



Dear Kay,

I had a wonderful stay.  
I wish you were here...

Love,  
Stephen



Sir Stamford at Circular Quay "Winner - Deluxe Hotel in New South Wales"



els Association

*The Splendour of Stamford*

## **Shareholder Calendar 2004/2005**

### **JULY 2004**

Financial year ending 31 March 2004 (FY 2004) Annual General Meeting  
Extraordinary General Meeting  
Announcement of financial year ending 31 March 2005 (FY 2005) first quarter results

### **AUGUST 2004**

Scheduled payment of final dividend for FY 2004

### **NOVEMBER 2004**

Announcement of FY 2005 second quarter results

### **FEBRUARY 2005**

Announcement of FY 2005 third quarter results

### **MAY 2005**

Announcement of FY 2005 full year results

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## Chairman's Message



With a marked improvement in our core hotel business, Stamford Land Corporation achieved a 28.6% increase in revenue to S\$265.7 million. Operating profits rose significantly by 41.3% to S\$23.8 million.

Net profits for the Group, however, fell by 52.3% to \$7.3 million due mainly to the exceptional gain of S\$15.0 million in the previous financial year from the sale of Airport Central Tower. In the year under review, a provision of about S\$6.1 million was made for litigation in Australia in relation to the Multiplex case. The appeal for this case will be heard at end-July, 2004.

Our hotel owning and management business is the main contributor, accounting for about 71.8% of Group revenue. The Group's hotel owning and management business generated a 24.1% increase in revenue to S\$190.7 million and operating profit rose by nearly 70% to S\$23.6 million. The property development segment also performed well with an 88.1% increase in revenue to S\$65.4 million and it registered a net profit increase of 34.5% to S\$2.2 million.

Both the Australian and New Zealand currencies had strengthened considerably by over 20% against the Singapore Dollar which also impacted positively on our balance sheet and revenue. About 85% of our Group's assets is in Australasia and 96.4% of our revenue is in A\$ and NZ\$.

The Group's financial position is even stronger with cash and cash equivalents of S\$72.2 million as at end-

March 2004, compared with S\$42.9 million in the previous financial year. Net cash generated from operations amounted to S\$42.2 million and we expect it to further improve in the current year.

We have always been prudent in debt management and have further reduced the Group's borrowings by S\$47.6 million to S\$257.3 million, representing a net gearing ratio of 0.43 at the end of the year in review.

### Hotel sector revives

The Australian hotel sector began recovering in the third quarter of 2003. It was beset by difficult times since the September 11 terrorist attack followed by the collapse of Ansett Australia and exacerbated by the war in Iraq and outbreak of Severe Acute Respiratory Syndrome (SARS) in Asia which had dampened air travel. The improved hospitality sector in the country generally led to a concomitant improvement in room rates and occupancy levels. Australia's hotel occupancy levels had recovered to 73% compared with 71% in 2002, with slight improvement in average room rates.

The current year looks highly promising. Greater competition in the airline industry, with newcomers like Virgin Blue and Jetstar, is expected to lead to lower airfares, thereby boosting domestic travel. The Australian economy is expected to continue growing at a steady pace, underpinning the hospitality sector. Australia's GDP growth last year was 3.2% and the economy is forecast to grow by 3.5% in 2004.





## Chairman's Message



The Group's hotels enjoy a good geographical spread in the country's gateway cities and should benefit from the stronger growth in domestic travel especially since over 75% of our hotel business is derived from local travellers. As an indication of the up-trend, in April 2004 alone, there was an increase of 25.3% short-term arrivals to 402,800 visitors as compared with the corresponding month last year.

We are the largest owner-cum-operator of luxury hotels in Australia and our focused approach in luxury brand positioning has proved to be highly successful. We aim to exceed customers' expectations and set high standards for ourselves. Immaculate attention is paid to every detail. In fact, many of our hotels and restaurants have won awards and accolades since our brand was launched in 1995. Such recognition from the industry is a strong testimony to our culture of excellence.

Indeed, we are totally focused on delivering exceptional quality products and service to delight our hotel guests whilst keeping a close watch on cost management and operational efficiency. Our focus on quality means that we are continuously improving and refurbishing the hotels so that they are aesthetically appealing and exceedingly comfortable.

We are in the process of implementing a highly advanced Property Management System, costing some S\$2 million. This system enables us to further improve on customer relations by capturing pertinent guest details that can be shared among all our hotels to

enhance service. The system also improves efficiency in managing the hotels' room portfolios and is an invaluable tool in yield management.

The Group's reputation for quality extends to our development projects as well. We have focused on niche developments in Sydney's Central Business District and this strategy of offering excellent location coupled with top quality has stood us well. All the units in 187 Kent Street were fully sold and 60% of Stamford Marquee has been pre-sold.

We have yet another exciting new project in the pipeline. In June 2004, we successfully tendered for a prime leasehold property located at The Rocks - one of Sydney's most famous precincts. The 19,000-square foot site in Gloucester Street was purchased for about S\$26.4 million. Two of the three buildings will be demolished to make way for up-market residences as well as commercial and retail usage. The historic Reynell Building will be skillfully conserved for commercial usage and residential apartments.

The Rocks is a special location. It is the cradle of Sydney's historic past brought up to date with the best of modern day amenities. We are confident that our project, a skilful blend of old and new architecture, will be a success in the city's most unique hub. Moreover, there continues to be a strong demand for well-located quality residential accommodation in Sydney and our development will offer breathtaking views of Sydney Harbour.





## Chairman's Message



We are committed to rewarding our shareholders generously. The Board is recommending a First and Final Dividend of 1.5 cents per ordinary share before tax. This corresponds to a dividend yield of 6.4% based on the share price of 23.5 cents on 31 March 2004.

### A Favourable Future

In the current year, we expect performance to improve with a favourable operating environment in Australia. With Stamford hotels offering the winning combination of superior accommodation, superior service and superior location, we are well positioned to tap on the anticipated stronger demand and improvement in room rates.

In the future, with more budget airlines flying into Australia from Southeast Asia, demand for hotel rooms is expected to strengthen even further and this augurs well for our business.

We will continue to astutely explore acquisitions in new geographical markets to diversify our hotel portfolio. We have always been highly selective in buying top quality hotels in excellent locations with attractive yields and this strategy remains unchanged. Having built up a commendable reputation in the industry, another potential area for expansion is to clinch selective hotel management contracts.

In the current year, the Group will continue to recognise profits on a progressive basis from the Stamford Marque project. In addition to our recent acquisition at The Rocks, we are continually on the

look out for prime sites with good development potential.

### Thanks to all

I would like to take this opportunity to extend my appreciation to our Board members and Honorary Senior Advisor, Dr Wee Kim Wee, for their invaluable advice.

We have a customer-centric team focused on delivering the highest standards of quality and reliability and I am grateful to our management and staff for their diligence and dedication.

I would like to express our deep appreciation to our customers and business associates for their support. Last but not least, thanks to our shareholders for their trust in us.

We are passionate about our business and ever mindful of delivering sustainable value to our shareholders. Enjoying a healthy financial position, we stand ready to invest at the opportune time in the region and beyond.

A handwritten signature in black ink, which appears to read "Ow Chio Kiat".

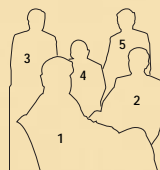
**Ow Chio Kiat**  
Executive Chairman

21 June 2004





# Board of Directors



## Mr Ow Chio Kiat

Mr Ow joined the Group in 1962 and was appointed as Director and Executive Chairman of Stamford Land Corporation Ltd ("SLC") since 25 July 1977. Mr Ow was last re-elected on 22 August 2003. He is the Chairman of the Executive Committee and also sits on the Nominating and Remuneration Committees of SLC.

Mr Ow is a director of most of SLC's subsidiaries. He is also the Executive Chairman of Singapore Shipping Corporation Limited ("SSC") and a director of most of SSC's subsidiaries and is a Fellow of the Institute of Chartered Shipbrokers. Mr Ow is the Honorary Consul-General of the Slovak Republic to Singapore.

## Mr Ow Cheo Guan

Mr Ow joined the Group in 1972 and was appointed as a Director on 1 September 1977. Mr Ow was last re-elected on 30 August 2002. He is the younger brother of Mr Ow Chio Kiat. He sits on the Executive Committee of SLC.

Mr Ow is a director of most of SLC's subsidiaries. He is also the Executive Deputy Chairman of SSC and a director of most of SSC's subsidiaries.

Mr Ow is a Fellow of the Institute of Chartered Shipbrokers.

## Mr Wong Hung Khim

Mr Wong was appointed to the Board on 10 September 1996. He was last re-elected on 30 August 2002. He is the Chairman of the Remuneration Committee and sits on the Executive and Audit Committees of SLC.

Mr Wong holds a Bachelor of Science (Hons) (Physics) from the University of Singapore and attended the Advanced Management Programme of Harvard Business School in 1980. He was a senior civil servant, having served as Permanent Secretary, Ministry of Community Development, Executive Director of the then Port of Singapore Authority, Deputy Chairman and Chief Executive Officer of Singapore Telecommunications Limited and Executive Chairman of Jurong Town Corporation. He was conferred the Meritorious Service Medal in 1992 by the Singapore Government and the Medal of Commendation (Gold) in 1995 by the National Trades Union Congress.

Up until 31 December 2002, Mr Wong was the Group Chairman and Chief Executive Officer of Delgro Corporation Ltd and SBS Transit Ltd and many of its subsidiaries. His other past directorships in the last 3 years include the following:

- Chairman of Point West London Limited; and
- Chairman of LC Development Ltd.

Mr Wong is currently a director of Overseas Union Enterprise Ltd as well as APT Satellite International Company Limited, British Virgin Islands.

## Mr Harold Foo Chee Hiang

Mr Foo was appointed to the Board on 22 March 1991. He was last re-elected on 22 August 2003. Mr Foo is the Chairman of the Audit and Nominating Committees and sits on the Remuneration Committee of SLC.

Mr Foo holds a Bachelor of Economics with Business Administration (Honours) from the University of Singapore. He was formerly Executive Vice President of the Security Pacific Asian Bank and was responsible for its operations in Singapore, Malaysia, Thailand and Indonesia. He is a director of several private companies in Singapore.

## Mr Tan Song Kwang

Mr Tan was appointed to the Board on 1 September 2002. He was last re-elected on 22 August 2003. Mr Tan sits on the Audit and Nominating Committees of SLC.

Mr Tan holds a Bachelor of Accountancy from the University of Singapore. He is a businessman and is a director of several private companies in Singapore and Malaysia.



# Corporate Information

## Board of Directors

Ow Chio Kiat (Chairman)  
Ow Cheo Guan (Deputy Chairman)  
Harold Foo Chee Hiang  
Wong Hung Khim  
Tan Song Kwang

## Honorary Senior Advisor

Dr Wee Kim Wee

## Executive Committee

Ow Chio Kiat (Chairman)  
Ow Cheo Guan  
Wong Hung Khim

## Audit Committee

Harold Foo Chee Hiang (Chairman)  
Wong Hung Khim  
Tan Song Kwang

## Remuneration Committee

Wong Hung Khim (Chairman)  
Ow Chio Kiat  
Harold Foo Chee Hiang

## Nominating Committee

Harold Foo Chee Hiang (Chairman)  
Ow Chio Kiat  
Tan Song Kwang

## Company Secretary

Derek Goh Yong Sian

## Registered Office

200 Cantonment Road  
#09-01 Southpoint  
Singapore 089763

## Share Registrar

M & C Services Private Limited  
138 Robinson Road #17-00  
The Corporate Office  
Singapore 068906

## Auditors

Chio Lim & Associates  
Certified Public Accountants  
Member Horwath International  
18 Cross Street #08-01  
Marsh & McLennan Centre  
Singapore 048423  
Partner-in-charge: Mr Peter Jacob  
Date of Appointment: 22 August 2003

## Principal Bankers

Australia and New Zealand Banking  
Group Limited  
10 Collyer Quay  
#17-01/07 Ocean Building  
Singapore 049319

United Overseas Bank Limited  
80 Raffles Place  
UOB Plaza 1  
Singapore 048624

Credit Suisse  
23/F Three Exchange Square  
8 Connaught Place Central  
Hong Kong

# Corporate Structure

## Hotel Owning and Management

Atrington Trust  
Dickensian Holdings Ltd  
Goldenlines Investments Limited  
Grand Hotel Unit Trust  
HSH (Australia) Trust  
HSH Contractors Pte Ltd  
K.R.M.F.C. Pty Ltd  
Knoxville Trust  
Loftus Trust  
Logan Trust  
Minteyville Lt Collins Street Pty. Ltd.  
MLCS Trust  
North Ryde Investments Limited  
Ovenard Trust  
RGA Trust  
Sir Stamford at Circular Quay Pty Ltd  
Sir Stamford Hotels & Resorts Pte Ltd  
SNR Trust

Stamford Cairns Trust  
Stamford Gold Coast Trust  
Stamford Heritage Pty Ltd  
Stamford Hotels & Resorts Pte. Ltd.  
Stamford Hotels (NZ) Limited  
Stamford Hotels and Resorts Pty Limited  
Stamford Hotels Pty Ltd  
Stamford Mayfair Limited  
Stamford Plaza Sydney Management Pty Limited  
Stamford Raffles Pty Ltd  
Stamford Sydney Airport Pty Ltd  
Terrace Hotel (Operations) Pty Ltd  
The Grand Hotel (S.A.) Pty Ltd  
TIA Trust

## Property Development & Investment

Fontelle Trust  
HSH Properties Pte Ltd  
Plantique Investment Pte Ltd

SHR Kent St Trust  
Stamford Property Services Pty. Limited  
Stamford Raffles Trust

## Trading

Singapore Wallcoverings Centre (Private) Limited  
Sterling Credit Pte Ltd  
Varimerx S.E. Asia Pte Ltd  
Voyager Travel Pte Ltd

## Others

HSH Tanker Inc.  
SLC Property Services Pte. Ltd.  
Stamford Land Management Pte Ltd  
Stamford Land (International) Pte Ltd



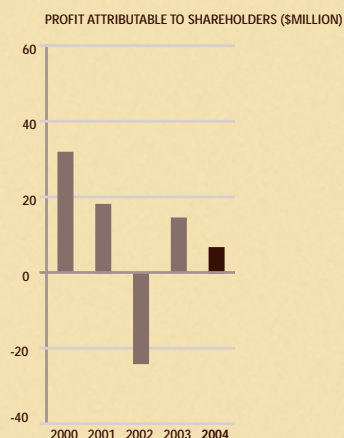
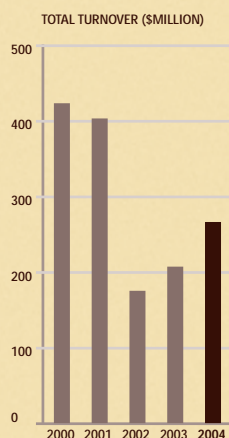
# Five-year Group Financial Summary

## Results of Operations

All Figures in \$'000	Group Year ended 31 March				
	2000	2001	2002	2003	2004
Turnover of Group Companies	231,984	259,572	175,607	206,694	265,722
Share of Turnover of Associated Companies	197,516	145,404	0	0	0
<b>Total Turnover</b>	<b>429,500</b>	<b>404,976</b>	<b>175,607</b>	<b>206,694</b>	<b>265,722</b>
Operating Profit	34,034 <sup>^</sup>	16,617 <sup>^</sup>	(12,038)	5,263	15,208
Share of Profits Less Losses of Associated Companies	2,919	3,326	0	0	0
Exceptional Items	666	645	(11,412)	15,074	(6,144)
Profit Before Taxation	37,619	20,588	(23,450)	20,337	9,064
Taxation	(4,826)	(2,020)	(1,502)	(5,055)	(1,777)
Profit After Taxation	32,793	18,568	(24,952)	15,282	7,287
Minority Interests	(756)	(189)	0	0	0
<b>Profit Attributable to Shareholders</b>	<b>32,037</b>	<b>18,379</b>	<b>(24,952)</b>	<b>15,282</b>	<b>7,287</b>
Earnings per Share (cents)	3.7 <sup>^</sup>	2.1 <sup>^</sup>	(2.9)	1.8	0.8
Dividend per Share (cents)	1.2 <sup>*</sup>	1.5	1.5	1.5	1.5

<sup>^</sup> The prior years' figures have been restated to reflect the change in accounting policies.

<sup>\*</sup> The prior years' figures have been restated to reflect the sub-division of shares.



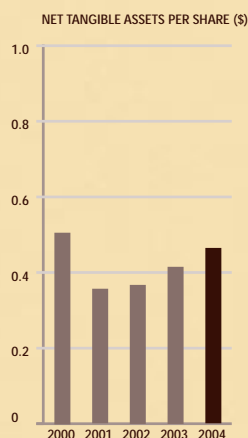
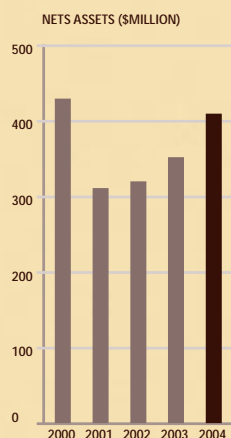
## Five-year Group Financial Summary

### Financial Position

All Figures in '\$'000	Group As at 31 March				
	2000	2001	2002	2003	2004
Property, Plant and Equipment	477,765	438,760	415,434	450,101	525,608
Investment Properties	29,291	62,516	70,023	3,453	4,130
Properties Under Development	160,083	4,753	8,946	35,190	58,203
Other Receivables	2,686	63,200	0	0	0
Investments	29,792	1,110	1,048	1,048	1,020
Deferred Expenditure	0 <sup>^</sup>	0 <sup>^</sup>	0	0	0
Current Assets	146,711	168,638	284,758	150,416	108,422
Current Liabilities	(60,678)	(24,499)	(188,052)	(31,794)	(35,739)
Long-term Liabilities	(318,308) <sup>^</sup>	(398,035) <sup>^</sup>	(267,945)	(253,093)	(248,452)
Deferred Taxation	(4,015)	(2,207)	(2,038)	19	(1,475)
<b>Net Assets</b>	<b>463,327</b>	<b>314,236</b>	<b>322,174</b>	<b>355,340</b>	<b>411,717</b>
Share Capital and Reserves	459,791 <sup>^</sup>	314,236 <sup>^</sup>	322,174	355,340	411,717
Minority Interests	3,536	0	0	0	0
<b>Capital Employed</b>	<b>463,327</b>	<b>314,236</b>	<b>322,174</b>	<b>355,340</b>	<b>411,717</b>
<b>Net Tangible Assets per Share (\$)</b>	<b>0.53<sup>^</sup></b>	<b>0.36<sup>^</sup></b>	<b>0.37</b>	<b>0.41</b>	<b>0.47</b>

<sup>^</sup> The prior years' figures have been restated to reflect the change in accounting policies.

\* The prior years' figures have been restated to reflect the sub-division of shares.





## Business Review



The hospitality sector in Australia recovered from the adverse impact of the fear of world terrorism and SARS outbreak in Asia that had affected air travel severely. Inbound visitors for the first quarter of 2004 were back to 1.3 million; up from the SARS slump during the second quarter of 2003 when only 890,000 visitors arrived in Australia.

Given the positive trend, our Group achieved higher hotel revenue from higher occupancy and improved room rates. Revenue per available room rose by 5.1% in the year under review over the previous year - boosting Group revenue. In the property development business, progressive recognition of sales from the Stamford Marque project was the major contributor.

Group revenue rose by 28.6% to S\$265.7 million compared with S\$206.7 million in the previous year. Staff costs increased by 18.4% to S\$85.7 million due to a S\$14.2 million translation difference arising out of the strengthening Australian Dollar and New Zealand Dollar. However, this was offset by the corporate office in Sydney reducing staff costs through more efficient allocation of resources and work practices.

### Hotel Ownership & Management

The Group's hotel owning and management business achieved a 24.1% increase in revenue at S\$190.7 million. It accounted for 71.8% of Group revenue. Operating profit rose by 69.5% to S\$23.6 million.

Our hotels saw improvement in occupancy rates by 2.0% over the previous year and our average room

rates rose by some A\$4.15. The stronger Australian and New Zealand currencies also contributed to the improvement in revenue.

The Group's three hotels in Sydney - Sir Stamford at Circular Quay, Stamford Grand North Ryde and Stamford Sydney Airport - all performed well. This is due to a stronger brand profile for our group coupled with a general improvement in the Sydney market following the contraction in the hotel supply in the years immediately following the Sydney Olympics. We expect the positive trend in Sydney to continue given that domestic and international travel appears to be recovering strongly in Sydney. Moreover, our hotels continue to gain a higher profile with award wins and marketing initiatives.

Our Sir Stamford at Circular Quay, Sydney, clinched prestigious awards from the Australian Hotels Association (New South Wales). It was named the Best Deluxe hotel in Sydney and New South Wales. The hotel's restaurant - The Dining Room - was voted the most prestigious dining venue in the state when it also won the Australian Hotels Association NSW award.

Stamford Grand North Ryde was voted the Best Conference Venue with Accommodation in New South Wales by readers of CIM News Magazine. The hotel was also the winner of Accolade Awards recognising excellence in facilities and services to the convention industry. CIM News is one of the region's most established journals servicing the meetings, incentive, conventions and exhibition industries.





## Business Review



Stamford Plaza Brisbane also achieved a sterling performance due to our continued focus on positioning this hotel as the very finest in Queensland and it is notably one of the top luxury hotels in the Asia Pacific.

In addition to its excellent service, Stamford Plaza Brisbane is also well known for its fine dining restaurant - Siggis at the Port Office. It took the limelight as Best Restaurant and Best Fine Dining restaurant in Brisbane in the Brisbane Restaurant & Catering Awards in 2003. Siggis at the Port Office also topped in the prestigious Restaurant & Catering Queensland 2003 Awards. It was named - Restaurant of the Year and Best Fine Dining Restaurant in the entire state of Queensland.

The Melbourne and Adelaide micro-markets remained weak due to the oversupply of rooms. Hence, Stamford Plaza Melbourne saw rates drop marginally whilst Stamford Grand Adelaide and Stamford Plaza Adelaide's revenue per available room (revpar) dropped by some 4%. However, we expect revpar to increase with the absorption of new supply as the Australian economy continues to grow and more airlines are expected to fly into Adelaide. No new supply of rooms is expected to come on-stream in both cities in the current financial year and all three hotels are expected to better their performance in the current year.

The Group always focuses on improving quality and some A\$5.7 million was spent to refurbish Stamford Grand Adelaide and Stamford Plaza Adelaide. An extensive refurbishment program was undertaken in many of the rooms at both hotels. The new rooms in

the executive club floor and the deluxe rooms were completed at the Stamford Plaza in late 2003. The Grand meanwhile saw many of its rooms updated in an elegantly contemporary fashion befitting its seaside locale.

In the pipeline, is the renovation of Stamford Grand North Ryde at a cost of some A\$3.5 million. We aim to improve facilities further to strengthen the hotel's reputation as having the finest executive accommodation available in Australia's leading information technology and pharmaceutical hub.

In New Zealand, Stamford Plaza Auckland maintained a stable performance and it is expected to do better in the current year given the hotel's focus on the top executive market with its executive club product. Moreover, we are making a concerted effort to clearly position the hotel as the finest in the South Pacific. American Express Platinum Card holders in early 2004 and Travel and Leisure Magazine's last survey in 2003 - all from the USA - voted the hotel as the best in New Zealand.

We are enhancing Stamford Plaza Auckland with some refurbishment works such as the continued upgrading of the executive floor facilities. A stylish executive floor lounge is planned for the immediate future.

A major highlight of the year is the implementation of a state-of-the-art Property Management System (PMS). It is already in use in the Stamford Plaza Melbourne and we target the full implementation of PMS throughout the Group's stable of hotels in Australasia within two years.





## Business Review



Costing some S\$2 million, the PMS is a valuable tool in improving yield management and enhancing customer service. Stamford will employ what is regarded as some of the world's leading hotel technology to enjoy a single data based system shared among its member hotels. They will not only have better links with external customers and distribution channels, there is also the advantage of centralized reporting with the ability to connect all hotels on one system.

Moreover, there are significant benefits to our guests as well. Guests checking in for the first time to one of our hotels will have all their preferences entered into the system during their stay. When they next visit another Stamford hotel, these guests will be welcomed back with all the personalized care and attention to detail that is made possible with this common sharing of data. The single database also allows us to have a most efficient central reservations platform in the future, with the ability to take reservations at all of our hotels for any location within our group.

The partnership between Stamford Hotels and Resorts and SRS-WORLD HOTELS has proved to be a tremendous success. Bookings and revenue through the Global Distribution Systems (GDS) increased significantly. There was an 85% increase in revenue in GDS bookings taken in the year under review compared to the previous financial year, clearly reflecting our progress in developing a very strong base of corporate business. We expect our collaboration with the prominent global reservations, marketing and sales group to continue yielding fruitful benefits in 2004/5.

The resilient Australian economy registered a steady 3% GDP growth rate in 2003 and is forecast to grow at 3.5% in 2004. With a steadily growing economy and an expected increase in air travel, we expect our hotels to improve their performance in the current year.

### Property Development and Investment

Revenue for our property development segment saw a 88.1% increase from S\$34.8 million to S\$65.4 million. It accounted for 24.6% of Group revenue. Operating profit rose by 34.5% to some S\$2.2 million. This is due to the progressive recognition of revenue from the Stamford Marque project which is 60% sold as at end-March 2004.

Stamford Marque, comprising 83 luxury units, offers a prestigious address at 159 -161 Kent Street. Residents will enjoy breathtaking views of Sydney's city skyline including distinctive landmarks such as the Opera House, Harbour Bridge and Darling Harbour. From its splendid architectural design to superior finishes, Stamford Marque is synonymous with top-notch quality. The development is scheduled for completion in 2006.

In the year under review, the remaining 77 units of 187 Kent Street were all sold out. The good response was due to a strong demand for well-located apartments that offer superior quality in the Sydney Central Business District. There continues to be a healthy demand for such developments and we anticipate that Stamford Marque will also be another success.





## Business Review



In June 2004, we successfully tendered for a leasehold property located at 171-193 Gloucester Street in Sydney's well-known historic precinct, The Rocks. It is an excellent location that exudes the charm of the city's past, skillfully conserved to offer the best of modern amenities.

The property was purchased for A\$22 million. Two buildings on the 1758-square metre site will be demolished and the heritage Reynell Building will be retained. The proposed apartment tower, subject to Sydney Harbour Foreshore Authority's approval, would have 27 levels of 140 luxury residential apartments and eight basement car-parking levels. The conserved Reynell Building, built in 1913, would have seven floors including two new proposed levels. It is slated for commercial usage, residential units and a roof garden.

It was a quiet year for property investment as there were no suitable opportunities for new acquisitions. Revenue from this business segment fell by 88.9% to S\$779,000 and operating profit registered an 85.7% drop to S\$536,000. This was mainly due to the absence of income from Airport Central Tower that was sold in December 2002 and the redevelopment of Mann Judd House that was demolished in May 2003 to make way for Stamford Marquee.

Our property development segment will continue to recognise profits from the Stamford Marquee project in the current year. Property investment, which is not one of the Group's core business, is not expected to contribute significantly to earnings in the current year.

### Trading

Facing an extremely tough operating environment, our trading division registered an operating loss of S\$232,000. The SARS outbreak drove the Singapore economy into a tailspin in the second quarter of 2003 and dealt a severe blow to the travel industry that lasted well into the year.

Economic uncertainty meant that businesses kept a tight control over costs. Travelling plans and expenses were generally curtailed. Our travel agency, Voyager Travel Pte Ltd (Voyager), made a loss for the first time in 10 years of operation. The Group's interior decoration companies did not perform well in line with the feeble building industry and weak economy. The SARS outbreak also had a direct negative impact as customers stopped seeing our sales people and overseas suppliers curtailed their visits.

On a positive note, business and leisure travel has picked up in the current year and Voyager has secured new corporate accounts. Prospects for the interior decoration companies are also improving with new overseas projects and we have commercial clients who are planning to either upgrade or have new offices.

We are, thus, cautiously optimistic that our trading business would turnaround in the current year as we intensify our marketing efforts in the face of a stronger economy.



# Hotel Portfolio



HOTELS	LOCATIONS	ROOMS	RATING	TENURE
Stamford Plaza	Auckland	332	5-star	Freehold
Stamford Plaza	Adelaide	334	5-star	Freehold
Stamford Plaza	Brisbane	252	5-star	Leasehold
Stamford Plaza	Melbourne	283	5-star all suite	Freehold
Sir Stamford at Circular Quay	Sydney	106	5-star	Leasehold
Stamford Grand	Adelaide	243	4-star	Freehold
Stamford Grand North Ryde	Sydney	257	4-star all suite	Freehold
Stamford Sydney Airport	Sydney	314	4-star	Freehold
Sir Stamford Double Bay*	Sydney	73	4½-star	Leasehold
Stamford Plaza Double Bay*	Sydney	140	5-star	Freehold

\* Managed by Stamford Hotels and Resorts Pty Limited

# Corporate Governance Statement

The Company strives to comply with the Code of Corporate Governance issued by the Corporate Governance Committee in March 2001 (the "Code"), so as to ensure greater transparency and protection of shareholders' interests. This statement outlines the main corporate governance practices that were in place or implemented during the financial year.

## 1. Board Matters

### a. Board's conduct of its affairs

The current Board comprises five directors and their principal functions are as follows.

- Formulate corporate strategies, financial objectives and directions for the Group
- Ensure effective management leadership of the highest quality and integrity
- Provide oversight in the proper conduct of the Group's business
- Oversee and/or evaluate the adequacy of the internal audit, risk management, financial reporting and compliance processes
- Assume responsibility for corporate governance

The Board also deliberates and makes decisions on material acquisitions and disposal of assets, corporate restructuring, dividend payments and other returns to shareholders and on matters that may involve a conflict of interest for a substantial shareholder as a director.

All new directors are given an orientation of the Group's business and governance practice, and all directors have access to information and further training on new developments, including new laws, regulations and changing commercial risks, at the Company's expense.

To efficiently discharge its responsibilities, the Board has established several board committees, namely, the Executive Committee, Audit Committee, Nominating Committee and Remuneration Committee. These committees are given specific responsibilities and they are empowered by the Board to deal with matters within the limits of authority set out in the terms of reference of their appointments. They assist the Board operationally without the Board losing authority over major issues.

The Board currently holds four scheduled meetings each year to review and deliberate on the key activities and business strategies of the Group, including significant acquisitions and disposals, annual budget, financial performance and to endorse the release of the interim and annual results. Where necessary, additional meetings may be held to address significant transactions or issues.

During the financial year, the Board held four meetings and the number of meetings attended by each member of the Board is as follows:

<u>Name of Director</u>	<u>Number of meetings attended</u>
Mr. Ow Chio Kiat (Chairman)	4
Mr. Ow Cheo Guan (Deputy Chairman)	4
Mr. Harold Foo Chee Hiang (Independent)	4
Mr. Wong Hung Khim (Independent)	4
Mr. Tan Song Kwang (Independent)	4

## Corporate Governance Statement

### b. Board composition and balance

The Company believes that there should be a strong and independent element in the Board to exercise objective judgement. Hence, of the five directors appointed, three are non-executive and independent. The Company also believes that the non-executive and independent directors should be selected for their diverse expertise so that they can provide a balance of view in the Board.

From the profiles of the Directors found on page 9 of this Annual Report, you would note that the Board members bring with them diverse experience in areas of accounting, finance, business, management, industry knowledge and strategic planning.

### c. Role of Executive Chairman ("Chairman") and Chief Executive Officer ("CEO")

Mr. Ow Chio Kiat is the Chairman and CEO. The role of the Chairman is not separate from that of the CEO as the Board feels that there is adequate accountability and transparency as reflected in the internal controls established within the Group.

#### Executive Committee ("Exco")

Moreover the Board has delegated to Exco the powers to supervise the management of the Group's business activities. The three members are:

Mr. Ow Chio Kiat	Chairman (executive)
Mr. Ow Cheo Guan	Member (executive)
Mr. Wong Hung Khim	Member (non-executive)

Mr. Ow Cheo Guan is the Deputy Chairman of the Company. The Chairman and the Deputy Chairman are brothers.

Exco's responsibilities include reviewing and approving investments or divestments, other than operational expenditure or disposals that are conducted within the ordinary course of business.

The Chairman is assisted by the management team in the daily operations and administration of the Group's business activities and in the effective implementation of the Group's business strategies. The key personnels in the management team are the Chief Financial Officer ("CFO") and Chief Operating Officer ("COO"). The CFO and COO are not related to the Chairman.

The Chairman also oversees the workings of the Board, ensuring that the Board is able to perform its duties and that there is a flow of information between the Board and the management. The Chairman reviews most of the board papers before they are presented to the Board. The management staff who have prepared the papers, or who may provide additional insights, are invited to present the papers or attend the board meetings.

### d. Board membership

We believe that board renewal must be an on-going process to ensure good governance and maintain relevance to the changing needs of the Group's businesses.

## Corporate Governance Statement

### Nominating Committee ("NC")

To achieve a formal and transparent process for the appointment of directors to the Board, the NC was set up on 1 September 2002. The NC is responsible for identifying and selecting new directors. It comprises two non-executive and independent directors and one executive director, namely:

Mr. Harold Foo Chee Hiang	Chairman (non-executive and independent)
Mr. Ow Chio Kiat	Member (executive)
Mr. Tan Song Kwang	Member (non-executive and independent)

The NC's principal functions are as follows.

- Decide on and propose to the Board, for approval and implementation, the assessment process including determining a set of objective performance criteria for evaluating the Board's performance from year to year
- Evaluate the Board's effectiveness as a whole and the contribution of each director to the effectiveness of the Board in accordance with the assessment process and performance criteria mentioned above
- Consider, review and recommend to the Board any new Board appointments or re-appointments of executive or non-executive directors
- Determine annually whether or not a director is independent in accordance with the guidelines on independence as set out in the Code

All the directors are subject to the provisions of the Company's Articles of Association whereby one-third of the directors are required to retire and subject themselves to re-election by shareholders at every annual general meeting ("AGM"), ("one-third rotation rule").

A newly appointed director will have to submit himself for re-election at the AGM immediately following his appointment and, thereafter, he is subjected to the one-third rotation rule.

### e. Board performance

The fiduciary responsibilities of the Board include the following.

- Conduct itself with proper due diligence and care
- Profess good faith
- Comply with applicable laws
- Act in the best interests of the Company and its shareholders at all times

In addition, the Board is charged with key responsibilities of leading the Group and setting strategic directions.

The Company holds the belief that the Group's performance and that of the Board are directly related. The Company assesses the Board's performance through its ability to steer the Group in the right direction and the support it renders to the management during difficult times. For the purpose of evaluating directors' performance, the NC takes into consideration a number of factors including the directors' attendance, participation and contributions at the main board and board committee meetings and other Company's activities.

## Corporate Governance Statement

The NC uses its best efforts to ensure that directors appointed to the Board possess the necessary background, experience, skills and knowledge in management, business and finance, critical to the Group's business; and that each director is able to contribute his perspective, thus allowing effective decisions to be made.

The NC conducts informal reviews of the Board's performance taking into account inputs from the other Board members.

### f. Access to information

The Board is provided with timely and complete information, prior to Board meetings and as and when necessary. New members are briefed on the business activities of the Group.

The Board has separate and independent access to the senior management and the Company Secretary at all times. If necessary, the Board may obtain independent professional advice at the Company's expense.

The Company Secretary attends all board meetings, ensures that established procedures and regulations are complied with and that the directors receive appropriate training as necessary.

## 2. Remuneration Matters

We believe in adopting a formal and transparent procedure for fixing the remuneration packages of the directors and key management so as to ensure that the level of remuneration should be appropriate to attract, retain and motivate the directors and key management needed to run the Group's business successfully.

### a. Remuneration Committee ("RC")

To achieve this formal and transparent process to evaluate the remuneration packages of the directors and key management, the RC was formed. It comprises three directors, of whom two are non-executive and independent Directors. The members are:

Mr. Wong Hung Khim	Chairman (non-executive and independent)
Mr. Ow Chio Kiat	Member (executive)
Mr. Harold Foo Chee Hiang	Member (non-executive and independent)

## Corporate Governance Statement

The RC is responsible for the following.

- Reviewing and determining appropriate adjustments as well as approving the remuneration of the non-executive directors, executive directors and senior executives
- Administering the Company's Share Option Plan ("Option Plan"), Performance Share Plan ("Performance Plan") or any other share incentive scheme implemented by the Company, and delegating the day-to-day administration of such plan or scheme to such persons as the RC deems fit
- Assuming other duties (if any) that may be assigned to a remuneration committee of a Singapore listed company under the Code, as the same may be revised from time to time by the relevant body having charge of the Code, and adopted (as revised) by the Singapore Exchange Securities Trading Limited (the "SGX")

The Stamford Land Corporation Ltd Performance Share Plan (the "Performance Plan") was approved at the Company's Extraordinary General Meeting held on 30 August 2002. The RC administers the Performance Plan.

The Performance Plan is a share-based incentive to reward participants by the award of new shares of the Company, which are given free of charge to the participants according to the extent to which their performance targets are achieved at the end of a specified performance period.

The selection of a participant and the number of new shares granted to a participant shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account the participant's rank, job performance, years of service, potential for future development and contributions to the success and development of the Group.

The RC meets at least once a year. In its deliberation on issues to be considered, the RC takes into consideration the industry practices and norms for remuneration packages. The RC may obtain independent professional advice at the Company's expense.

No director is involved in any discussion relating to his own compensation, and terms and conditions of service and the review of his performance.

All directors are paid a fixed fee and additional fees are payable to a director for appointment as a chairman or member of a particular committee. The recommendations made by the RC in relation to such fees are subject to approval by the shareholders at the AGM.

In addition, all the directors except Mr. Ow Chio Kiat, are eligible to participate in the Option Plan under the rules thereof. Only Mr. Ow Cheo Guan is eligible to participate in the Performance Plan.

## Corporate Governance Statement

### b. Disclosure on directors' fees and remuneration

The directors' fees and remuneration paid by the Group is as follows:

	The Group		The Company	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Directors' fees				
• Directors of the Company	208	193	190	175
• Other directors	28	23	-	-
Directors' remuneration				
• Directors of the Company	977	919	295	296
• Other directors	1,032	1,137	-	-
	2,245	2,272	485	471

Remuneration bands of the directors of the Company are:

Remuneration bands	2004	2003
\$750,000 to below \$1,000,000	1	1
• Mr. Ow Chio Kiat		
Below \$250,000	4	4
• Mr. Ow Cheo Guan		
• Mr. Harold Foo Chee Hiang		
• Mr. Wong Hung Khim		
• Mr. Tan Song Kwang		
	5	5

## Corporate Governance Statement

### c. Key executives and remuneration policy

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary and allowances. The variable component is in the form of a variable bonus that is linked to the Company and each individual's performance.

In addition, employees of the Group are eligible to participate in the Option Plan and Performance Plan under the rules thereof. Additional information on both plans is found in the Directors' Report.

Information on key executives:

Name and Designation	Academic/ Professional Qualifications	No of years with the Group	Prior Working Experience
Mr Hui Kok Hong Chief Operating Officer	<ul style="list-style-type: none"> <li>Bachelor of Business (Royal Melbourne Institute of Technology)</li> </ul>	23	Port Officer for the then Port of Singapore Authority
Mr Tay Lai Wat Chief Financial Officer	<ul style="list-style-type: none"> <li>BA (Accountancy) (University of Sterling)</li> <li>Member of Institute of Chartered Accountants of Scotland</li> </ul>	9	Group Financial Controller for First Capital Corporation Ltd
Mr David Wu Dah Wei Executive Director of Singapore Wallcoverings Centre (Private) Limited and Varimerx S.E. Asia Pte Ltd	<ul style="list-style-type: none"> <li>Diploma in International Marketing and Advertising (Inner London Education Authority)</li> </ul>	24	Executive Director for Straits Central Agencies Pte Ltd
Mr Derek Goh Yong Sian General Counsel and General Manager-Corporate Affairs	<ul style="list-style-type: none"> <li>Bachelor of Laws (National University of Singapore)</li> <li>Master of Law (University of London)</li> <li>Advocate and Solicitor (Singapore)</li> <li>Solicitor and Barrister of the State of NSW (Australia)</li> </ul>	8	In private practice
Mr Thomas Ong Group General Manager	<ul style="list-style-type: none"> <li>Certified Hotel Administrator</li> <li>Member of International Accountant (UK)</li> <li>Advance Certificate in Business Administration (University of Hong Kong)</li> </ul>	3	Director of Operation for Bass Hotels & Resorts

## Corporate Governance Statement

Remuneration bands of the top five employees (excluding executive directors of the Company) of the Group are:

Remuneration bands	2004	2003
\$250,000 to \$500,000	2	2
Below \$250,000	3	3
	5	5

There are no employees of the Group who are immediate family members of a director.

### 3. Accountability and Audit

Since 1 September 2002, the Audit Committee ("AC") comprises three non-executive and independent directors, to comply with the Code. Of the three members, not less than two members have accounting or related financial management expertise or experience. The members are:

Mr. Harold Foo Chee Hiang	Chairman (non-executive and independent)
Mr. Wong Hung Khim	Member (non-executive and independent)
Mr. Tan Song Kwang	Member (non-executive and independent)

The AC performs the following main functions.

- Nominates the external auditors for appointment or re-appointment and reviews the level of audit fees
- Reviews the audit plans and scope of work of the internal and external auditors
- Reviews the findings of the internal and external auditors and the response from management
- Reviews the internal and external auditors' evaluation of the adequacy of the Group's system of accounting and internal controls
- Reviews any interested person transactions
- Reviews the Group's quarterly and annual results' announcements and the financial statements of the Group and of the Company as well as the auditors report thereon before they are submitted to the Board for approval
- Reviews legal and regulatory matters that may have a material impact on the financial statements
- Reports actions and minutes of the AC to the Board
- Reviews the cost effectiveness of the audit and the independence and objectivity of the external auditors

The AC is given full access to the management and receives its full cooperation. The AC has full discretion to invite any director or management staff to attend its meetings. It is empowered to investigate any matters relating to the Group's accounting, auditing, internal controls and/or financial practices that are brought to its attention; and has full access to records, resources and personnel to enable it to discharge its functions properly.

## Corporate Governance Statement

During the financial year, the AC met four times, two of which were with the external auditors to discuss and review the financial statements and compliance with established internal controls of the Group. The attendance of the AC members at these meetings is set out as follows:

<u>Name of Director</u>	<u>Number of meetings attended</u>
Mr. Harold Foo Chee Hiang	4
Mr. Wong Hung Khim	4
Mr. Tan Song Kwang	4

The Company has a well-established compliance and internal audit department. The Internal Auditor reports to the Chairman of the AC. He plans the internal audit schedules which includes a review of the effectiveness of the Group's material internal controls in consultation with, but independent of management. The internal audit plans are submitted to the AC for approval at the AC's meetings.

Formal procedures are in place for the internal and external auditors to report their findings and recommendations to the management and AC. The internal and external auditors also have unrestricted access to the AC. The AC also meets up with the internal and external auditors separately at least once a year without the presence of the management, in order to have free and unfiltered access to information that it may require.

The AC has reviewed the non-audit services provided by the external auditors which comprise tax services and is satisfied with the independence of the external auditors.

### 4. Internal Controls

#### a. Risk Assessment and Management

The Group has identified the following key risks:

- Operational Risk
- Compliance & Legal Risk
- Financial Risk
- Investment Risk

#### Operational Risk

The Group's operational risk is managed at each operating unit and monitored at the Group level. In the case of the Group's hotel properties, the operating risks are intense competition from other hotels, over supply of rooms, increase in operating costs, dependence on business travellers and tourists, recurring need for refurbishment of hotel properties, terrorism and their resulting effect on travel.

It is recognised that operation risks cannot be eliminated completely and the Group has to weigh the cost and benefit in managing these risks. The Group maintains sufficient insurance coverage taking into account the cost of cover and the risk profiles of the business in which it operates. The internal audit team complements the management's role by providing an independent perspective on the controls that help to mitigate any operational risks.

## Corporate Governance Statement

### Compliance & Legal Risk

Besides Singapore, the Group has business operations and properties in Australia and New Zealand. Compliance risk arises from failure to comply with the laws or regulations and this failure may result in fines, bad publicity and suspension of operations. The operating business heads are responsible to ensure compliance with the applicable laws and regulations in their countries of operations. The Group identifies and manages legal risk through effective use of its internal and external legal advisers. The internal Legal department assists in identifying, monitoring and providing support necessary to manage legal risks across the Group.

### Financial Risk

The Group's financial risk management objectives and policies are set out in pages 54 and 55 of the Annual Report under Note 3 of the Notes to Financial Statements.

### Investment Risk

The Board of Directors and the Executive Committee review all the major investment proposals to ensure that the approved investments will most likely meet the Group's internal rates of return.

The Board believes that the system of internal controls to safeguard the shareholders' investments and the Group's assets throughout the year is adequate.

#### **b. Dealings in Securities**

The Company provides guidance to staff on the implications of insider trading and recommendations of the Best Practices Guide issued by SGX. The Company adopt a code of conduct for dealing in our securities by employees so that our directors and staff comply with the guidelines of the Best Practices Guide.

## **5. Communication with Shareholders**

The Company places great emphasis on regular, effective and fair communication with its shareholders. The announcements of the Group's results and material developments are released through MASNET to the SGX's website in a timely manner to ensure fair disclosure of information.

All shareholders receive the summary financial report and annual report (upon request) and the notices of the AGM and any extraordinary general meetings. The notices for such meetings are also advertised in a local newspaper.

The Company encourages and gives the shareholders the opportunity to voice their opinions and ask questions about the Group at general meetings. The Company values the shareholders' contributions and will adopt any beneficial suggestions from them.

The chairpersons of the various board committees and the external auditors are available to address questions at all general meetings.

## Corporate Governance Statement

### 6. Interested Person Transactions ("IPT")

The Company has established a procedure for recording and reporting interested person transactions. Details of significant interested person transactions for the financial year ended 31 March 2004 are set out below:

Name of interested person	Aggregate value of all IPT during the financial year ended 31 March 2004 (excluding transactions below \$100,000)	Aggregate value of all IPT conducted under shareholders mandate pursuant to Rule 920 (excluding transactions below \$100,000)
Subsidiaries of Singapore Shipping Corporation Limited		
- Rental income	\$572,000	–
- Management fee income	\$180,000	–
- Internal audit services expenses	\$102,000	–

All the above IPT were concluded on normal commercial terms.

There were no other material contracts or loan entered into by the Company and its subsidiaries involving the interests of the chief executive officer, directors or controlling shareholder which are either subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

# Property Portfolio of the Stamford Land Group

Land and buildings comprise:

Location	Title	Floor area/ No. of rooms	Description
100C Pasir Panjang Road (Singapore)	Freehold	2,740 sq. m	Land
Southpoint Building (Singapore)	99 years lease from 1985	1,490 sq. m	One floor of office building
Stamford Grand North Ryde, Sydney (Australia)	Freehold	257 rooms	4 Star all suite hotel
Stamford Plaza, Melbourne (Australia)	Freehold	283 rooms	5 Star all suite hotel
Stamford Grand, Adelaide (Australia)	Freehold	243 rooms	4 Star hotel
Stamford Plaza, Adelaide (Australia)	Freehold	334 rooms	5 Star hotel
Stamford Plaza, Auckland (New Zealand)	Freehold	332 rooms	5 Star hotel
Sir Stamford at Circular Quay, Sydney (Australia)	99 years lease from 1990	106 rooms	5 Star hotel
Stamford Sydney Airport, Sydney (Australia)	Freehold	314 rooms	4 Star hotel
Stamford Plaza, Brisbane (Australia)	65 years lease from 2000	252 rooms	5 Star hotel
7 Alfred Place, Melbourne (Australia)	Freehold	1,626 sq. m	4 storey building

## Property Portfolio of the Stamford Land Group

### Investment property comprises:

Location	Title	Floor area	Description	% Interest
Grand Apartments, Adelaide (Australia)	Freehold	1,913 sq. m	14 units of apartments	100

### Properties under development comprise:

Location	Title	Stage of development/ estimated date of completion	Site area	Description	% Interest
Stamford Marque, Sydney (Australia)	Freehold	Under development/2006	725 sq. m	83 luxury units of residential apartments	100
Corner of St. George's Terrace and Milligan Street, Perth (Australia)	Freehold	Under development/2007	3,229 sq. m	Development land	100

# Report of the Directors

The directors present their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 March 2004.

## 1 Directors

The directors of the Company in office at the date of this report are:

Ow Chio Kiat (Chairman)  
Ow Cheo Guan (Deputy Chairman)  
Harold Foo Chee Hiang  
Wong Hung Khim  
Tan Song Kwang

## 2 Arrangements To Enable Directors To Acquire Benefits By Means Of The Acquisition Of Shares And Debentures

Neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate except for the Stamford Land Corporation Ltd Share Option Plan mentioned in paragraph 5 below.

## 3 Directors' Interests In Shares And Debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares, share options and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act, Cap. 50 except as follows:

	Interest held in the name of director at		Deemed interest of director at	
	1 April 2003	31 March 2004	1 April 2003	31 March 2004
<b>STAMFORD LAND CORPORATION LTD</b>				
<u>Ordinary shares of \$0.10 each</u>				
Ow Chio Kiat	278,211,000	278,211,000	12,930,000	12,930,000
Ow Cheo Guan	2,730,000	2,730,000	26,400,000	26,400,000
<u>Employees' share options</u>				
Ow Cheo Guan	2,000,000	2,000,000	—	—

By virtue of section 7 of the Companies Act, Cap. 50, Ow Chio Kiat with the above mentioned shareholding is deemed to have an interest in the Company and in all its subsidiaries.

The directors' interests as at 21 April 2004 were the same as those at the end of the year.

## Report of the Directors

### 4 Directors' Receipt and Entitlement to Contractual Benefits

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Companies Act, Cap. 50, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacities as directors and/or executives of those related corporations.

### 5 Options to Take Up Unissued Shares

Except as disclosed below, no options to take up unissued shares of the Company or any corporation in the Group was granted during the financial year.

The Hai Sun Hup Group Ltd Employees' Share Option Scheme ("Existing Scheme") was terminated and replaced by the Stamford Land Corporation Ltd Share Option Plan ("Share Option Plan") at the Company's Extraordinary General Meeting held on 30 August 2002. The termination of the Existing Scheme and the adoption of the Share Option Plan will not affect the rights of the holders of the outstanding Existing Options granted under the Existing Scheme. Such Existing Options will, to the extent unexercised, continue to be exercisable in accordance with the Regulations of the Existing Scheme.

#### Information pertaining to outstanding options

Under the Share Option Plan, share options granted, exercised and lapsed during the financial year and outstanding as at 31 March 2004 were as follows:

Date of grant	Number of share options				Offer price per share	Expiry date
	Balance at 1 April 2003	Granted	Lapsed	Balance at 31 March 2004		
20 July 1999	234,000	–	(234,000)	–	\$0.14	19 June 2003
17 August 2000	3,940,000	–	(32,000)	3,908,000	\$0.25	16 July 2004
27 September 2002	1,000,000	–	–	1,000,000	\$0.18	26 September 2012
	5,174,000	–	(266,000)	4,908,000		

## Report of the Directors

### 5 Options to Take Up Unissued Shares (cont'd)

Under the Share Option Plan, the details of share options granted to a director of the Company are as follows:

Name	Options granted during financial year under review	Aggregate options granted since commencement of scheme	Aggregate options exercised since commencement of scheme	Aggregate options lapsed since commencement of scheme	Aggregate options outstanding as at end of financial year
Ow Cheo Guan	—	5,450,000	1,250,000	2,200,000	2,000,000

1,000,000 options were granted at the offer price of \$0.25, which expire on 16 July 2004 and 1,000,000 options were granted at the offer price of \$0.18, which expire on 26 September 2012.

Each share option entitles the director or employee of the Company to subscribe for one new ordinary share of 10 cents each in the Company. The options are granted in consideration of \$1 for each offer accepted. The employees to whom the options have been granted do not have the right to participate by virtue of the options in a share issue of any other company in the Group. Other than disclosed above, there were no other participants to the Share Option Plan who are controlling shareholders of the Company and its associates and/or who receive 5% or more of the total number of options available under the Share Option Plan. Options granted are cancelled when the option holder ceases to be in full-time employment of the Company or any corporation in the Group subject to certain exceptions at the discretion of the Company.

The options may be exercised after one year except under certain circumstances. The shares under option may be exercised in full or in 1,000 shares or a multiple thereof on the payment of the subscription price. The subscription price is determined at market price or based on the average of the last dealt price of the shares for the three market days preceding the day of offer of share options under the Share Option Plan. The Remuneration Committee may, at its discretion, fix the subscription price at a discount up to 20% of market price but not lower than the par value of the shares.

### 6 Options Exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

### 7 Unissued Shares Under Option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option except as disclosed in paragraph 5 above.

## Report of the Directors

### 8 Audit Committee

The members of the audit committee at the date of this report are as follows:

Harold Foo Chee Hiang (Chairman)  
Wong Hung Khim  
Tan Song Kwang

The audit committee performs the functions specified by section 201B of the Companies Act, Cap. 50. It met with the Company's internal auditors and external auditors to discuss their audit plan covering the scope of their work and the results of their audits, including the internal audit and external audit reports.

The audit committee also performed the following functions:

- Reviewed with the internal auditors and external auditors their evaluation of the Company's internal accounting controls.
- Reviewed the adequacy of the assistance provided by the Company's officers to the external auditors.
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption.

The audit committee has recommended to the board of directors that the auditors, Chio Lim & Associates be nominated for re-appointment as auditors at the next annual general meeting of the Company.

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report.

### 9 Auditors

The auditors, Chio Lim & Associates, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



Ow Chio Kiat



Ow Cheo Guan  
Singapore  
21 May 2004

# Auditors' Report

to the members of Stamford Land Corporation Ltd

We have audited the accompanying financial statements of Stamford Land Corporation Ltd for the year ended 31 March 2004 set out on pages 42 to 76. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended 31 March 2003 were audited by other auditors whose report dated 23 July 2003 expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2004 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (b) the accounting and other records (excluding registers) required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all the subsidiaries of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of these subsidiaries are indicated in Note 10 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that are consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for those purposes.

## Auditors' Report

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under section 207 (3) of the Act.

*Chio Lim & Associates*

Chio Lim & Associates  
Certified Public Accountants

Singapore  
21 May 2004

Partner in charge of audit: Peter Jacob  
Effective from financial year ended 31 March 2004

# Balance Sheets

31 March 2004

		THE GROUP		THE COMPANY	
	Notes	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>ASSETS</b>					
<b>Current assets:</b>					
Bank and cash	5	86,535	95,615	1,023	248
Short-term investments	6	–	2,850	–	2,850
Trade receivables	7	12,294	14,658	–	–
Other receivables and prepayments	8	7,161	4,185	47	61
Properties held for sale	9	–	30,683	–	–
Inventories at cost		2,432	2,425	–	–
Total current assets		108,422	150,416	1,070	3,159
<b>Non-current assets:</b>					
Investments in subsidiaries	10	–	–	104,579	104,579
Other long-term receivables	11	–	–	308,788	254,346
Other investments	12	1,020	1,048	665	833
Property, plant and equipment	13	525,608	450,101	–	–
Investment properties	14	4,130	3,453	–	–
Properties under development	15	58,203	35,190	–	–
Deferred income tax	16	–	19	–	–
Total non-current assets		588,961	489,811	414,032	359,758
Total assets		697,383	640,227	415,102	362,917

## Balance Sheets

31 March 2004

		THE GROUP		THE COMPANY	
	Notes	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current liabilities:</b>					
Bank overdrafts	17	8,800	9,060	–	–
Trade payables	18	6,044	2,983	–	–
Other payables	19	20,812	14,807	261	236
Income tax payable		83	4,944	–	–
Total current liabilities		35,739	31,794	261	236
<b>Non-current liabilities:</b>					
Long-term loans	20	248,452	253,093	–	–
Amounts due to subsidiaries (non-trade)	10	–	–	145,219	99,413
Deferred income tax	16	1,475	–	–	–
Total non-current liabilities		249,927	253,093	145,219	99,413
<b>Capital and reserves:</b>					
Issued capital	21	87,228	87,228	87,228	87,228
Reserves		324,489	268,112	182,394	176,040
Total equity		411,717	355,340	269,622	263,268
Total liabilities and equity		697,383	640,227	415,102	362,917

See accompanying notes to financial statements.

# Consolidated Profit and Loss Statement

Year ended 31 March 2004

	Notes	THE GROUP	
		2004 \$'000	2003 \$'000
<b>Revenue</b>	22	265,722	206,694
Cost of development properties sold		(56,087)	(30,028)
Raw materials and consumables used		(28,453)	(26,380)
Staff costs	23	(85,717)	(72,387)
Depreciation expense	13	(12,985)	(10,038)
Other operating expenses		(58,731)	(51,054)
<b>Profit from operations</b>		23,749	16,807
Interest and other income	24	4,414	3,970
Finance cost	25	(15,234)	(18,444)
Foreign currency exchange adjustment gain		2,279	2,930
Exceptional items	26	(6,144)	15,074
<b>Profit before income tax</b>	27	9,064	20,337
Income tax	28	(1,777)	(5,055)
<b>Profit attributable to shareholders</b>		7,287	15,282
Earnings per share	29		
- Basic		0.8 cents	1.8 cents
- Diluted		0.8 cents	1.8 cents
Gross dividend per ordinary share	30	1.5 cents	1.5 cents

See accompanying notes to financial statements.

# Statements of Changes in Equity

Year ended 31 March 2004

The Group	Share capital \$'000	Share premium \$'000	Capital reserve on consolidation \$'000	Warrant reserve \$'000	Exchange reserve \$'000	Accumulated profits \$'000	Total \$'000
Balance at 31 March 2002	87,203	57,073	(2,428)	32,770	(39,601)	187,157	322,174
Issue of shares	25	75	–	(31)	–	–	69
Expiry of warrants	–	–	–	(32,739)	–	32,739	–
Transfer of capital reserve on consolidation to accumulated profits	–	–	2,428	–	–	(2,428)	–
Net exchange gain on translating foreign currency denominated assets and liabilities - not recognised in the profit and loss statement	–	–	–	–	28,021	–	28,021
Net profit for the year	–	–	–	–	–	15,282	15,282
Dividends	–	–	–	–	–	(10,206)	(10,206)
Balance at 31 March 2003	87,228	57,148	–	–	(11,580)	222,544	355,340
Net exchange gain on translating foreign currency denominated assets and liabilities - not recognised in the profit and loss statement	–	–	–	–	59,296	–	59,296
Net profit for the year	–	–	–	–	–	7,287	7,287
Dividends	–	–	–	–	–	(10,206)	(10,206)
Balance at 31 March 2004	87,228	57,148	–	–	47,716	219,625	411,717

## Statements of Changes in Equity

Year ended 31 March 2004

The Company	Share capital \$'000	Share premium \$'000	Revaluation reserve \$'000	Warrant reserve \$'000	Exchange reserve \$'000	Accumulated profits \$'000	Total \$'000
Balance at 31 March 2002	87,203	57,073	380	32,770	(34,985)	110,836	253,277
Issue of shares	25	75	–	(31)	–	–	69
Expiry of warrants	–	–	–	(32,739)	–	32,739	–
Net exchange gain on translating foreign currency denominated shareholders' funds and certain long-term monetary items – not recognised in the profit and loss statement	–	–	–	–	4,199	–	4,199
Net profit for the year	–	–	–	–	–	15,929	15,929
Dividends	–	–	–	–	–	(10,206)	(10,206)
Balance at 31 March 2003	87,228	57,148	380	–	(30,786)	149,298	263,268
Net exchange gain on translating foreign currency denominated shareholders' funds and certain long-term monetary items – not recognised in the profit and loss statement	–	–	–	–	15,110	–	15,110
Net profit for the year	–	–	–	–	–	1,450	1,450
Dividends	–	–	–	–	–	(10,206)	(10,206)
Balance at 31 March 2004	87,228	57,148	380	–	(15,676)	140,542	269,622

See accompanying notes to financial statements.

# Consolidated Cash Flow Statement

Year ended 31 March 2004

	2004 \$'000	2003 \$'000
<b>Cash flows from operating activities:</b>		
Profit before income tax	9,064	20,337
Adjustments for:		
Amortisation of discount on bonds	–	1,326
Depreciation expense	12,985	10,038
Dividend income	(122)	(31)
Foreign currency exchange adjustment gain	(2,279)	(2,930)
Loss on settlement of claim	6,144	–
Gain on disposal of an investment property	–	(14,978)
Gain on disposal of subsidiaries	–	(96)
Impairment loss on club membership	168	–
Impairment loss on short-term investments	–	150
Interest expense	15,234	16,954
Interest income	(4,414)	(3,806)
Attributable profit on properties under development	(4,995)	–
(Profit) Loss on disposal of property, plant and equipment	(2)	28
Operating profit before working capital changes	31,783	26,992
Decrease in properties held for sale	30,683	26,905
Increase in inventories	(7)	(133)
(Increase) Decrease in receivables	(587)	38,623
Increase in restricted deposits	(5,502)	–
Increase in payables	2,671	459
Cash generated from operations	59,041	92,846
Interest received	4,389	4,367
Interest paid	(14,983)	(19,076)
Income tax paid	(6,201)	(3,566)
Net cash from operating activities	42,246	74,571
<b>Cash flows from investing activities:</b>		
Disposal of property, plant and equipment	19	162
Purchase of property, plant and equipment	(11,468)	(6,278)
Disposal of investment	2,850	–
Purchase of investment	(140)	–
Disposal of investment properties	–	69,147
Additions to investment properties	–	(2,759)
Additions to properties under development	(11,117)	(3,263)
Disposal of subsidiaries (Note A)	–	93
Decrease in restricted deposits	47,609	–
Dividends received	122	31
Net cash from investing activities	27,875	57,133

## Consolidated Cash Flow Statement

Year ended 31 March 2004

	2004 \$'000	2003 \$'000
<b>Cash flows from financing activities:</b>		
Proceeds from issuing shares	–	69
Reduction in borrowings	(47,609)	(204,779)
Dividends paid	(10,206)	(10,206)
Net cash used in financing activities	(57,815)	(214,916)
Effect of exchange rate changes in consolidating subsidiaries	6,960	(1,866)
Net increase (decrease) in cash and cash equivalents	19,266	(85,078)
Cash and cash equivalents at beginning of year	42,888	123,799
Effect of foreign exchange rate adjustment	10,079	4,167
<b>Cash and cash equivalents at end of year (Note B)</b>	<b>72,233</b>	<b>42,888</b>

### Notes to the consolidated cash flow statement:

#### A. Summary of the effects of disposal of subsidiaries:

	2004 \$'000	2003 \$'000
Cash	–	5
Current liabilities	–	(3)
Net current assets	–	2
Gain on disposal of subsidiaries	–	96
Consideration	–	98
Less: Cash of disposed subsidiaries	–	(5)
Net cash inflow on disposal of subsidiaries	–	93

#### B. Cash and cash equivalents comprise the following:

	2004 \$'000	2003 \$'000
Bank and cash	86,535	95,615
Bank overdrafts	(8,800)	(9,060)
	77,735	86,555
Less : Restricted deposits	(5,502)	(43,667)
	<b>72,233</b>	<b>42,888</b>

See accompanying notes to financial statements.

# Notes to Financial Statements

31 March 2004

## 1 General

The Company is incorporated in Singapore. The financial statements are expressed in Singapore dollars. They are drawn up in accordance with the provisions of the Companies Act, Cap. 50 and the Singapore Financial Reporting Standards. The financial statements were approved and authorised for issue by the Board of Directors on 21 May 2004.

The principal activities of the Group consist of investment holding, hotel owning and management, travel agency, trading and property investment and development.

The principal activity of the Company is that of an investment holding company. Its registered office and principal place of business is at 200 Cantonment Road, #09-01 Southpoint, Singapore 089763. The Company is domiciled in Singapore.

## 2 Summary Of Significant Accounting Policies

### (a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of certain properties and investments and are drawn up in accordance with the provisions of the Companies Act, Cap. 50 and the Singapore Financial Reporting Standards ("FRS"). In previous years, the financial statements were prepared in accordance with Singapore Statements of Accounting Standard ("SAS"). The transition from SAS to FRS did not result in any significant change in accounting policies or any modification of the measurement methods or the presentation in the financial statements.

### (b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, details of which are given in Note 10 to the financial statements. On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group. All significant intercompany transactions and balances between Group enterprises are eliminated on consolidation.

### (c) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net assets of the acquired subsidiaries and associates at the date of acquisition. Negative goodwill represents the excess of fair value of the Group's share of the net assets acquired over the cost of acquisition. Goodwill arising on consolidation is capitalised and amortised on a straight-line basis to the consolidated profit and loss statement over a period of usually 5 years or longer as justified.

## Notes to Financial Statements

31 March 2004

### 2 Summary Of Significant Accounting Policies (cont'd)

#### (d) Subsidiaries

Investments in subsidiaries in the financial statements of the Company are stated at cost less any impairment in net recoverable value.

#### (e) Other investments

Other investments are stated at cost less any impairment in net recoverable value.

#### (f) Property, plant and equipment

Property, plant and equipment is stated at cost or valuation referred to in paragraph (a) above less any accumulated depreciation and any accumulated impairment loss.

Construction-in-progress consists of land cost, related acquisition expenses and costs incurred during the period of construction.

A leasehold building is carried at its revalued amount, being the fair value on the basis of their existing use at the date of revaluation, less subsequent accumulated depreciation.

Any revaluation surplus arising on the revaluation of land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation deficit for the same asset previously recognised as an expense, in which case the surplus is credited to the profit and loss statement to the extent of the deficit previously charged. A deficit in carrying amount arising on the revaluation of land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation is charged so as to write off the cost and valuation of assets, other than freehold land and construction-in-progress, over their estimated useful lives, using the straight-line method, as follows:

Freehold buildings	-	100 years
Leasehold land and buildings	-	terms of the leases
Renovations, furniture and fittings	-	5 to 20 years
Motor vehicles	-	5 years
Equipment and computers	-	3 to 20 years

No depreciation is provided on freehold land and construction-in-progress.

The useful life of an item of property, plant and equipment is reviewed periodically and, if expectations are significantly different from previous estimates, the depreciation charge for the current and future periods are adjusted. Fully depreciated assets still in use are retained in the financial statements.

## Notes to Financial Statements

31 March 2004

### 2 Summary Of Significant Accounting Policies (cont'd)

#### (g) Investment properties

Investment properties are held for the primary purpose of producing rental income. They are not held for resale in the ordinary course of business. Investment properties are stated at valuation made every three years on an open market and existing use basis. The net surplus or deficit on revaluation is taken to a revaluation reserve account unless the total revaluation surplus is insufficient to cover a deficit, in which case the amount by which the deficit exceeds the amount in the revaluation reserve account is charged to the profit and loss statement. On disposal, revaluation reserves are transferred to the profit and loss statement.

#### (h) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent of the credit balance in the revaluation reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### (i) Properties under development

Properties under development are stated at cost. Development and related expenditure, including interest costs, are capitalised up to physical completion.

Profit on the sale of properties under development is recognised in the financial statements using the stage of completion method based on the stage of completion as certified by the architects or quantity surveyors for the individual units sold or the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Losses are provided in full as soon as they are foreseeable.

#### (j) Inventories

Inventories are stated at the lower of cost and net realisable value, calculated on the basis of weighted average cost. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

#### (k) Retirement benefit costs

Payments to defined contribution retirement benefit plans (including state-managed retirement benefit schemes) are charged as an expense when incurred.

## Notes to Financial Statements

31 March 2004

### 2 Summary Of Significant Accounting Policies (cont'd)

#### (l) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

#### (m) Income tax

Tax expense is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is charged or credited to the profit and loss statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets are recognised if there is a reasonable expectation of its realisation. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority.

#### (n) Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the economic substance of the underlying events and circumstances of the entity. Transactions in foreign currencies are recorded in Singapore dollars at the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances that are denominated in foreign currencies are reported at the rates ruling at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit and loss statement, except as follows:

- i) where monetary items in substance form part of the Company's net investment in its foreign subsidiaries, exchange differences arising on such monetary items are taken to the exchange reserve account until the disposal of the investments; and
- ii) unrealised exchange differences arising on translation of long term foreign currency monetary items other than those set out in (i) above are dealt with in the profit and loss statement.

#### (o) Translation of foreign currency financial statements

For inclusion in the consolidated financial statements, assets and liabilities of the foreign subsidiaries are translated at the rates of exchange approximating those ruling at the balance sheet date. The profit and loss statements are translated at the average rates of exchange for the year, and the operating net investment in the foreign entities are translated at the historical rates. The resulting currency translation differences are taken to the currency translation reserve. On disposal of a foreign entity, the accumulated currency translation differences are recognised in the profit and loss statement as part of the profit or loss on disposal.

## Notes to Financial Statements

31 March 2004

### 2 Summary Of Significant Accounting Policies (cont'd)

(p) Revenue

Revenue represents invoiced value of goods sold and services rendered, hotel and restaurant operations, rental income and income from investments. The Group's revenue excludes transactions within the Group.

(q) Basis of revenue recognition

Income from the sale of goods is recognised upon delivery of the goods.

Income from the sale of completed apartment units is recognised upon the exchange of contracts.

Income from the rendering of services, income from the hotel and restaurant operations is recognised when the services are rendered.

Rental income is recognised on the time-proportion basis in accordance with the terms of the rental agreement.

Dividend income from subsidiaries and other investments is recognised in the accounting period in which the dividend is declared payable.

Interest income on interest bearing instruments is recognised on an accrual basis.

(r) Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred, except for borrowing costs that are directly attributable to the construction of a qualifying asset, which are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

(s) Share options and warrants

Share options and warrants are recorded when exercised by allocating the exercise price to share capital for the par value of the shares and the remaining amount is credited to the share premium account.

(t) Financial assets and financial liabilities

Financial assets and financial liabilities carried on the balance sheet include cash and cash equivalents, investments, trade and other receivables and payables, long-term receivables, loans and borrowings. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this Note.

## Notes to Financial Statements

31 March 2004

### 3 Financial Instruments

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, liquidity risk and credit risk. The following set out the Group's financial risk management objectives and policies:

(a) Foreign currency risk

The Group is exposed to the effects of foreign exchange rate fluctuations because of its foreign currency denominated revenue, expenses, assets and liabilities.

The Group has significant exposures arising from exchange rate movements in US dollar, Australian dollar and New Zealand dollar. Foreign exchange exposure is largely a balance sheet item, and fluctuations will be reflected in the foreign currency translation reserve of the Group. Thus, hedging of foreign exchange fluctuations on the Group's profit and loss statement is achieved mainly through the matching of liabilities against assets in the same currency.

(b) Interest rate risk

The Group obtains additional financing through bank borrowings. The Group's policy is to obtain the most favourable interest rates available and at the same time managing its foreign currency exposure.

Surplus funds are placed with reputable banks.

Information relating to the Group's interest rate exposure is disclosed in Notes 5 and 20 to the financial statements.

(c) Liquidity risk

The Group's funding is primarily handled by corporate office on the basis of the subsidiaries' investing and operational liquidity requirements. The subsidiaries' excess liquidity is equalised internally through inter-company accounts.

The Group's liquidity reserves consist of bank deposits as well as committed and uncommitted credit facilities with major financial institutions. To a lesser extent, liquidity reserves are in some periods placed in money market instruments or bonds.

(d) Credit risk

The carrying amount of cash and cash equivalents, trade receivables and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit.

The Group has no significant concentration of credit risk.

## Notes to Financial Statements

31 March 2004

### 3 Financial Instruments (cont'd)

#### (e) Fair values

The financial assets and liabilities of the Group at the balance sheet date comprise mainly monetary assets and liabilities and the directors are of the opinion that their carrying values approximate the fair values. The fair value of other investments is disclosed in Note 12 to the financial statements.

### 4 Related Party Transactions

Related parties are entities with common shareholders. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, without fixed repayment terms and interest unless stated otherwise.

The following transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned:

	THE GROUP	
	2004 \$'000	2003 \$'000
Revenue from related parties	(1,279)	(1,105)
Interest income from a related party	–	(64)
Rental income from a related party	(32)	(37)
Service fees income from related parties	(562)	(197)
Purchases from related parties	40	56
Service fees paid to related parties	180	114

The total remuneration paid by the Group and its subsidiaries to the directors and key management personnel of the Group amounted to \$2,009,000 (2003: \$2,056,000).

### 5 Bank And Cash

	THE GROUP		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Cash and bank balances	11,989	4,459	418	248
Fixed deposits	69,044	47,489	605	–
Restricted deposits	5,502	43,667	–	–
	86,535	95,615	1,023	248

Bank and cash include foreign currencies of \$77,533,000 (2003: \$79,736,000) denominated in Australian dollars.

The effective interest rates on the above balances range between 0.06% and 5.81% (2003: 0.19% and 5.88%) per annum.

## Notes to Financial Statements

31 March 2004

### 5 Bank And Cash (cont'd)

Fixed deposits amounting to \$43,667,000 of the Group in 2003 were pledged to banks as securities for bankers' guarantees and credit facilities granted to certain subsidiaries. These pledges were discharged in the current year.

Cash and bank balances of the Group includes an amount of \$5,502,000 (2003: \$nil) held in trust with the Group's solicitors to secure any cost orders made in connection with the settlement of a claim.

### 6 Short-term Investments

	THE GROUP & THE COMPANY	
	2004	2003
	\$'000	\$'000
Unquoted bonds, at cost	–	3,000
Less: Impairment loss	–	(150)
	–	2,850
Movement in impairment loss:		
Charge to profit and loss and balance at end of year	–	150

### 7 Trade Receivables

	THE GROUP	
	2004	2003
	\$'000	\$'000
Outside parties	12,615	15,183
Less: Provision for doubtful debts	(321)	(525)
	12,294	14,658
Trade receivables include foreign currencies of \$9,712,000 (2003: \$12,032,000) denominated in Australian dollars.		
Movements in above provision:		
Balance at beginning of year	525	879
Charge to profit and loss	3	110
Currency realignment	92	78
Bad debts written off	(299)	(542)
Balance at end of year	321	525

## Notes to Financial Statements

31 March 2004

### 8 Other Receivables And Prepayments

	THE GROUP		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Related parties (Note 4)	293	650	–	–
Deposits	34	46	–	–
Accrued interest receivable	73	48	–	4
Other receivables	4,914	1,467	47	57
Prepayments	1,847	1,974	–	–
	7,161	4,185	47	61

Other receivables include foreign currencies of \$4,609,000 (2003: \$1,038,000) denominated in Australian dollars.

### 9 Properties Held For Sale

	THE GROUP	
	2004 \$'000	2003 \$'000
Unsold properties	–	30,683

In 2003, properties held for sale comprised apartment units at 187 Kent, Australia.

### 10 Investments In Subsidiaries

	THE COMPANY	
	2004 \$'000	2003 \$'000
Unquoted equity shares, at cost	103,956	103,956
Revaluation to reflect the Company's share of the underlying net assets of the subsidiaries	623	623
	104,579	104,579

Amounts due to subsidiaries are unsecured, interest-free and have no fixed repayment terms.

Investments in subsidiaries include foreign currencies of \$100,790,000 (2003: \$100,790,000) denominated in Australian dollars.

## Notes to Financial Statements

31 March 2004

### 10 Investments In Subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation and operation	Group's effective interest		Cost of Investment	
			2004 %	2003 %	2004 \$'000	2003 \$'000
<u>Hotel owning and management</u>						
Atrington Trust	Investment holding	British Virgin Islands	100	100	*	*
Dickensian Holdings Ltd	Investment holding	British Virgin Islands	100	100	#	#
Goldenlines Investments Ltd (2)	Investment holding	British Virgin Islands	100	100	*	*
The Grand Hotel (S.A.) Pty Limited (1)	Trustee	Australia	100	100	*	*
Grand Hotel Unit Trust (1)	Hotel owning	Australia	100	100	*	*
HSH (Australia) Trust	Investment holding	British Virgin Islands	100	100	100,385	100,385
HSH Contractors Pte Ltd	Financier	Singapore	100	100	5	5
Knoxville Trust	Investment holding & property developer	British Virgin Islands	100	100	*	*
K.R.M.F.C. Pty Ltd +	Dormant	Australia	100	100	*	*
Loftus Trust	Dormant	British Virgin Islands	100	100	*	*
Logan Trust (1)	Investment holding	British Virgin Islands	100	100	*	*
Minteyville Lt Collins Street Pty Ltd (1)	Hotel owning & operations	Australia	100	100	*	*
MLCS Trust	Investment holding	British Virgin Islands	100	100	*	*
North Ryde Investments Limited	Investment holding	British Virgin Islands	100	100	74	74
Ovenard Trust	Investment holding	British Virgin Islands	100	100	*	*
RGA Trust	Investment holding	British Virgin Islands	100	100	*	*
Sir Stamford at Circular Quay Pty Ltd (1)	Hotel operator	Australia	100	100	#	#
Sir Stamford Hotels & Resorts Pte Ltd	Hotel operations	Singapore	100	100	#	#
SNR Trust (1)	Investment holding	British Virgin Islands	100	100	*	*
Stamford Cairns Trust +	Dormant	Australia	100	100	*	*

## Notes to Financial Statements

31 March 2004

### 10 Investments In Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Country of incorporation and operation	Group's effective interest		Cost of Investment	
			2004 %	2003 %	2004 \$'000	2003 \$'000
Stamford Fitness Pty Limited !	Dormant	Australia	100	100	#	#
Stamford Gold Coast Trust	Investment holding	British Virgin Islands	100	100	*	*
Stamford Heritage Pty Ltd (1)	Hotel operator	Australia	100	100	#	#
Stamford Hotels & Resorts Pte Ltd	Hotel operations	Singapore	100	100	#	#
Stamford Hotels Australasia Limited >	Dormant	Australia	—	100	—	#
Stamford Hotels Management Limited >	Dormant	Australia	—	100	—	#
Stamford Hotels (NZ) Limited (2)	Hotel operator	New Zealand	100	100	#	#
Stamford Hotels Pty Limited (1)	Hotel operator	Australia	100	100	220	220
Stamford Hotels and Resorts Pty Limited (1)	Hotel management	Australia	100	100	#	#
Stamford Mayfair Limited+	Dormant	British Virgin Islands	100	100	#	#
Stamford Plaza Sydney Management Pty Limited (1)	Hotel operator	Australia	100	100	*	*
Stamford Raffles Pty Ltd+	Dormant	Australia	100	100	*	*
Stamford Raffles Trust+	Dormant	British Virgin Islands	100	100	*	*
Stamford Sydney Airport Pty Ltd (1)	Hotel operator	Australia	100	100	#	#
Terrace Hotel (Operations) Pty Ltd (1)	Hotel operator	Australia	100	100	111	111
TIA Trust	Investment holding	British Virgin Islands	100	100	*	*
<u>Property Development</u>						
Fontelle Trust (1)	Investment holding	British Virgin Islands	100	100	*	*
SHR Kent Street Trust (1)	Investment holding & property developer	British Virgin Islands	100	100	*	*
Stamford Property Services Pty Ltd (1)	Property management	Australia	100	100	*	*

## Notes to Financial Statements

31 March 2004

### 10 Investments In Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Country of incorporation and operation	Group's effective interest		Cost of Investment	
			2004 %	2003 %	2004 \$'000	2003 \$'000
<i>Property Investment</i>						
HSH Properties Pte Ltd	Property investment	Singapore	100	100	250	250
Plantique Investment Pte Ltd	Property investment	Singapore	100	100	#	#
<i>Trading</i>						
Chester Consultants Pte Ltd ^	Dormant	Singapore	—	100	—	*
Singapore Wallcoverings Centre (Private) Limited	General importers, exporters and dealers in wallcoverings and interior decorations	Singapore	100	100	367	367
Sterling Credit Pte Ltd	Hire purchase financing	Singapore	100	100	*	*
Varimerx S.E. Asia Pte Ltd	General importers, exporters and dealers in furnishing products	Singapore	100	100	245	245
Voyager Travel Pte Ltd	Travel agency	Singapore	100	100	*	*
<i>Others</i>						
HSH Tanker Inc.	Dormant	Panama	100	100	2,199	2,199
SLC Property Services Pte Ltd	Dormant	Singapore	100	100	100	100
Stamford Land Management Pte Ltd	Management and consultancy services	Singapore	100	100	*	*
Stamford Land (International) Pte Ltd	Dormant	Singapore	100	100	#	#
					103,956	103,956

All subsidiaries are audited by Chio Lim & Associates Singapore except as indicated.

- (1) Audited by Horwath Australia, a member firm of Horwath International of which Chio Lim & Associates, Singapore is a member
  - (2) Audited by Ernst & Young New Zealand
- # Share capital of less than \$1,000
- \* Held by group companies
- + No audit required for these dormant companies but their unaudited financial statements are reviewed as part of the Group audit.
- > During the year, these subsidiaries were de-registered.
- ^ During the year, this subsidiary commenced members' voluntary liquidation.
- ! During the year, this subsidiary commenced de-registration.

## Notes to Financial Statements

31 March 2004

### 11 Other Long-term Receivables

	THE GROUP		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Subsidiaries (Note 10)	–	–	318,188	263,746
Less: Provision for doubtful other receivable from a subsidiary	–	–	(9,400)	(9,400)
	–	–	308,788	254,346
Movements in above provision:				
Balance at beginning of year	–	–	9,400	9,400
Charge to profit and loss	–	–	–	–
Balance at end of year	–	–	9,400	9,400

The amounts due from subsidiaries are unsecured, interest free and are not expected to be repaid within the next twelve months.

### 12 Other Investments

	THE GROUP		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
At cost:				
Club memberships	718	718	503	503
Less: Impairment loss	(168)	–	(168)	–
	550	718	335	503
Quoted equity shares	342	330	330	330
Unquoted bonds	128	–	–	–
	1,020	1,048	665	833
Market value of quoted equity shares	511	375	498	375
Fair value of unquoted bonds	128	–	–	–
Movement in impairment loss:				
Charge to profit and loss and balance at end of year	168	–	168	–

## Notes to Financial Statements

31 March 2004

### 13 Property, Plant And Equipment

	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Renovations, furniture and fittings \$'000	Motor vehicles \$'000	Equipment and computers \$'000	Construction- in- progress \$'000	Total \$'000
<b>THE GROUP</b>							
Cost or valuation:							
At beginning of year	340,720	120,905	33,433	594	40,808	77	536,537
Currency realignment	57,108	20,887	5,647	107	7,929	15	91,693
Additions	517	246	4,904	60	2,901	2,840	11,468
Disposals	–	–	(4)	–	(79)	–	(83)
At end of year	398,345	142,038	43,980	761	51,559	2,932	639,615
Represented by:							
Cost	398,345	127,638	43,980	761	51,559	2,932	625,215
Valuation	–	14,400	–	–	–	–	14,400
Total	398,345	142,038	43,980	761	51,559	2,932	639,615
Accumulated depreciation:							
At beginning of year	34,874	6,144	21,073	237	24,108	–	86,436
Currency realignment	4,805	949	3,865	47	4,986	–	14,652
Depreciation for the year	3,319	1,857	2,908	104	4,797	–	12,985
Disposals	–	–	(2)	–	(64)	–	(66)
At end of year	42,998	8,950	27,844	388	33,827	–	114,007
Depreciation for last year	3,051	1,564	1,783	80	3,560	–	10,038
Net book value:							
At beginning of year	305,846	114,761	12,360	357	16,700	77	450,101
At end of year	355,347	133,088	16,136	373	17,732	2,932	525,608
Net book value based on cost*:							
At beginning of year	305,846	112,982	12,360	357	16,700	77	448,322
At end of year	355,347	131,986	16,136	373	17,732	2,932	524,506

\* These represent the carrying amounts of assets that would have been included in the financial statements had the assets been carried at cost less accumulated depreciation.

The leasehold building at Southpoint Building, Singapore were professionally revalued in 1990. The valuation was performed by an independent professional valuer on an open market and existing use basis.

Other than 100C Pasir Panjang Road, Singapore and 7 Alfred Place, Melbourne, the freehold and leasehold land and buildings are charged by way of mortgages and fixed and floating equitable charges for bank overdrafts and term loan facilities (Notes 17 and 20).

## Notes to Financial Statements

31 March 2004

### 14 Investment Properties

	THE GROUP \$'000
At beginning of year	3,453
Currency realignment	677
At end of year	4,130

As at the end of the financial year, investment properties of the Group are stated at directors' valuation based on open market value for existing use.

The investment property is charged by way of mortgage and fixed and floating equitable charge for a term loan facility (Note 20).

### 15 Properties Under Development

THE GROUP	Land \$'000	Development expenditure \$'000	Interest expense \$'000	Overhead expenditure \$'000	Total \$'000
Cost:					
At beginning of year	24,182	8,254	1,004	1,750	35,190
Currency realignment	4,743	1,619	196	343	6,901
Additions	–	8,698	196	2,223	11,117
	28,925	18,571	1,396	4,316	53,208
Attributable profit	–	–	–	–	4,995
At end of year	28,925	18,571	1,396	4,316	58,203

The average interest rate capitalised is 2.17% (2003: 2.67%) per annum.

### 16 Deferred Income Tax

	THE GROUP	
	2004 \$'000	2003 \$'000
Deferred tax assets	–	(19)
Deferred tax liabilities	1,475	–
	1,475	(19)

## Notes to Financial Statements

31 March 2004

### 16 Deferred Income Tax (cont'd)

The movements for the year in deferred tax position were as follows:

	THE GROUP	
	2004 \$'000	2003 \$'000
Balance at beginning of year	(19)	2,038
Charge (Reversal) to profit and loss (Note 28)	1,410	(2,079)
Currency realignment	84	22
Balance at end of year	1,475	(19)

The following are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the year:

THE GROUP	Accelerated Tax Depreciation \$'000	Others \$'000	Total \$'000
Balance at beginning of year	–	(19)	(19)
Charge to profit and loss	–	1,410	1,410
Currency realignment	–	84	84
Balance at end of year	–	1,475	1,475

### 17 Bank Overdrafts

The bank overdrafts are secured by legal mortgages on certain properties of the subsidiaries.

The interest rate for the bank overdrafts range between 2.11% to 6.88% (2003: 2.42% to 6.45%).

### 18 Trade Payables

	THE GROUP		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Outside parties	6,044	2,983	–	–

Trade payables include foreign currencies of \$5,246,000 (2003: \$2,357,000) denominated in Australian dollars.

## Notes to Financial Statements

31 March 2004

### 19 Other Payables

	THE GROUP		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Related parties (Note 4)	183	13	56	9
Accrued loan interest payable	430	179	–	–
Accrued liabilities	16,392	9,664	187	190
Other payables	3,807	4,951	18	37
	20,812	14,807	261	236

Other payables include foreign currencies of \$3,306,000 (2003: \$4,356,000) denominated in Australian dollars.

### 20 Long-term Loans

	THE GROUP		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Bank loans - Non-current	248,452	253,093	–	–
Non-current portion is payable as follows:				
Between 1 and 2 years	209,354	134,685	–	–
Between 2 and 5 years	39,098	118,408	–	–
	248,452	253,093	–	–

The term loans as at 31 March 2004 comprise:

- (a) \$122,893,000 (A\$96,500,000) [2003: \$134,685,000 (A\$126,500,000)] and \$39,098,000 (NZ\$35,200,000) [2003: \$46,123,000 (NZ\$47,200,000)] term loans secured by legal mortgages on certain properties of subsidiaries. The A\$ loan was drawn down in June 2001 and the loan amount is repayable in full at the end of 5 years. During the financial year, the Group repaid A\$30,000,000 (2003: \$nil) to the lender. The NZ\$ loan was drawn down in March 2002 and the loan amount is repayable in full at the end of 4 years. During the financial year, the Group repaid NZ\$12,000,000 (2003: NZ\$10,300,000) to the lender. Interests are pegged to market rates ranging from 5.15% to 6.73% (2003: 4.77% to 6.76%) per annum.
- (b) \$86,461,000 (2003: \$72,285,000) A\$ term loan secured by legal mortgages on certain properties. The loan was drawn down in July 2000 and the loan amount is repayable in full at the end of the 5 years term. During the financial year, the Group repaid \$nil (2003: A\$40,000,000) to the lender. Interest is pegged to market rates ranging from 6.13% to 6.88% (2003: 5.70% to 6.45%) per annum.

## Notes to Financial Statements

31 March 2004

### 21 Issued Capital

	THE GROUP & THE COMPANY			
	Number of ordinary shares of \$0.10 each		\$'000	
	2004	2003	2004	2003
Authorised	2,000,000,000	2,000,000,000	200,000	200,000
Issued and fully paid:				
At beginning of year	872,278,482	872,033,182	87,228	87,203
Exercise of warrants	–	245,300	–	25
At end of year	872,278,482	872,278,482	87,228	87,228

#### Options

At the end of the financial year, there are share options granted to certain employees under the Stamford Land Corporation Ltd Share Option Plan to take up unissued shares totalling 4,908,000 (2003: 5,174,000) ordinary shares of \$0.10 each in the Company.

The Hai Sun Hup Group Ltd Employees' Share Option Scheme ("Existing Scheme") was terminated and replaced by the Stamford Land Corporation Ltd Share Option Plan ("Share Option Plan") at the Company's Extraordinary General Meeting held on 30 August 2002. The termination of the Existing Scheme and the adoption of the Share Option Plan will not affect the rights of the holders of the outstanding Existing Options granted under the Existing Scheme. Such Existing Options will, to the extent unexercised, continue to be exercisable in accordance with the Regulations of the Existing Scheme.

#### Information pertaining to outstanding options

Under the Share Option Plan, share options granted, exercised and lapsed during the financial year and outstanding as at 31 March 2004 were as follows:

Date of grant	Number of share options			Offer price per share	Expiry date
	Balance at 1 April 2003	Granted	Lapsed	Balance at 31 March 2004	
20 July 1999	234,000	–	(234,000)	–	19 June 2003
17 August 2000	3,940,000	–	(32,000)	3,908,000	16 July 2004
27 September 2002	1,000,000	–	–	1,000,000	26 September 2012
	5,174,000	–	(266,000)	4,908,000	

## Notes to Financial Statements

31 March 2004

### 21 Issued Capital (cont'd)

Under the Share Option Plan, the details of share options granted to a director of the Company are as follows:

Name	Options granted during financial year under review	Aggregate options granted since commencement of scheme	Aggregate options exercised since commencement of scheme	Aggregate options lapsed since commencement of scheme	Aggregate options outstanding as at end of financial year
Ow Cheo Guan	–	5,450,000	1,250,000	2,200,000	2,000,000

1,000,000 options were granted at the offer price of \$0.25, which expire on 16 July 2004 and 1,000,000 options were granted at the offer price of \$0.18, which expire on 26 September 2012.

Each share option entitles the director or employee of the Company to subscribe for one new ordinary share of 10 cents each in the Company. The options are granted in consideration of \$1 for each offer accepted. The employees to whom the options have been granted do not have the right to participate by virtue of the options in a share issue of any other company in the Group. Other than disclosed above, there were no other participants to the Share Option Plan who are controlling shareholders of the Company and its associates and/or who receive 5% or more of the total number of options available under the Share Option Plan. Options granted are cancelled when the option holder ceases to be in full-time employment of the Company or any corporation in the Group subject to certain exceptions at the discretion of the Company.

The options may be exercised after one year except under certain circumstances. The shares under option may be exercised in full or in 1,000 shares or a multiple thereof on the payment of the subscription price. The subscription price is determined at market price or based on the average of the last dealt price of the shares for the three market days preceding the day of offer of share options under the Share Option Plan. The Remuneration Committee which is responsible for the administration of the share option plan may, at its discretion, fix the subscription price at a discount up to 20% of market price but not lower than the par value of the shares.

### 22 Revenue

	THE GROUP	
	2004 \$'000	2003 \$'000
Sale of goods	146,744	107,031
Rendering of services	118,856	92,622
Income from investment properties	–	7,010
Dividend income from investments (gross):		
Other investments – quoted	122	31
Total	265,722	206,694

## Notes to Financial Statements

31 March 2004

### 23 Staff Costs

	THE GROUP	
	2004 \$'000	2003 \$'000
Staff costs	85,717	72,387
Costs of defined contribution plans included in staff costs	5,425	4,542

The number of employees including executive directors as at the end of the financial year is as follows:

	THE GROUP	
	2004	2003
Full time	1,042	1,081
Part time	988	997
	2,030	2,078

### 24 Interest And Other Income

	THE GROUP	
	2004 \$'000	2003 \$'000
Amortisation of discount on bonds	–	164
Interest income from non-related companies	4,414	3,742
Interest income from related parties (Note 4)	–	64
	4,414	3,970

### 25 Finance Cost

	THE GROUP	
	2004 \$'000	2003 \$'000
Amortisation of discount on bonds	–	1,490
Interest expense to non-related companies	15,234	16,954
	15,234	18,444

## Notes to Financial Statements

31 March 2004

### 26 Exceptional Items

	THE GROUP	
	2004	2003
	\$'000	\$'000
Loss on settlement of claim	(6,144)	–
Gain on disposal of an investment property	–	14,978
Gain on disposal of subsidiaries	–	96
	(6,144)	15,074

### 27 Profit Before Income Tax

In addition to the charges and (credits) disclosed elsewhere in the notes to the financial statements, this item includes the following charges and (credits):

	THE GROUP	
	2004	2003
	\$'000	\$'000
Audit fees:		
Auditors of the Company		
- Current	45	63
- Under-provision in prior year	3	7
Other auditors	145	182
Non-audit fees:		
Auditors of the Company	–	–
Other auditors	11	22
Directors' remuneration:		
Directors of the Company	977	919
Other directors	1,110	1,137
Directors' fees:		
Directors of the Company	208	193
Other directors	28	23
Impairment loss on club membership	168	–
Impairment loss on short-term investments	–	150
(Profit) Loss on disposal of property, plant and equipment	(2)	28
Provision for doubtful trade receivables and bad debts written off	3	119
Write-off for stock obsolescence	2	18

## Notes to Financial Statements

31 March 2004

### 28 Income Tax

	THE GROUP	
	2004	2003
	\$'000	\$'000
Current	367	7,134
Deferred	1,410	(2,079)
<b>Total income tax expense</b>	<b>1,777</b>	<b>5,055</b>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 20% (2003: 22%) to profit before income tax as a result of the following differences:

	THE GROUP	
	2004	2003
	\$'000	\$'000
Income tax expense at statutory rate	1,813	4,479
Non-allowable (taxable) items	(1,442)	(4,115)
Utilisation of deferred tax benefits previously not recognised	(1,786)	(864)
Deferred tax benefits arising in current year not recognised	1,964	4,272
Tax exemptions	(21)	(11)
Effect of changes in tax rates	86	–
Effect of different tax rates of overseas operations	1,149	312
Under provision for prior years:		
Current	14	3,061
Deferred	–	(2,079)
<b>Total income tax expense</b>	<b>1,777</b>	<b>5,055</b>

The Group has tax loss carryforwards available for offsetting against future taxable income as follows:

	THE GROUP	
	2004	2003
	\$'000	\$'000
Amount at beginning of year	97,916	67,715
Amount in current year	16,722	28,089
Amount utilised in current year	(8,925)	(2,892)
Currency realignment	18,308	5,004
<b>Amount at end of year</b>	<b>124,021</b>	<b>97,916</b>
<b>Deferred tax benefit on above unrecorded</b>	<b>24,804</b>	<b>21,542</b>

The realisation of future income tax benefits from tax loss carryforwards is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

## Notes to Financial Statements

31 March 2004

### 29 Earnings Per Share

	THE GROUP			
	2004		2003	
	Basic \$'000	Diluted \$'000	Basic \$'000	Diluted \$'000
Profit attributable to shareholders	7,287	7,287	15,282	15,282
	No. of shares ('000)		No. of shares ('000)	
Weighted average number of ordinary shares	872,278	872,278	872,256	872,256
Adjustment for potential dilutive ordinary shares	–	218	–	38
Weighted average number of ordinary shares used to compute earnings per share	872,278	872,496	872,256	872,294
Earnings per share (cents)	0.8	0.8	1.8	1.8

Basic earnings per share is based on the weighted average number of ordinary shares outstanding during each period. The diluted earnings per share is based on the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during each period. The ordinary share equivalents included in these calculations are shares of ordinary share issuable upon assumed exercise of share options which would have a dilutive effect.

### 30 Proposed Dividends

The directors of the Company recommend that a final dividend be paid at 1.5 cents (2003: 1.5 cents) per ordinary share less tax totalling \$10,467,000 (2003: \$10,206,000) for the financial year just ended on ordinary shares of the Company. The proposed dividend is subject to approval by the shareholders at the next Annual General Meeting to be convened and has not been included as a liability in the financial statements.

### 31 Business And Geographical Segmental Information

For management purposes, the Group operates primarily in hotel owning and management, property development, property investment and trading business segments. Others represent investment income from the Group's cash reserves and management fee charged to a related party.

The Group's activities are based in Singapore, Australia and New Zealand.

## Notes to Financial Statements

31 March 2004

### 31 Business And Geographical Segmental Information (cont'd)

#### BUSINESS SEGMENTS

	Hotel Owning & Management \$'000	Property Development \$'000	Property Investment \$'000	Trading \$'000	Eliminations \$'000	Consolidated \$'000
<u>2004</u>						
<b>REVENUE</b>						
External sales	190,743	65,420	779	8,478	–	265,420
Inter-segment sales	–	–	477	71	(548)	–
	<u>190,743</u>	<u>65,420</u>	<u>1,256</u>	<u>8,549</u>	<u>(548)</u>	<u>265,420</u>
Unallocated corporate revenue						302
Total revenue						<u>265,722</u>
<b>RESULTS</b>						
Segment result	23,558	2,181	536	(232)	–	26,043
Unallocated corporate expenses						(2,294)
Profit from operations						23,749
Interest and other income						4,414
Finance cost						(15,234)
Foreign currency exchange adjustment gain						2,279
Exceptional items						(6,144)
Profit before income tax						9,064
Income tax						(1,777)
Profit after income tax						<u>7,287</u>

## Notes to Financial Statements

31 March 2004

### 31 Business And Geographical Segmental Information (cont'd)

	Hotel Owning & Management \$'000	Property Development \$'000	Property Investment \$'000	Trading \$'000	Other \$'000	Consolidated \$'000
<u>2004</u>						
<b>OTHER INFORMATION</b>						
Capital additions	10,635	3	685	11	134	11,468
Depreciation	11,805	10	985	31	154	<u>12,985</u>
<b>ASSETS</b>						
Segment assets	535,567	57,484	40,562	2,276	–	635,889
Unallocated corporate assets						<u>61,494</u>
Total						<u>697,383</u>
<b>LIABILITIES</b>						
Segment liabilities	18,962	6,145	237	619	–	25,963
Unallocated corporate liabilities						<u>259,703</u>
Total						<u>285,666</u>

## Notes to Financial Statements

31 March 2004

### 31 Business And Geographical Segmental Information (cont'd)

	Hotel Owning & Management \$'000	Property Development \$'000	Property Investment \$'000	Trading \$'000	Eliminations \$'000	Consolidated \$'000
<u>2003</u>						
<b>REVENUE</b>						
External sales	153,643	34,786	7,010	11,023	–	206,462
Inter-segment sales	–	–	544	103	(647)	–
	153,643	34,786	7,554	11,126	(647)	206,462
Unallocated corporate revenue						232
Total revenue						<u>206,694</u>
<b>RESULTS</b>						
Segment result	13,898	1,621	3,750	235	–	19,504
Unallocated corporate expenses						(2,697)
Profit from operations						<u>16,807</u>
Interest and other income						3,970
Finance cost						(18,444)
Foreign currency exchange adjustment gain						2,930
Exceptional items						<u>15,074</u>
Profit before income tax						20,337
Income tax						(5,055)
Profit after income tax						<u>15,282</u>

## Notes to Financial Statements

31 March 2004

### 31 Business And Geographical Segmental Information (cont'd)

	Hotel Owning & Management \$'000	Property Development \$'000	Property Investment \$'000	Trading \$'000	Other \$'000	Consolidated \$'000
<u>2003</u>						
<b>OTHER INFORMATION</b>						
Capital additions	5,042	7	3,407	24	557	9,037
Depreciation	9,155	9	794	29	51	<u>10,038</u>
<b>ASSETS</b>						
Segment assets	450,314	59,951	40,852	2,346	–	553,463
Unallocated corporate assets						86,764
Total						<u>640,227</u>
<b>LIABILITIES</b>						
Segment liabilities	11,766	349	4,425	562	–	17,102
Unallocated corporate liabilities						267,785
Total						<u>284,887</u>

#### GEOGRAPHICAL SEGMENTS

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Sales revenue by geographical market	
	2004 \$'000	2003 \$'000
Singapore	9,558	12,138
Australia	235,604	176,119
New Zealand	20,560	18,437
	<u>265,722</u>	<u>206,694</u>

## Notes to Financial Statements

31 March 2004

### 31 Business And Geographical Segmental Information (cont'd)

The following is an analysis of the carrying amount of segment assets and capital additions analysed by the geographical areas in which the assets are located:

	Carrying amount of segment assets		Capital additions	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Singapore	104,356	129,821	145	584
Australia	511,842	436,709	10,779	7,938
New Zealand	81,185	73,697	544	515
Total	697,383	640,227	11,468	9,037

### 32 Contingent Liabilities

The Company issued guarantees and indemnities to banks and corporations amounting to \$223,196,000 (2003: \$178,361,000) for credit facilities granted by banks to its subsidiaries. At 31 March 2004, the subsidiaries have utilised the facilities up to \$223,196,000 (2003: \$178,361,000).

### 33 Capital Expenditure Commitments

	THE GROUP		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	57,673	236	–	–
Authorised but not yet contracted for	134	55,045	–	–

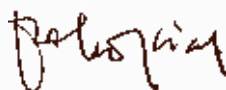
### 34 Comparative Figures

The financial statements for the year ended 31 March 2003 were audited by other auditors (other than Chio Lim & Associates) whose report dated 23 July 2003 expressed an unqualified opinion on those financial statements.

## Statement of Directors

In the opinion of the directors, the financial statements set out on pages 42 to 76 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2004, and of the changes in equity of the Company and of the Group, and of the results and cash flows of the Group for the financial year then ended and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS



Ow Chio Kiat



Ow Cheo Guan

Singapore  
21 May 2004

# Shareholdings Statistics

as at 10 June 2004

## Share Capital

Authorised share capital \$200,000,000

Issued and fully paid up \$87,227,848

**Class of shares** Ordinary shares of \$0.10 each

## Voting right

Every member who is present in person or by proxy shall have one vote on a show of hands. On a poll, every member shall have one vote per share. At any general meeting, voting shall be by show of hands unless before or on the declaration of the result, a poll is demanded in accordance with the Articles of Association.

## Breakdown of Shareholdings by Range

Size Of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 - 999	82	0.75	38,590	0.00
1,000 - 10,000	5,889	53.84	35,554,803	4.08
10,001 - 1,000,000	4,938	45.14	229,240,264	26.28
1,000,001 and above	30	0.27	607,444,825	69.64
<b>TOTAL</b>	<b>10,939</b>	<b>100.00</b>	<b>872,278,482</b>	<b>100.00</b>

## Shareholdings Statistics

as at 10 June 2004

### Twenty Largest Shareholders

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital
1	OW CHIO KIAT	278,211,000	31.89
2	UNITED OVERSEAS BANK NOMINEES PTE LTD	84,795,000	9.72
3	DBS NOMINEES PTE LTD	74,300,500	8.52
4	MITSUMI O S K LINES LTD	36,260,000	4.16
5	OVERSEA-CHINESE BANK NOMINEES PTE LTD	30,563,500	3.50
6	TAN GIM TEE HOLDINGS PTE LTD	26,400,000	3.03
7	HAI SUN HUP GROUP PTE LTD	12,400,000	1.42
8	CITIBANK NOMINEES SINGAPORE PTE LTD	7,856,000	0.90
9	AW CHEOK HUAT	5,500,500	0.63
10	DAIICHI CHUO KISEN KAISHA	5,000,000	0.57
11	KIM ENG SECURITIES PTE LTD	4,677,000	0.54
12	OCBC SECURITIES PRIVATE LTD	4,636,000	0.53
13	RAFFLES NOMINEES PTE LTD	3,872,000	0.44
14	TEO CHENG TUAN DONALD	3,441,000	0.40
15	PHILLIP SECURITIES PTE LTD	3,306,000	0.38
16	OW CHEO GUAN	2,730,000	0.31
17	G K GOH STOCKBROKERS PTE LTD	2,479,599	0.28
18	LONG WIND COLDSTORAGE PTE LTD	2,202,000	0.25
19	CHU SIEW HOONG CHRISTOPHER	2,137,000	0.25
20	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	2,108,500	0.24
<b>TOTAL</b>		<b>592,875,599</b>	<b>67.96</b>

### SUBSTANTIAL SHAREHOLDER

Name	Direct Interest		Deemed Interest	
	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital
Ow Chio Kiat	278,211,000	31.89	12,930,000*	1.48

\* Mr Ow Chio Kiat is deemed to have an interest in the shares owned by his spouse, Madam Lim Siew Feng, and the shares owned by Hai Sun Hup Group Pte Ltd ("HSHGPL"), Maritime Properties Pte Ltd ("MPPL") and Cougar Express Logistics Pte Ltd ("CEL") by virtue of his holding not less than 20% of the voting shares in HSHGPL, MPPL and CEL respectively.

### SHAREHOLDINGS IN THE HANDS OF THE PUBLIC AS AT 10 JUNE 2004

Based on the information provided to the best of the knowledge of the directors, substantial shareholder and controlling shareholder of the Company and its subsidiaries, approximately 63.19% of the issued share capital of the Company is held by the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited which required that at least 10% of the equity securities (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public, has been complied with.

# Notice of Annual General Meeting and Books Closure

To: All Shareholders

NOTICE IS HEREBY GIVEN that the Twenty-sixth Annual General Meeting of Stamford Land Corporation Ltd (the "Company") will be held at Connections 3 & 4, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on Friday, 30 July 2004 at 2.30 p.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2004 and the Directors' Report and Auditors' Report thereon.
2. To declare a First and Final Dividend of 1.5 cents per ordinary share less income tax for the financial year ended 31 March 2004.
3. To approve the payment of Directors' Fees (\$\$190,000) for the financial year ended 31 March 2004.
4. (a) To re-elect Mr Ow Cheo Guan, the Director retiring pursuant to Article 91 of the Articles of Association of the Company;  
  
(b) To re-elect Mr Wong Hung Khim, the Director retiring pursuant to Article 91 of the Articles of Association of the Company
5. To re-appoint Messrs Chio Lim & Associates as auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

## SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

- 6.1 That pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of the SGX-ST, approval be and is hereby given to the Directors to issue shares in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that:-
  - (i) the aggregate number of shares to be issued pursuant to this Resolution does not exceed fifty per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro rata basis to the existing shareholders of the Company does not exceed twenty per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

## Notice of Annual General Meeting and Books Closure

(ii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued share capital shall be calculated based on the issued share capital at the time this Resolution is passed after adjusting for:

(a) new shares arising from the conversion of convertible securities or employee share options on issue when this Resolution is passed; and

(b) any subsequent consolidation or subdivision of shares.

(iii) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

**Note:** This resolution, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total fifty per cent (50%) of the issued share capital of the Company of which the aggregate number of shares to be issued other than on a pro rata basis to the existing shareholders of the Company does not exceed twenty per cent (20%) for the time being and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next annual general meeting. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for (a) new shares arising from the conversion of convertible securities or employee share options on issue when this Resolution is passed; and (b) any subsequent consolidation or subdivision of shares.

6.2 That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the Stamford Land Corporation Ltd Share Option Plan (the "Plan") and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the options under the Plan, provided always that the aggregate number of shares to be issued pursuant to the Plan and the Performance Share Plan (as defined in Resolution 6.3) shall not exceed fifteen per cent of the total issued share capital of the Company from time to time.

**Note:** This resolution, if passed, will empower the Directors to issue share capital of the Company for the time being pursuant to the Plan.

6.3 That the Directors of the Company be and are hereby authorised to grant awards ('Awards') of fully paid-up shares in accordance with the provisions of the Stamford Land Corporation Ltd Performance Share Plan ("Performance Share Plan") and to allot and issue from time to time such number of fully paid-up shares as may be required to be issued pursuant to the vesting of Awards under the Performance Share Plan, provided that the aggregate number of shares to be issued pursuant to the Plan and the Performance Share Plan shall not exceed 15 per cent of the total issued share capital of the Company from time to time.

## Notice of Annual General Meeting and Books Closure

### ANY OTHER BUSINESS

7. To transact any other business that may be transacted at an Annual General Meeting of the Company.

**NOTICE IS ALSO HEREBY GIVEN** that the Share Transfer Books, Register of Members will be closed from 7 August 2004 to 10 August 2004, both dates inclusive, for the preparation of dividend warrants. Duly completed transfers received by the Company's Registrars, M & C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to the close of business at 5:00 p.m. on 6 August 2004 will be registered to determine the shareholders' entitlements to the proposed dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to such holders of shares in accordance with its practice.

The proposed dividend if approved by the members at the Annual General Meeting to be held on 30 July 2004 will be paid on 20 August 2004.

BY ORDER OF THE BOARD



DEREK GOH YONG SIAN  
Company Secretary

Singapore  
8 July 2004

### NOTES:

A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.

The instrument appointing a proxy must be deposited at the registered office of the Company at 200 Cantonment Road, #09-01 Southpoint, Singapore 089763 not less than 48 hours before the time appointed for holding the Meeting.

# Proxy Form

## STAMFORD LAND CORPORATION LTD

(Incorporated in the Republic of Singapore)

### IMPORTANT:

1. For investors who have used their CPF monies to buy Stamford Land Corporation Ltd shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/members of the abovementioned Company, hereby appoint Mr/Mrs/Ms

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

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as my/our proxy/proxies, to vote for me/us and on my/our behalf at the Twenty-sixth Annual General Meeting of the Company to be held at Connections 3 & 4, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on Friday, 30 July 2004 at 2.30 p.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they think fit, as he/they will on any other matter arising at the Annual General Meeting.)

Resolution Number	Ordinary Resolutions	For	Against
1	Adoption of Directors' Report and Audited Financial Statements		
2	Declaration of Dividend		
3	Approval of Directors' Fees (\$\$190,000)		
4(a)	Re-election of Mr Ow Cheo Guan as Director retiring pursuant to Article 91 of the Company's Articles of Association		
4(b)	Re-election of Mr Wong Hung Khim as Director retiring pursuant to Article 91 of the Company's Articles of Association		
5	Re-appointment of Auditors		
6.1	Authority for Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of the SGX-ST		
6.2	Authority for Directors to issue shares relating to the Share Option Plan		
6.3	Authority for Directors to grant Awards and the allotment of fully paid-up shares upon the vesting of such Awards under the Performance Share Plan		
7	Any other business		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2004.

\_\_\_\_\_  
Signature(s) or Common Seal of Member(s)

\_\_\_\_\_  
Total Number of Ordinary Shares held

Important: Please Read Notes Overleaf

## Proxy Form

### NOTES

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. To be effective, the instrument appointing a proxy or proxies must be completed and deposited at the registered office of the Company at 200 Cantonment Road, #09-01 Southpoint, Singapore 089763 not less than 48 hours before the time appointed for the Annual General Meeting.
5. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

### GENERAL

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged, if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.





**STAMFORD**  
LAND CORPORATION LTD

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for Excellence" • Travel + Leisure Best Business Hotels 2003 • The World's Best Hotels Voted Best in Auckland 2003