

STAMFORD LAND CORPORATION LTD

(Company Registration No. 197701615H)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

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 FY2019	Q1 FY2018	
		S\$'000	S\$'000	
Revenue		124,488	69,900	78.1
Interest income		919	722	27.3
Dividend income		229	70	N.M
Other (losses)/gains (net)	(ii)	(2,555)	2,234	N.M
<u>Expenses</u>				
Properties sold		(59,401)	(18,807)	N.M
Consumables used		(3,743)	(3,825)	(2.1)
Staff costs		(16,114)	(17,205)	(6.3)
Depreciation expense		(2,710)	(2,918)	(7.1)
Other operating expenses		(16,516)	(16,026)	3.1
Finance costs on bank borrowings		(1,072)	(2,008)	(46.6)
Profit before tax		23,525	12,137	93.8
Income tax expense		(6,502)	(1,054)	N.M
Net profit attributable to owners of the Company		17,023	11,083	53.6

Q1: First quarter ended 30 June

FY2019: Financial year ending 31 March 2019

FY2018: Financial year ended 31 March 2018

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 FY2019	Q1 FY2018	
A\$	1.0070	1.0439	(3.5%)
NZ\$	0.9314	0.9832	(5.3%)

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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 (losses)/gains (net) comprises:

	The Group		
	Q1 FY2019	Q1 FY2018	Change
	S\$'000	S\$'000	%
Foreign exchange (loss)/gain (net) ^(a)	(2,374)	2,319	N.M
Fair value loss on investments held-for-trading	(181)	(85)	N.M
	(2,555)	2,234	N.M

^(a) Foreign exchange difference in Q1 FY2019 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		
	Q1 FY2019	Q1 FY2018	Change
	S\$'000	S\$'000	%
Profit for the period	17,023	11,083	53.6
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value loss on available-for-sale investments	(10)	(18)	(44.4)
Exchange differences on consolidation of foreign subsidiaries	254	(6,025)	N.M
Exchange differences on foreign currency loans forming part of net investment in foreign operations	366	2,919	(87.5)
Other comprehensive income for the period, net of tax	610	(3,124)	N.M
Total comprehensive income for the period attributable to owners of the Company	17,633	7,959	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

	30.06.2018	The Group 31.03.2018 Restated*	01.04.2017 Restated*	The Company 30.06.2018	31.03.2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	346,580	349,031	375,013	-	-
Investment properties	127,428	127,373	146,609	-	-
Investments in subsidiaries	-	-	-	233,371	354,158
Available-for-sale investments	359	369	385	358	369
Deferred tax assets	5,790	5,902	9,218	-	-
	480,157	482,675	531,225	233,729	354,527
Current assets					
Completed properties for sale	13,684	13,862	18,352	-	-
Development properties for sale	42,372	100,714	219,366	-	-
Inventories	1,147	1,381	1,375	-	-
Trade and other receivables	12,382	11,396	15,981	52,955	38,034
Tax recoverable	-	202	9,853	-	-
Investments held-for-trading	13,869	14,050	3,546	-	-
Cash and bank balances	139,001	161,711	118,848	4,754	3,984
	222,455	303,316	387,321	57,709	42,018
Total assets	702,612	785,991	918,546	291,438	396,545
LIABILITIES					
Current liabilities					
Trade and other payables	26,109	33,327	42,603	313	331
Current income tax liabilities	20,882	15,945	3,202	15,931	15,931
Derivative financial liabilities	7	102	-	-	4
	46,998	49,374	45,805	16,244	16,266
Non-current liabilities					
Amounts due to subsidiaries	-	-	-	56,837	161,550
Bank borrowings	110,837	209,477	364,916	-	-
Deferred tax liabilities	8,275	8,271	13,019	-	-
	119,112	217,748	377,935	56,837	161,550
Total liabilities	166,110	267,122	423,740	73,081	177,816
NET ASSETS	536,502	518,869	494,806	218,357	218,729
EQUITY					
Equity attributable to owners of the Company					
Share capital	144,693	144,693	144,632	144,693	144,693
Retained profits	411,318	394,295	346,544	73,360	73,722
Other reserves	(19,509)	(20,119)	3,630	304	314
TOTAL EQUITY	536,502	518,869	494,806	218,357	218,729

* The comparative figures have been restated due to the adoption of Singapore Financial Reporting Standards (International). Refer to note 9 for details.

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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\$:

	30.06.2018	31.03.2018	Change
A\$	1.0076	1.0071	*
NZ\$	0.9229	0.9450	(2.3%)

* Less than 0.1%

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

	As at 30.06.2018		As at 31.03.2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable after one year	110,837	-	209,477	-

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\$92.1 million as at 30 June 2018 (31 March 2018: S\$203.0 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 FY2019 S\$'000	Q1 FY2018 S\$'000
Cash flows from operating activities		
Profit before tax	23,525	12,137
Adjustments for:		
Depreciation expense	2,710	2,918
Dividend income	(229)	(70)
Interest expense	1,072	2,008
Interest income	(919)	(722)
Unrealised foreign exchange loss/(gain)	2,274	(2,921)
Fair value loss on investments held-for-trading	181	85
Operating cash flows before changes in working capital	28,614	13,435
Changes in working capital:		
Trade and other receivables	(805)	4,775
Inventories	234	21
Development properties for sale	58,359	(11,736)
Trade and other payables	(7,176)	(10,391)
Derivative financial (assets)/liabilities	(95)	396
Cash flows from/(used in) operations	79,131	(3,500)
Income tax (paid)/refunded	(604)	7,559
Net cash flows from operating activities	78,527	4,059
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,807)	(1,398)
Interest received	737	667
Dividends received	229	70
Deposits pledged	642	-
Net cash flows used in investing activities	(199)	(661)
Cash flows from financing activities		
Repayment of borrowings	(99,294)	(21,811)
Proceeds from borrowings	-	26,645
Interest paid	(1,115)	(2,076)
Net cash flows (used in)/from financing activities	(100,409)	2,758
Net (decrease)/increase in cash and cash equivalents	(22,081)	6,156
Cash and cash equivalents at beginning of the period	154,534	114,515
Effect of exchange rate changes on cash and cash equivalents	9	(1,001)
Cash and cash equivalents at end of the period	(i) 132,462	119,670

Note

	The Group	
	30.06.2018 S\$'000	30.06.2017 S\$'000
(i) Cash and bank balances in the balance sheet	139,001	123,952
Less: Deposit pledged	(6,539)	(4,282)
Cash and cash equivalents in the statement of cash flows	132,462	119,670

STAMFORD LAND CORPORATION LTD

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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 FY2019</u>						
Balance at 1 April 2018 (as previously stated)	144,693	3,300	314	(34,639)	405,201	518,869
Effect of adopting SFRS(I)*	-	-	-	10,906	(10,906)	-
Balance at 1 April 2018 (restated)	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	17,633
Balance at 30 June 2018	144,693	3,300	304	(23,113)	411,318	536,502
<u>Q1 FY2018</u>						
Balance at 1 April 2017 (as previously stated)	144,632	3,300	330	(10,906)	357,450	494,806
Effect of adopting SFRS(I)*	-	-	-	10,906	(10,906)	-
Balance at 1 April 2017 (restated)	144,632	3,300	330	-	346,544	494,806
Profit for the period	-	-	-	-	11,083	11,083
Other comprehensive income for the period	-	-	(18)	(3,106)	-	(3,124)
Total comprehensive income for the period	-	-	(18)	(3,106)	11,083	7,959
Balance at 30 June 2017 (restated)	144,632	3,300	312	(3,106)	357,627	502,765

* Refer to note 9 for details.

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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	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
<u>Q1 FY2018</u>				
Balance at 1 April 2017	144,632	330	32,082	177,044
Profit for the period	-	-	1,334	1,334
Other comprehensive income for the period	-	(18)	-	(18)
Total comprehensive income for the period	-	(18)	1,334	1,316
Balance at 30 June 2017	144,632	312	33,416	178,360

- 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

At 30 June 2018 and 31 March 2018

Number of ordinary shares
864,087,982

There were no outstanding share options, treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 2017.

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- 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 30.06.2018	As at 31.03.2018
Total number of issued shares (excluding treasury shares)	864,087,982	864,087,982

There were no shares held as treasury shares as at 30 June 2018 and 31 March 2018.

- 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**

Not applicable.

- 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.

- 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 2018 as compared to the most recently audited financial statements for the financial year ended 31 March 2018.

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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

In December 2017, the Accounting Standards Council issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards as issued by the International Accounting Standards Board at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing equity or debt instruments for trading in a public market in Singapore, will have to apply SFRS(I) for annual periods beginning on or after 1 January 2018.

The Group has adopted SFRS(I) on 1 April 2018 and has applied the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

Application of SFRS(I) 1

The Group has elected to deem the cumulative translation differences for foreign operations to be zero on 1 April 2017, and accordingly, reclassified an amount of S\$10,906,000 from foreign currency translation reserve to opening retained earnings as at 1 April 2017. The gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 April 2017.

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 FY2019	Q1 FY2018
Profit for the period attributable to owners of the Company (S\$'000)	17,023	11,083
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	864,088	863,971
Earnings per share		
(i) Basic (cents)	1.97	1.28
(ii) Diluted (cents)	1.97	1.28

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	
	30.06.2018	31.03.2018	30.06.2018	31.03.2018
	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	0.62	0.60	0.25	0.25

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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	Q1	Change	
	FY2019	FY2018		
	S\$'000	S\$'000	S\$'000	%
REVENUE				
Hotel owning & management	41,436	42,261	(825)	(2.0)
Property development	78,567	23,010	55,557	N.M
Property investment	3,997	4,282	(285)	(6.7)
Trading	330	347	(17)	(4.9)
	124,330	69,900	54,430	77.9
Others	158	-	158	N.M
	124,488	69,900	54,588	78.1

	The Group			
	Q1	Q1	Change	
	FY2019	FY2018		
	S\$'000	S\$'000	S\$'000	%
OPERATING PROFIT				
Hotel owning & management	7,007	6,689	318	4.8
Property development	17,771	3,439	14,332	N.M
Property investment	3,224	3,145	79	2.5
Trading	98	2	96	N.M
	28,100	13,275	14,825	N.M
Others	(2,096)	(2,156)	60	2.8
	26,004	11,119	14,885	N.M

Hotel owning & management

- Revenue decline of 2.0% was mainly due to a weaker A\$.
- Operating profit increased due to lower operating costs.

Property development

- Revenue and operating profit were higher due to increased number of units settled in Macquarie Park Village in Q1 FY2019 (Q1 FY2019: 111 units; Q1 FY2018: 38 units).

Property investment

- Revenue was lower due to the step-down of base rental as provided for in the tenancy agreement.
- Operating profit improved on lower operating costs.

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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 balance sheet

- Decrease in development properties for sale was due to the settlement of apartments in Macquarie Park Village during the period.
- Decrease in bank borrowings was due to repayments during the period.

Consolidated statement of cash flows

- The Group registered a net decrease in cash and cash equivalents of S\$22.1 million in Q1 FY2019, details as follows:
 - Cash inflow from operating activities was mainly due to settlement of apartments in Macquarie Park Village.
 - Cash outflow from investing activities mainly due to ongoing refurbishment projects; and
 - Cash outflow from financing activities mainly due to repayment of 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 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**

- On Macquarie Park Village:
 - 646 units out of a total 712 units were settled.
 - 13 units out of a total 60 units under the Urban Activation Precinct were sold since launching.
- Hotel segment continues to be stable and is slightly ahead of last year in terms of operating profit.
- Barring any unforeseen circumstances, the Group expects to be profitable in FY2019.

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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/recommended, 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.

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 2018 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

27 July 2018