

# STAMFORD LAND CORPORATION LTD

Company Registration No. 197701615H

## Unaudited Second Quarter Financial Statement and Dividend Announcement

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

Unaudited financial statements for the six months ended 30 September 2010.

Group Income Statement for the Period Ended 30 September		2010	2009	% increase/ (decrease)
		S\$'000	S\$'000	
1	<b>Revenue</b>	110,695	111,035	(0.3)
	<u>Other Items of Income</u>			
	Interest Income	1,913	734	160.6
	Dividend Income	63	101	(37.6)
2	<b>Other Credits</b>	49,942	2,103	2274.8
	<u>Other Items of Expense</u>			
	Cost of Development Properties Sold	(1,718)	(13,020)	(86.8)
	Raw Materials and Consumables Used	(10,339)	(9,645)	7.2
	Staff Costs	(44,520)	(41,017)	8.5
	Depreciation Expense	(6,671)	(6,238)	6.9
	Other Expenses	(30,586)	(26,010)	17.6
4	<b>Finance Costs</b>	(11,843)	(6,251)	89.5
3	<b>Other Charges</b>	(6)	-	NM
	<b>Profit Before Tax</b>	56,930	11,792	382.8
5	<b>Deferred Tax Expense</b>	(11,987)	(1,467)	717.1
	<b>Income Tax Expense</b>	(614)	(11)	5481.8
	<b>Profit Attributable to Shareholders</b>	44,329	10,314	329.8

NM - Not meaningful

### Notes

1 Please refer to explanation in item no. 8.

2 Other Credits comprise:

Foreign exchange gains	2,449	640
Gains on disposal of investments held-for-trading	44	649
Gains on fair value of investments held-for-trading	169	814
Gains on disposal of assets classified as held for sale	15	-
Gains on fair value of investment properties	47,265	-
	49,942	2,103

3 Other Charges comprise:

Allowance for impairment on trade receivables	(5)	-
Inventories written off	(1)	-
	(6)	-

4 Finance costs included \$2.2 million of interest expense incurred on Dynons Plaza's loans since completion on 15 April 2010.

5 Deferred tax expense included \$11.5 million of deferred tax liability on gains on fair value of investment properties.

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

	Sep 2010	Sep 2009	% increase/ (decrease)
	S\$'000	S\$'000	
Profit for the period	44,329	10,314	329.8
Gains on fair value of available-for-sale investments	68	166	(59.0)
Exchange differences on consolidation of foreign subsidiaries	(5,667)	57,835	(109.8)
Tax effect on other comprehensive income	-	-	-
<b>Total Comprehensive Income, net of income tax, Attributable to Shareholders</b>	38,730	68,315	(43.3)

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

	GROUP		COMPANY	
	Sep 2010	Mar 2010	Sep 2010	Mar 2010
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	471,137	473,288	-	-
2 Investment properties	172,667	14,635	-	-
2 Properties under development	-	103,547	-	-
Investments in subsidiaries	-	-	373,957	373,957
Available-for-sale investments	450	382	450	382
Deferred tax assets	3,311	3,800	253	253
	647,565	595,652	374,660	374,592
<b>Current assets</b>				
Amounts due from subsidiaries	-	-	29	27
Properties under development for sale	136,071	99,698	-	-
Completed properties for sale	101,743	105,815	-	-
Inventories	2,130	2,123	-	-
Trade and other receivables	18,341	17,175	114	32
Other assets	3,403	2,681	-	-
Investments held-for-trading	4,524	4,926	-	-
3 Cash and cash equivalents	70,958	28,383	39,009	375
	337,170	260,801	39,152	434
Assets classified as held for sale	-	22,755	-	-
	337,170	283,556	39,152	434
<b>Total assets</b>	<b>984,735</b>	<b>879,208</b>	<b>413,812</b>	<b>375,026</b>
<b>Non-current liabilities</b>				
3 Long-term bank borrowings	(450,530)	(373,832)	-	-
Amounts due to subsidiaries	-	-	(164,812)	(105,353)
4 Deferred tax liabilities	(11,990)	-	(8,458)	(8,458)
	(462,520)	(373,832)	(173,270)	(113,811)
<b>Current liabilities</b>				
Income tax payable	(2,357)	(1,758)	(1,627)	(1,627)
5 Current portion of long-term bank borrowings	(30,102)	(31,709)	-	-
Amounts due to subsidiaries	-	-	(6,791)	(6,829)
Trade and other payables	(29,711)	(31,650)	(1,559)	(1,640)
Short-term bank borrowings	-	(1,667)	-	-
	(62,170)	(66,784)	(9,977)	(10,096)
<b>Total liabilities</b>	<b>(524,690)</b>	<b>(440,616)</b>	<b>(183,247)</b>	<b>(123,907)</b>
<b>Net assets</b>	<b>460,045</b>	<b>438,592</b>	<b>230,565</b>	<b>251,119</b>
<b>Equity</b>				
Share capital	144,556	144,556	144,556	144,556
Retained earnings	273,303	246,251	85,614	106,236
Other reserves	42,186	47,785	395	327
<b>Total equity</b>	<b>460,045</b>	<b>438,592</b>	<b>230,565</b>	<b>251,119</b>

**Notes**

- 1 In the balance sheets, closing rates were used to translate the Australian dollar and New Zealand dollar at S\$1.2744 (Mar 2010: S\$1.2825) and S\$0.9715 (Mar 2010: S\$0.9936) respectively.
- 2 Dynons Plaza was completed on 15 April 2010 and the development costs of the property was transferred to investment properties upon completion. The properties are revalued based on directors' valuation.
- 3 During the period, a new 3-year term loan of A\$33 million secured on a hotel property was drawn down for working capital purpose. This resulted in an increase in cash and cash equivalents.
- 4 Deferred tax liability is provided on gains on fair value of investment properties.
- 5 This current liability comprises NZ\$28.8 million repayable from apartment sales proceeds and A\$1.65 million repayable within six months.

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

**Amount repayable in one year or less, or on demand**

As at 30/9/2010		As at 31/3/2010	
Secured	Unsecured	Secured	Unsecured
\$ 30,102,000	-	\$ 33,376,000	-

**Amount repayable after one year**

As at 30/9/2010		As at 31/3/2010	
Secured	Unsecured	Secured	Unsecured
\$ 450,530,000	-	\$ 373,832,000	-

## Details of any collateral

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

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

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

	Sep 2010 S\$'000	Sep 2009 S\$'000
<b>Cash flows from operating activities:</b>		
Profit for the period	44,329	10,314
Adjustments for:		
Deferred tax expense	11,987	1,467
Income tax expense	614	11
Depreciation expense	6,671	6,238
Dividend income	(63)	(101)
Foreign exchange gains	(2,449)	(640)
Gains on fair value of investment properties	(47,265)	-
Finance costs	11,843	6,394
Interest income	(1,913)	(734)
Gains on disposal of assets held for sale	(15)	-
Operating profit before working capital changes	23,739	22,949
Properties under development for sale	(37,002)	(12,241)
Completed properties for sale	4,072	12,424
Inventories	7	(286)
Investments held-for-trading	402	2,131
Trade and other receivables	(1,539)	(4,965)
Trade and other payables	(2,416)	94
Cash generated from operations	(12,737)	20,106
Income taxes paid	(40)	(99)
Net cash (used in)/from operating activities	(12,777)	20,007
<b>Cash flows from/(used in) investing activities:</b>		
Purchase of property, plant and equipment	(8,828)	(3,645)
Additions to properties under development	(6,076)	(34,819)
Disposal of assets held for sale	22,770	-
Interest received	1,631	756
Dividends received	63	101
Net cash from/(used in) investing activities	9,560	(37,607)
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings	75,921	22,410
Finance costs paid	(11,295)	(6,314)
Dividends paid	(17,277)	(8,638)
Net cash from financing activities	47,349	7,458
Net increase/(decrease) in cash and cash equivalents	44,132	(10,142)
Cash and cash equivalents at beginning of the period	26,716	24,177
Effect of foreign exchange rates adjustment	110	1,071
<b>Cash and cash equivalents at end of the period</b>	<b>70,958</b>	<b>15,106</b>

## Notes

Cash and cash equivalents comprise the following:

	Sep 2010 S\$'000	Sep 2009 S\$'000
Bank and cash	70,958	16,789
Short-term bank borrowings	-	(1,683)
	70,958	15,106

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

<b>THE GROUP</b>	<b>Share capital</b>	<b>Fair value adjustment reserve</b>	<b>Foreign currency translation reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Previous Year:</b>					
<b>Opening Balance at 31 Mar 2009</b>	144,556	200	(16,745)	230,388	358,399
Total comprehensive income for the period	-	166	57,835	10,314	68,315
<b>Distribution to Owners</b>					
Dividends	-	-	-	(8,638)	(8,638)
<b>Closing Balance at 30 Sep 2009</b>	<u>144,556</u>	<u>366</u>	<u>41,090</u>	<u>232,064</u>	<u>418,076</u>
<b>Current Year:</b>					
<b>Opening Balance at 31 Mar 2010</b>	144,556	327	47,458	246,251	438,592
Total comprehensive income for the period	-	68	(5,667)	44,329	38,730
<b>Distribution to Owners</b>					
Dividends	-	-	-	(17,277)	(17,277)
<b>Closing Balance at 30 Sep 2010</b>	<u>144,556</u>	<u>395</u>	<u>41,791</u>	<u>273,303</u>	<u>460,045</u>

<b>THE COMPANY</b>	<b>Share capital</b>	<b>Fair value adjustment reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Previous Year:</b>				
<b>Opening Balance at 31 Mar 2009</b>	144,556	200	57,234	201,990
Total comprehensive income for the period	-	166	31,433	31,599
<b>Distribution to Owners</b>				
Dividends	-	-	(8,638)	(8,638)
<b>Closing Balance at 30 Sep 2009</b>	<u>144,556</u>	<u>366</u>	<u>80,029</u>	<u>224,951</u>
<b>Current Year:</b>				
<b>Opening Balance at 31 Mar 2010</b>	144,556	327	106,236	251,119
Total comprehensive income for the period	-	68	(3,345)	(3,277)
<b>Distribution to Owners</b>				
Dividends	-	-	(17,277)	(17,277)
<b>Closing Balance at 30 Sep 2010</b>	<u>144,556</u>	<u>395</u>	<u>85,614</u>	<u>230,565</u>

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issues of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There have been no changes in the issued share capital of the Company since 31 March 2010.

There were no outstanding share options as at 30 September 2010 and 30 September 2009.

**1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	As at 30 September 2010	As at 31 March 2010
Total number of issued shares (excluding treasury shares)	863,833,482	863,833,482

There were no shares held as treasury shares as at 30 September 2010 and 31 March 2010.

**(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

**2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by auditors.

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

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2010, except for recognition of fair value gains on investment properties and the adoption of certain revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that became mandatory from 1 April 2009.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

FRS 40 permits entities to choose either a fair value model or a cost model for Investment Property. The Group's investment properties were previously recognised at cost model, i.e. cost less any accumulated depreciation and any accumulated impairment losses. A change from cost model to fair value model was made during the period as the change results in a more appropriate presentation. The gains on fair value of investment properties as determined by directors is approximately \$47.3 million.

FRS 103 (revised 2009) and FRS 27 (amended) will become effective for the Group's financial statements for the year ending 31 March 2011. FRS 103 (revised 2009) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. The amendments will mainly impact the accounting for transaction costs, step acquisitions, goodwill and non-controlling interests (NCI)(previously minority interests). The revised FRS 103 will be applied prospectively and therefore there will be no impact on prior periods in the Group's financial statements for the year ending 31 March 2011.

The amended FRS 27 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in the profit or loss. The amendments will be applied prospectively to transactions with NCI and therefore there will be no impact on prior periods in the Group's financial statements for the year ending 31 March 2011.

**6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings per ordinary share:-

- (i) Based on the weighted average number of ordinary shares in issue; and
- (ii) On a fully diluted basis

Sep 2010	Sep 2009
5.13 cents	1.19 cent
5.13 cents	1.19 cent

**Note to item (i)**

Group basic earnings per ordinary share is calculated by dividing Group net profit attributable to members by the weighted average number of ordinary shares in issue during the period of 863,833,482 shares (Sep 2009: 863,833,482 shares).

**Note to item (ii)**

Group fully diluted earnings per ordinary share is the same as Group basic earnings per ordinary share because there is no potential dilutive shares as at 30 September 2010 and 30 September 2009.

- 7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	GROUP		COMPANY	
	Sep 2010	Mar 2010	Sep 2010	Mar 2010
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	\$ 0.53	\$ 0.51	\$ 0.27	\$ 0.29

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow working capital, assets or liabilities of the group during the current financial period reported on**

#### REVENUE

	6 months ended			
	Sep 2010	Sep 2009	Change	%
	S\$'000	S\$'000	S\$'000	
Hotel Owning & Management	101,825	92,487	9,338	10.1
Property Development & Investment	6,775	16,898	(10,123)	(59.9)
Trading	2,030	1,592	438	27.5
	110,630	110,977	(347)	(0.3)
Unallocated corporate revenue	65	58	7	12.1
	110,695	111,035	(340)	(0.3)

The hotel segment reported an increase in revenue due to higher occupancy rates and the translation of revenue denominated in Australian dollar and New Zealand dollar into Singapore dollar at higher exchange rates. For the six months' results, the Australian dollar and New Zealand dollar were translated at an average rate of S\$1.2265 (Sep 2009: S\$1.175) and S\$0.9703 (Sep 2009: S\$0.9414) respectively.

The property and development segment reported lower revenue due to completed sales of 3 apartments at The Stamford Residences Auckland during the period under review compared to sales of 23 residential apartments in the previous corresponding period.

The trading segment reported higher revenue due to higher contribution from the Group's travel and interior decoration companies resulting from the recovery in the Singapore economy.

#### OPERATING PROFIT

	6 months ended			
	Sep 2010	Sep 2009	Change	%
	S\$'000	S\$'000	S\$'000	
Hotel Owning & Management	15,822	15,894	(72)	(0.5)
Property Development & Investment	2,085	495	1,590	321.2
Trading	353	100	253	253.0
	18,260	16,489	1,771	10.7
Unallocated corporate expenses	(1,399)	(1,384)	(15)	1.1
	16,861	15,105	1,756	11.6

For the previous corresponding period ended Sep 2009, the hotel owning and management segment included a one-off land lease rebate of \$1.8 million relating to Stamford Plaza Brisbane. Excluding this land lease rebate, the segment profit actually increased by 12%, as compared to the previous corresponding period.

Rental income from Dynons Plaza amounting to \$2.5 million started accruing from July 2010 after the end of the rent-free incentive period. However, interest of approximately \$2.2 million due to this property was expensed off during the six months.

The trading segment reported higher profit due to higher contribution from the Group's travel and interior decoration companies resulting from the recovery in the Singapore economy.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

**10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The hotel segment expects strengthening demand, primarily from the corporate segment. We will continue to focus on cost controls and marketing/sales activities to improve the performance of the hotels. Barring unforeseen circumstances, we expect 2nd half year results to be better than the 1st half.

Despite the slower than anticipated sales of The Stamford Residences (TSR) Auckland, the property development and investment segment is expected to improve. This is due to rental contributions from the leasing-out of most of TSR Auckland's unsold apartments, and the commencement of lease income for the Dynons Plaza, Perth.

The construction of The Stamford Residences & Reynell Terraces in Sydney are progressing as scheduled and will contribute significantly to the Group's profits when completed in financial year ending 2012.

**11 Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

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

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

Segmental revenue and results for business segments

Sep 2010	Hotel Owning & Management	Property Development & Investment	Trading	Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>REVENUE</b>					
External sales	101,825	6,775	2,030	-	110,630
Inter-segment sales	-	91	18	(109)	-
	101,825	6,866	2,048	(109)	110,630
Unallocated corporate revenue					65
Total revenue					110,695
<b>RESULTS</b>					
Segment results	15,822	2,085	353	-	18,260
Unallocated corporate expenses					(1,399)
Profit from operations					16,861
Interest income					1,913
Dividend income					63
Finance costs					(11,843)
Other credits					49,936
Profit before tax					56,930
Deferred tax expense					(11,987)
Income tax expense					(614)
Profit after tax					44,329

Sep 2009	Hotel Owning & Management	Property Development & Investment	Trading	Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>REVENUE</b>					
External sales	92,487	16,898	1,592	-	110,977
Inter-segment sales	-	199	6	(205)	-
	92,487	17,097	1,598	(205)	110,977
Unallocated corporate revenue					58
Total revenue					111,035
<b>RESULTS</b>					
Segment results	15,894	495	100	-	16,489
Unallocated corporate expenses					(1,384)
Profit from operations					15,105
Interest income					734
Dividend income					101
Finance costs					(6,251)
Other credits					2,103
Profit before tax					11,792
Deferred tax expense					(1,467)
Income tax expense					(11)
Profit after tax					10,314

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

Please refer to explanation in item no. 8.



**15 Negative Assurance Confirmation by the Board Pursuant to Rule 705(4) of the Listing Manual**

We, Ow Chio Kiat and Ow Cheo Guan, being two directors of Stamford Land Corporation Ltd ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited second quarter financial results for the period ended 30 September 2010 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat  
Executive Chairman

Ow Cheo Guan  
Executive Deputy Chairman

**BY ORDER OF THE BOARD**

Teo Lay Eng  
Company Secretary  
12 November 2010