
RESPONSES TO SHAREHOLDERS ON SUBSTANTIAL AND RELEVANT QUESTIONS RAISED FOR STAMFORD LAND CORPORATION LTD'S 42nd ANNUAL GENERAL MEETING

The Board of Directors of Stamford Land Corporation Ltd (the "**Company**") would like to thank shareholders for submitting questions ahead of the Company's 42nd Annual General Meeting ("**AGM**") to be held by electronic means on Tuesday, 28 July 2020 at 2.30 p.m. (Singapore Time).

The Appendix annexed herein sets out the Company's responses to the substantial questions from shareholders that are relevant to the resolutions to be tabled at the AGM and the business of the Company.

By Order of the Board

Lee Li Huang
Chief Financial Officer and Company Secretary
28 July 2020

Appendix

1.	What is the occupancy rate of Dynons Plaza now?
	<u>Company's Response</u> a) The long-term single-tenancy with Chevron has expired in April 2020 and Dynons Plaza is currently vacant. b) We have plans in place to refurbish and rename Dynons Plaza to <i>Stamford Green</i> which will be repositioned for multi-let tenancies.
2.	The Company had bought back so many shares at around S\$0.48 to S\$0.50. Why stop buying when the share price is 30% off S\$0.50? Why the equity was perceived undervalued at S\$0.50 but not now?
	<u>Company's Response</u> a) The Company commenced share buy-backs from August 2018 which was way before COVID-19 pandemic. b) The situation is now completely different with the severe impact on the hospitality industry worldwide caused by COVID-19 pandemic. The depth of the disruptions that will impact our industry is unknown. Also, the nature and speed of economic recovery remains highly uncertain. c) We are therefore adopting a wait-and-see situation as it is considered prudent to conserve cash for operations and asset enhancement projects which we have planned over the next few years.
3.	In the Annual Report 2019/2020, Mr Ow, our Executive Chairman, had given a dismal and extremely grim outlook of the Company. Could the Chairman share with us the following:
	1) an up-to-date status of the current businesses and outlook for FY2021 and beyond? 2) how long can SLC businesses remain sustainable if this harsh environment is prolonged (since travel/tourism/hospitality businesses are almost non-existent with COVID-19)?
	<u>Company's Response</u> a) Due to the various lockdowns imposed by the governments, our hotels, except for Stamford Plaza Sydney Airport, had to be shuttered down in April 2020. Since the Chairman's Message in the Annual Report, we had re-opened our hotels in Sydney, Melbourne, Brisbane and Auckland. While we are monitoring the situation, it remains uncertain how long the hotels can remain open given the evolving pandemic. b) Research agencies forecast a protracted recovery of 3 to 5 years back to 2019 RevPar levels. We are continually assessing the situation and evaluating the opportunities to capture more business at the hotels.

	c) While we are unable to comment on when business operations will return to normalcy, we are cautiously optimistic that we can weather the ongoing hardships provided that the global economy does not spiraled into a protracted and prolonged depression.
4.	The decision to cut the fees and salary is a correct way forward. However, given the SHARP decline of about 50% in revenue, earnings and dividend, the 10-30% cut in directors' fee, management staff salary cut is GROSSLY INSUFFICIENT as compared to what is suffered by shareholders (50% dividend cut). My view is that at least 50% cut for directors and senior management staff.
	<u>Company's Response</u> a) Noted your comments. b) We would like to understand your rationale regarding the relationship between dividend and salary of directors and senior management. Your view is that the salary of directors and senior management should cut by at least 50% given that dividend has reduced by 50%. Using the same raison d'etre, does it mean that the directors and senior management will have zero pay if the Company is not profitable or worse case have to reimburse their past salaries back to the Company if it is in a loss position? This will be the last time the Company is addressing such irrational and rudely worded questions. c) Unlike shareholders, directors and senior management run the day-to-day operations of the Company. Without them, business operations will not function, resulting in lack of profitability with no dividends or returns to shareholders. d) Also, we are trying to retain talents, so that the Company is able to take advantage of opportunities in the event of a rebound after COVID-19. If remuneration falls too low, even under a COVID-19 situation, companies with more financial resources will recruit these talents. e) Further, there is a reason why under the Companies Act, it is recognised in the event of a solvency, shareholders are the last to be paid, after all director fees and management salaries are paid. Dividends are only paid when the company is profitable. This is the way companies are structured. It is for legislation to change what is stipulated under the Companies Act, which is right, as the Companies Act recognises the contributions of directors and management in the company. f) Independent of any shareholders' reminders and on their own volition, the reduction in the remuneration of the Executive Directors is likely to be significantly more than 30% in the financial year ending 31 March 2021.

5.	Given the severity of the COVID-19 situation happening in and around the world since end March 2020, I still see share buy-back in April 2020, shouldn't buy-backs be stopped to conserve cash in March 2020 onwards? If cash is available, dividend should not be reduced so drastically. Would like your comments.
	<u>Company's Response</u> We have stopped share buy-back since 1 April 2020 to conserve cash for operations and asset enhancement projects which we have planned over the next few years. In any event, notwithstanding that we have ceased the share buy-back exercise, share buy-backs are an opportunity for shareholders to dispose their shares.
6.	How severe is COVID-19 affecting the Company's business? Is the Company prepared to ride through this pandemic?
	<u>Company's Response</u> Please refer to our response in Question 3 above.
7.	(i) What is the Plan of the Company to mitigate the current pandemic situation in Australia? Will the Company project losses in the next financial year? (ii) Should the Board consider keeping more cash fund to address the losses suffered by the COVID-19 crisis and to stop the share buy-back program by at least a year? (iii) Is there any business opportunity to develop new businesses during this pandemic period in Australia to cushion the losses in hospitality business due to lack of tourist during this pandemic period?
	<u>Company's Response</u> a) Please refer to our response in Question 3 above. The COVID-19 situation continues to evolve daily. As such, the Company is not in a position to comment further on how the situation will impact the Company whether in the short or long term. b) Please refer to our response in Question 5 above.
8.	Is there any big collaboration with other partners upcoming or any big project upcoming? Is acquisition of 8 Finsbury Circus the big deal mentioned by directors in the last AGM?
	<u>Company's Response</u> We are constantly exploring new ways to expand and will only enter a new market or segment provided there are sustainable growth opportunities. We will update shareholders when there are material developments in this area.