49,308	2,592	3,641	597	(115)	56,023
Unallocated corporate revenue						24
Total revenue						56,047
RESULTS						
Segment results	6,529	(310)	3,331	(98)	-	9,452
Unallocated corporate expenses						(1,240)
Profit from operations						8,212
Interest income						180
Dividend income						84
Finance costs						(3,899)
Other Credits / (Charges)						89
Profit before tax						4,666
Income tax expense						(1,347)
Profit after tax						3,319

Jun 2013	Hotel Owning & Management	Property Development	Property Investment	Trading	Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE						
External sales	51,948	8,068	3,542	848	-	64,406
Inter-segment sales	-	-	111	2	(113)	-
	51,948	8,068	3,653	850	(113)	64,406
Unallocated corporate revenue						24
Total revenue						64,430
RESULTS						
Segment results	7,681	1,334	3,385	77	-	12,477
Unallocated corporate expenses						(808)
Profit from operations						11,669
Interest income						443
Dividend income						70
Finance costs						(3,989)
Other Credits / (Charges)						(489)
Profit before tax						7,704
Income tax expense						(1,358)
Profit after tax						6,346

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to explanation in item no. 8.

15 Interested Person Transactions ("IPT")

During the period ended 30 June 2014, the following significant IPT were entered into by the Group:

Name of interested person	Latest Financial Period Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)	Previous Financial Period Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)
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Transactions entered into by the Group with directors of the Company:

Purchase of goods and services	S\$314,000	S\$330,000
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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.

16 Confirmation by the Board 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 first quarter financial results of the period ended 30 June 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ow Chio Kiat
Executive Chairman

Ow Cheo Guan
Executive Deputy Chairman

BY ORDER OF THE BOARD

Teo Lay Eng
Company Secretary

29 July 2014