

# 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 2013.

Group Income Statement for the Period Ended 30 September		2013	2012	% increase/ (decrease)
		S\$'000	S\$'000	
	<b>Revenue</b>	132,987	124,947	6.4
	<u>Other Items of Income</u>			
5	Interest Income	775	693	11.8
	Dividend Income	129	48	168.8
3	Other Credits	4	109	(96.3)
	<u>Other Items of Expense</u>			
6	Cost of Development Properties Sold	(17,303)	(4,294)	303.0
	Raw Materials and Consumables Used	(10,089)	(10,951)	(7.9)
	Staff Costs	(45,118)	(48,110)	(6.2)
	Depreciation Expense	(7,462)	(8,101)	(7.9)
	Other Expenses	(33,085)	(32,864)	0.7
7	Finance Costs	(7,679)	(9,976)	(23.0)
4	Other Charges	(879)	(16)	nm
2	<b>Profit Before Tax</b>	12,280	11,485	6.9
	Income Tax Expense	(3,002)	(2,094)	43.4
	<b>Profit Attributable to Shareholders</b>	9,278	9,391	(1.2)

nm: Not meaningful

### Notes

- 1 For the income statement, the Australian dollar and New Zealand dollar were translated at average rates as prescribed below:

	Sep 2013	Sep 2012
A\$	S\$1.1861	S\$1.2852
NZ\$	S\$1.0175	S\$1.0050

- 2 Profit before tax increased by 6.9% as a result of higher contributions from the property development segment.

- 3 Other Credits comprise:

	Sep 2013	Sep 2012
	S\$'000	S\$'000
Foreign exchange gains	-	59
Gains on disposal of property, plant and equipment	4	-
Gains on fair value of investments held-for-trading	-	50
	4	109

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

**4 Other Charges comprise:**

	<b>Sep 2013</b>	<b>Sep 2012</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Foreign exchange losses	(494)	-
Losses on fair value of investments held-for-trading	(385)	-
Inventories written off	-	(16)
	<b>(879)</b>	<b>(16)</b>

**5** Interest income was higher due to higher bank deposits.

**6** Cost of development properties sold comprised cost allocated to 17 apartments at The Stamford Residences Auckland ("TSRA"), 1 commercial unit and 1 apartment at The Stamford Residences & Reynell Terraces sold during the period compared to sales of 6 apartments at TSRA in the previous corresponding period.

**7** Finance costs were lower due to lower interest rates and exchange rates on our Australian dollar loans.

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

	<b>Sep 2013</b>	<b>Sep 2012</b>	<b>% increase/ (decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	
Profit for the period	9,278	9,391	(1.2)
Other Comprehensive Income:			
Losses/(Gains) on fair value of available-for-sale investments	(22)	3	(833.3)
Exchange differences on consolidation of foreign subsidiaries	(47,832)	(9,491)	404.0
Exchange differences on foreign currency loans forming part of net investment in foreign operations	13,131	1,374	855.7
Tax effect on other comprehensive income	-	-	-
<b>Total Comprehensive Income, Net of Income Tax, Attributable to Shareholders</b>	<b>(25,445)</b>	<b>1,277</b>	<b>(2092.6)</b>

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

	THE GROUP		THE COMPANY	
	Sep 2013	Mar 2013	Sep 2013	Mar 2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	457,489	478,604	-	-
Investment properties	204,048	224,411	-	-
Investments in subsidiaries	-	-	374,217	374,217
Available-for-sale investments	362	384	362	384
Deferred tax assets	1,904	2,108	-	-
	663,803	705,507	374,579	374,601
<b>Current assets</b>				
Amounts due from subsidiaries	-	-	29	29
Properties for sale under development	15,373	7,481	-	-
Completed properties for sale	90,912	112,631	-	-
Inventories	1,591	1,946	-	-
Trade and other receivables	15,940	15,475	5	85
Other assets	3,075	2,755	-	-
Investments held-for-trading	5,694	6,079	-	-
Cash and cash equivalents	77,530	79,463	518	482
	210,115	225,830	552	596
<b>Total assets</b>	873,918	931,337	375,131	375,197
<b>Non-current liabilities</b>				
Long-term bank borrowings	(271,708)	(29,924)	-	-
Amounts due to subsidiaries	-	-	(172,946)	(149,709)
Deferred tax liabilities	(24,833)	(27,501)	(6,026)	(6,026)
	(296,541)	(57,425)	(178,972)	(155,735)
<b>Current liabilities</b>				
Income tax payable	(2,447)	(5,062)	-	(3,072)
Current portion of long-term bank borrowings	(74,042)	(314,341)	-	-
Amounts due to subsidiaries	-	-	(19,256)	(6,859)
Trade and other payables	(31,512)	(33,773)	(3,495)	(3,591)
	(108,001)	(353,176)	(22,751)	(13,522)
<b>Total liabilities</b>	(404,542)	(410,601)	(201,723)	(169,257)
<b>Net assets</b>	469,376	520,736	173,408	205,940
<b>Equity</b>				
Share capital	144,556	144,556	144,556	144,556
Retained earnings	309,025	325,662	28,545	61,055
Other reserves	15,795	50,518	307	329
<b>Total equity</b>	469,376	520,736	173,408	205,940

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**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 (continued)**

**Notes**

- 1 In the balance sheets, the following closing rates were used to translate the Australian dollar and New Zealand dollar:

	Sep 2013	Mar 2013
A\$	\$1.1697	\$1.2954
NZ\$	\$1.0396	\$1.0401

- 2 This comprises of a loan repaid in October 2013, and two loans repayable in April and June 2014.

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

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

As at 30/9/2013		As at 31/3/2013	
Secured	Unsecured	Secured	Unsecured
\$ 74,042,000	-	\$ 314,341,000	-

**Amount repayable after one year**

As at 30/9/2013		As at 31/3/2013	
Secured	Unsecured	Secured	Unsecured
\$ 271,708,000	-	\$ 29,924,000	-

**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 9th Floor Southpoint Building in Singapore
- 10 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 2013	Sep 2012
	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>		
Profit for the period	9,278	9,391
Adjustments for:		
Income tax expense	3,002	2,094
Depreciation expense	7,462	8,101
Dividend income	(129)	(48)
Foreign exchange losses/(gains)	494	(59)
Interest expense	7,679	9,976
Interest income	(775)	(693)
Gains on disposal of property, plant and equipment	(4)	-
Operating profit before working capital changes	27,007	28,762
Properties for sale under development	(8,618)	(914)
Completed properties for sale	17,493	4,572
Inventories	219	130
Investments held-for-trading	385	(1,050)
Trade and other receivables	1,533	257
Trade and other payables	(2,967)	(1,889)
Cash generated from operations	35,052	29,868
Income taxes paid	(8,887)	(14,920)
Net cash from operating activities	26,165	14,948
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of property, plant and equipment	4	-
Purchase of property, plant and equipment	(25,282)	(9,738)
Interest received	766	751
Dividends received	129	48
Net cash used in investing activities	(24,383)	(8,939)
<b>Cash flows from financing activities:</b>		
Net proceeds/(repayment) from borrowings	32,417	(2,130)
Interest paid	(7,918)	(10,243)
Dividends paid	(25,915)	(34,553)
Net cash used in financing activities	(1,416)	(46,926)
Net increase/(decrease) in cash and cash equivalents	366	(40,917)
Cash and cash equivalents at beginning of the period	75,378	84,474
Effect of foreign exchange rates adjustment	(2,299)	(406)
<b>Cash and cash equivalents at end of the period</b>	<b>73,445</b>	<b>43,151</b>
Restricted bank deposits	4,085	3,246
<b>Cash and cash equivalents in the balance sheet</b>	<b>77,530</b>	<b>46,397</b>

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 2012</b>	144,556	292	51,763	328,519	525,130
Total comprehensive income for the period	-	3	(8,117)	9,391	1,277
<b>Distribution to owners</b>					
Dividends	-	-	-	(34,553)	(34,553)
<b>Closing Balance at 30 Sep 2012</b>	<b>144,556</b>	<b>295</b>	<b>43,646</b>	<b>303,357</b>	<b>491,854</b>
<b>Current Year:</b>					
<b>Opening Balance at 31 Mar 2013</b>	144,556	329	50,189	325,662	520,736
Total comprehensive income for the period	-	(22)	(34,701)	9,278	(25,445)
<b>Distribution to owners</b>					
Dividends	-	-	-	(25,915)	(25,915)
<b>Closing Balance at 30 Sep 2013</b>	<b>144,556</b>	<b>307</b>	<b>15,488</b>	<b>309,025</b>	<b>469,376</b>
<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 2012</b>	144,556	292	85,283	230,131	
Total comprehensive income for the period	-	3	(3,038)	(3,035)	
<b>Distribution to owners</b>					
Dividends	-	-	(34,553)	(34,553)	
<b>Closing Balance at 30 Sep 2012</b>	<b>144,556</b>	<b>295</b>	<b>47,692</b>	<b>192,543</b>	
<b>Current Year:</b>					
<b>Opening Balance at 31 Mar 2013</b>	144,556	329	61,055	205,940	
Total comprehensive income for the period	-	(22)	(6,595)	(6,617)	
<b>Distribution to owners</b>					
Dividends	-	-	(25,915)	(25,915)	
<b>Closing Balance at 30 Sep 2013</b>	<b>144,556</b>	<b>307</b>	<b>28,545</b>	<b>173,408</b>	

- 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 2013.

There were no outstanding share options as at 30 September 2013 and 30 September 2012.

- 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 2013	As at 31 March 2013
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 2013 and 30 September 2012.

- 1(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 applied the same accounting policies and methods of computation in the financial statements for the current financial reporting period as compared to the most recently audited financial statements as at 31 March 2013.

**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**

Not applicable.

**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 2013	Sep 2012
	1.07 cent	1.09 cent
	1.07 cent	1.09 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 (September 2012: 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 2013 and 30 September 2012.

**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**

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on

	GROUP		COMPANY	
	Sep 2013	Mar 2013	Sep 2013	Mar 2013
	\$ 0.54	\$ 0.60	\$ 0.20	\$ 0.24

Lower net asset value per ordinary share is mainly attributed to payment of 3 cents dividend per ordinary share in August 2013 and lower closing currency rates used to translate Australian dollar and New Zealand dollar assets.



- 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 2013	Sep 2012	Change	%
	S\$'000	S\$'000	S\$'000	
Hotel Owning & Management	102,987	110,304	(7,317)	(6.6)
Property Development	21,091	5,651	15,440	273.2
Property Investment	6,924	7,084	(160)	(2.3)
Trading	1,937	1,849	88	4.8
	132,939	124,888	8,051	6.4
Unallocated corporate revenue	48	59	(11)	(18.6)
	132,987	124,947	8,040	6.4

The hotel segment reported lower revenue as a result of translation losses from lower exchange rates and lower revenue from our two Adelaide hotels. This is partially offset by the better performance from our Sydney and Melbourne hotels.

The property development segment reported higher revenue from the sales of 17 apartments in TSRA, 1 commercial unit and 1 apartment from the Stamford Residences & Reynell Terraces compared to 6 apartment sales in TSRA in the previous corresponding period.

The trading segment saw an increase in revenue as a result of higher contributions from the Group's interior decoration business.

OPERATING PROFIT	6 months ended			
	Sep 2013	Sep 2012	Change	%
	S\$'000	S\$'000	S\$'000	
Hotel Owning & Management	15,569	17,198	(1,629)	(9.5)
Property Development	107	(592)	699	(118.1)
Property Investment	6,094	5,636	458	8.1
Trading	166	217	(51)	(23.5)
	21,936	22,459	(523)	(2.3)
Unallocated corporate expenses	(2,006)	(1,832)	(174)	9.5
	19,930	20,627	(697)	(3.4)

Despite the strong performance of our Sydney and Melbourne hotels, profits for the hotel segment were affected by lower contributions from our two Adelaide hotels and lower exchange rates used for translation.

Profits for the property development segment arose mainly from proceeds of 17 apartments in TSRA, 1 commercial unit and 1 apartment from the Stamford Residences & Reynell Terraces. This is partially offset by the sales and marketing costs incurred.

The property investment segment reported higher profits from higher rental income and absence of a one-off adjustment for over-recovery compared to the previous corresponding period.

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

No forecast was previously provided.

**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 is expected to perform satisfactorily with strong demand in our Sydney and Melbourne hotels and signs of recovery in the two Adelaide hotels. Reviews are in progress to rejuvenate our rooms and F&B outlets across the Group to enhance future revenues.

The Group officially commenced sale of its latest residential development, Macquarie Park Village, in North Ryde Sydney on 1 November 2013. This is a popular precinct as a residential location. The site is currently operated as Stamford Grand North Ryde hotel. The A\$430million project, comprising 646 1, 2, 3 bed-room apartments represents the best use of the site. 379 units were released under Phase 1 and sold out as of the date of this report. The balance of 267 units will be released for sale later this year or early next year. No revenue will be recognised until the project is completed in 2017.

The property investment segment will continue to perform, underpinned by fixed lease income of over A\$11.0 million per annum from Dynon Plaza Perth until 2020.

**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/recommendeded, a statement to that effect**

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

**13 Interested person transactions (IPT)**

During the period ended 30 September 2013, the following significant IPT were entered into by the Group:

	Latest Financial Period Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)	Previous Financial Period Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)
<u>Name of interested person</u>		

Transactions entered into by the Group with directors of the Company :

- Purchase of goods and services	S\$536,000	-
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All the above IPT were conducted on normal commercial terms.

The Company has not obtained a general mandate from shareholders for IPT.

Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below S\$100,000) is nil for both financial periods.

14 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 2013	Hotel Owning & Management	Property Development	Property Investment	Trading	Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>REVENUE</b>						
External sales	102,987	21,091	6,924	1,937	-	132,939
Inter-segment sales	-	-	225	4	(229)	-
	102,987	21,091	7,149	1,941	(229)	132,939
Unallocated corporate revenue						48
Total revenue						132,987
<b>RESULTS</b>						
Segment results	15,569	107	6,094	166	-	21,936
Unallocated corporate expenses						(2,006)
Profit from operations						19,930
Interest income						775
Dividend income						129
Finance costs						(7,679)
Other charges						(875)
Profit before tax						12,280
Income tax expense						(3,002)
Profit after tax						9,278

Sep 2012	Hotel Owning & Management	Property Development	Property Investment	Trading	Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>REVENUE</b>						
External sales	110,304	5,651	7,084	1,849	-	124,888
Inter-segment sales	-	-	223	4	(227)	-
	110,304	5,651	7,307	1,853	(227)	124,888
Unallocated corporate revenue						59
Total revenue						124,947
<b>RESULTS</b>						
Segment results	17,198	(592)	5,636	217	-	22,459
Unallocated corporate expenses						(1,832)
Profit from operations						20,627
Interest income						693
Dividend income						48
Finance costs						(9,976)
Other credits						93
Profit before tax						11,485
Income tax expense						(2,094)
Profit after tax						9,391

**15 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.

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

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited second quarter financial results for the period ended 30 September 2013 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  
7 November 2013