
RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) - FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010 (“1QFY2011 Results”)

The Board of Directors of Stamford Land Corporation Ltd (the “Company”) wishes to provide the following information in response to the SGX-ST’s queries on 30 July 2010, with regards to the Company’s 1QFY2011 Results.

Question 1

We note that under para 5 of the results announcement, the company has decided to change the valuation of investment properties, using the fair value model instead of the cost model. This has actually resulted in a significant gain of fair value of \$47.7mil; please disclose the rationale, assumptions and basis for adopting this change.

Company’s Response:

On 20 Apr 2010, the Company announced the practical completion of Dynons Plaza, Perth (“Dynons”) and the commencement of an Expressions of Interest (“EOI”) campaign to market Dynons to Australian and international investors. The decision to move towards the fair value model is attributable to the results of the EOI campaign, which provided reliable indicators as to the current fair market value for Dynons.

The fair value gain of \$47.7million attributable to Dynons is derived, inter alia, on the range of indicative market offers (in excess of A\$130 million) received during the EOI campaign. Several of such offers received are subject to confidentiality restrictions. For the purposes of the 1QFY2011 Results, the directors determined that the conservative fair value of Dynons as A\$130 million (“Valuation Report”).

Financial Reporting Standard 40 defines fair value as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction. Based on indicative offers received during the period, the Company decided to change from cost model to fair value model as the change results in a more appropriate presentation.

Question 2

Appendix 7.1, para 8(q) of SGX Listing rules require that a valuation of the real assets of the group that has a significant impact on the group’s financial position be disclosed and a copy of the valuation report be made available for inspection. As the above re-valuation of investments properties is significant, kindly clarify if the above has been complied with.

Company’s Response:

Yes. A copy of the Valuation Report is available for inspection at the Company’s registered office, c/o 200 Cantonment Road #09-01 Southpoint, Singapore 089763 for a period of 3 months from 2 August 2010.

Question 3

We note that under para 8 of the results announcement, the property and development segment reported lower revenue as there were no apartment sales in Q1. Kindly disclose the percentage of sales made for The Stamford Residences to date.

Company's Response:

The Group's accounting policy is to recognise revenue on completed residential properties on settlement basis. There are a total of 149 apartments in The Stamford Residences of which 45 apartments were sold and settled. As at 30 June 2010, 6 apartments were sold and settlement is not completed yet. The Group will recognise the revenue and profits in the period when settlement is completed. The percentage of sales (by number of units) made for The Stamford Residences to-date is 34.2%.

BY ORDER OF THE BOARD

TEO LAY ENG
COMPANY SECRETARY
2 AUGUST 2010