EMBLEM OF ELEGANCE

ANNUAL REPORT 2015/2016

CONTENTS

Stamford Suite Corridor, Stamford Plaza Auckland

CHAIRMAN'S MESSAGE

C. K. OW
Executive Chairman

Presidential Suite, Stamford Plaza Melbourne

CHAIRMAN'S MESSAGE

Dear Shareholders,

GROUP PERFORMANCE

It has been a challenging 12 months and our bottom line has been dented by the general business slowdown, depreciation of the AUD and NZD, and a hefty fair value write-down of our investment property in Perth.

The Group reported net profit of S$22.4 million for the financial year ended 31 March 2016, representing a 25% decrease from the previous year.

Specifically, there were (i) a 10% weaker translation of the Australian and New Zealand currencies compared to the previous year, (ii) a S$23.4 million write-down in the fair value for Dynon's Plaza, despite four years remaining of the tenancy on the property, and (iii) a 56% decline in property development sales accounted for during the financial year just ended.

Had there been no write-down, our bottom line would have been significantly better than the previous year. In terms of hotel owning/management, the operating profit for the year just ended is consistent with the previous financial year after allowing for foreign exchange translation differences and the loss of contribution from the closure of Stamford Grand North Ryde.

Given the foregoing reasons, I seek shareholders' understanding for the Board's recommendation to reduce dividend for the financial year under review to 0.5 cents. On a more optimistic note, I am confident the subsequent years will deliver a better financial outcome.

OPPORTUNITIES

As the construction of our Macquarie Park Village (MPV) progresses, the opportunity of building an additional 60 units has arisen. As this will add considerable value, we are now lodging our supplementary development application. Concurrently, a significant part of MPV is expected to be completed during 1H2017. The entire project is slated for completion in 2018.

Currently, we are also processing development applications for two important sites, one of which requires the purchase of its freehold title. When crystallised, both will be noteworthy projects. As foreshadowed in my previous Annual Report, a second Argentinian grill, La Boca Sydney, successfully made its debut in the NSW market. Works have also started on 26 new suites at Stamford Plaza Melbourne. These initiatives will increase both revenue and enhance our existing assets' value.

In the last Annual Report, I reported that some 142 units at MPV were under review as development application for a portion of the carpark was not granted. I am pleased to update that only 22 of these units are unsold and marketing efforts continue for these units.

Looking ahead, management expects the hotels to continue to perform profitably despite looming oversupply in certain cities. To support a longer-term strategic growth plan, we are also in the process of recruiting resources for property development (focusing on different geographies) as well as for hotel management in the different market segments. We hope to share more details in the near future.

APPRECIATION

As part of our Board renewal, I am pleased to welcome Dr Stanley Lai, a Senior Counsel aboard. At the same time, I thank Mrs Lim Hwee Hua for her invaluable counsel to the Board. I would also like to take this opportunity to thank all colleagues in Australia, New Zealand and Singapore for their hard work to keep the Stamford brand flying high. Last but not least, my thanks to my fellow Board members for their wise counsel and to shareholders for keeping faith with us.

C. K. Ow
Executive Chairman

BOARD OF DIRECTORS

BOARD OF DIRECTORS

OW CHIO KIAT | OW CHEO GUAN | OW YEW HENG | MARK ANTHONY JAMES VAILE | DOUGLAS OWEN CHESTER | STANLEY LAI TZE CHANG

OW CHIO KIAT

Executive Chairman

1962	Joined Hai Sun Hup Co.
1966	Managing Partner, Hai Sun Hup Co.
1970	Joined Hai Sun Hup Co. (Pte.) Limited
1971-73	Member, Free Trade Zone Advisory Committee (MOF)
1977-07	Chairman, Mitsui O.S.K Lines (Singapore) Pte. Ltd.
1977-07	Singapore Representative, Federal State of Bremen
1989-present	Executive Chairman, Stamford Land Corporation Ltd (Formerly known as Hai Sun Hup Group Ltd)
2000	Gran Oficial, Order of Bernardo O'Higgins by the President of Chile
2000-present	Executive Chairman, Singapore Shipping Corporation Limited
2001-07	Honorary Consul-General, Slovak Republic to Singapore
2007-15	Singapore's Ambassador to Argentina
2009-11	Committee Member, National Arts Council
2011	Honorary Officer, Order of Australia by the Prime Minister of Australia
2015-present	Singapore's Ambassador to Italy

OW CHEO GUAN

Deputy Executive Chairman

1970	Joined Hai Sun Hup Co. (Pte.) Limited
1973	Executive Vice President, Hai Sun Hup Co. (Pte.) Limited
1991-present	Deputy Executive Chairman, Stamford Land Corporation Ltd (Formerly known as Hai Sun Hup Group Ltd)
2000-present	Deputy Executive Chairman, Singapore Shipping Corporation Limited
2008-present	Honorary Consul of the Slovak Republic

OW YEW HENG

Executive Director & Chief Executive Officer

2010	Joined the Group as Assistant to Chief Operating Officer
2010-present	Executive Director, Singapore Shipping Corporation Limited
2010-present	Executive Director, Stamford Land Corporation Ltd
2015-present	Chief Executive Officer, Singapore Shipping Corporation Limited
2015-present	Chief Executive Officer, Stamford Land Corporation Ltd

MARK ANTHONY JAMES VAILE

Independent Non-Executive Director

1973-93	Consultant, Property Industry
1985-92	Member NSW Local Government Council
1993-08	Member of the Australian Parliament
1997-98	Minister for Transport & Regional Development
1998-99	Minister for Agriculture, Fisheries & Forestry
1999-06	Minister for Trade
2005-07	Deputy Prime Minister of Australia
2006-07	Minister for Transport & Regional Services
2008-13	Chairman, CBD Energy Limited
2009-12	Chairman, Aston Resources Limited
2008-present	Chairman, Palisade Investment Partners Limited
2009-present	**Independent Director, Stamford Land Corporation Ltd**

Significant Concurrent Positions

Director	Virgin Australia Holdings Limited
Director	Servcorp Limited
Chairman	Whitehaven Coal Limited
Chairman	Smart Trans Ltd
Trustee	Hostplus Superfund

DOUGLAS OWEN CHESTER

Independent Non-Executive Director

1977-79	Research Scientist, Australian National University
1979-90	Australian Patent Office
1990-12	Department of Foreign Affairs and Trade (DFAT)
1991-93	Director, Intellectual Property Branch, DFAT
1994-96	Counsellor Commercial, Australian Embassy, Washington
1996-97	Assistant Secretary, World Trade Organisation Branch, DFAT
1997-99	Assistant Secretary, Staffing Branch, DFAT
1999-00	Australian High Commissioner, Brunei
2001-03	First Assistant Secretary, Corporate Management Division, DFAT
2003-08	Deputy Secretary, DFAT
2005-06	Ambassador to Asia-Pacific Economic Cooperation (APEC)
2008-12	Australian High Commissioner, Singapore
2013-present	**Independent Director, Stamford Land Corporation Ltd**

Significant Concurrent Positions

Independent Director	Civmec Limited
Lead Independent Director	Kim Heng Offshore & Marine Holdings Limited

STANLEY LAI TZE CHANG

Independent Non-Executive Director

1999-2001	Legal Associate/Partner, Messrs Lee & Lee Singapore
2007-2015	Adjunct Associate Professor, National University of Singapore, Faculty of Engineering
2000-June 2016	Adjunct Associate Professor, National University of Singapore, Faculty of Law
2001-present	Partner, Messrs Allen & Gledhill LLP
2006-present	Head of Intellectual Property Practice, Allen & Gledhill LLP
2015-present	Independent Director, Singapore Shipping Corporation Limited
2015-present	**Independent Director, Stamford Land Corporation Ltd**
July 2016-present	Adjunct Professor, National University of Singapore, Faculty of Law

Significant Concurrent Positions

Director	Singapore Technologies Engineering Ltd
Director	Singapore Technologies Aerospace Ltd
Director	Nanyang Technological University – NTUitive Pte. Ltd.
Director	Haggai Institute for Advanced Leadership Training Limited
Director	Changi Cove Pte. Ltd.
Chairman	Intellectual Property Office of Singapore
Member	Board of Governors, Raffles Institution
Member	Advisory Board, SMU School of Law

MILESTONES

MILESTONES

1935

Hai Sun Hup & Co. began lighterage business along the Singapore River.

1970

Hai Sun Hup Co. Pte. Limited was incorporated and the business expanded into shipping agencies, cargo terminals and bunker barges.

1989

Hai Sun Hup Group Ltd was listed on the Singapore Stock Exchange.

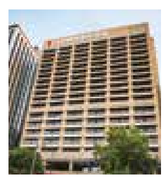
1994

Stamford Grand North Ryde ("SGNR")
The Group ventured into hotels and acquired 'Ramada' North Ryde, Sydney and rebranded SGNR.

Stamford Grand Adelaide ("SGA") & Stamford Plaza Melbourne ("SPM")
Within the same year, the Group acquired 'Ramada Grand' Adelaide and 'Parkroyal' Melbourne. Both properties were rebranded.

Sir Stamford Double Bay ("SSDB")
The Group managed 'Peppers Retreats and Resorts' Double Bay (rebranded SSDB).

1995



Stamford Plaza Adelaide ("SPA")
The Group acquired 'Intercontinental' Adelaide and rebranded SPA.

Stamford Hotel and Resorts ("SHR") brand was launched.

1996

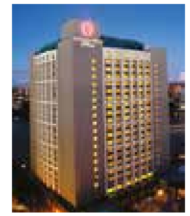
Stamford Plaza Auckland ("SPAK")
The Group's acquired 'Regent' Auckland and rebranded SPAK.

The Group acquired an undeveloped freehold site in Perth.

1997

The Group acquired the Caltex House, Sydney

2000



Stamford Plaza Brisbane ("SPB") & Sir Stamford at Circular Quay ("SSCQ")
The Group acquired 'Beaufort Heritage' Brisbane and 'The Ritz Carlton' Circular Quay. Both properties were rebranded SPB and SSCQ.

Stamford Plaza Sydney Airport ("SPSA")
The Group acquired 'Sheraton' Sydney (rebranded SPSA) and Airport Central office complex (Qantas HQ). The Group strata titled Airport Central for disposal.

Stamford Plaza Double Bay ("SPDB")
The Group managed 'The Ritz Carlton' Double Bay (rebranded SPDB), Sydney.

The Group acquired Mann Judd Building on Kent Street, Sydney.

2001

Hai Sun Hup Group Ltd renamed as Stamford Land Corporation Ltd and demerged from its shipping and logistics businesses to focus on its hotel and property businesses.

2002

Stamford Plaza Sydney Hotel & Stamford on Kent
The Group converted Caltex House in Sydney to a hotel cum luxury residential apartments.

2004

The Group purchased a prime leasehold property at Gloucester Street, The Rocks, Sydney, for redevelopment.

The Stamford Residences Auckland
The Group developed 10 floors of luxury residential apartments above SPAK.

2006

Stamford Marque
The Group redeveloped the former Mann Judd Building in Sydney.

2010

Dynon's Plaza
The Group developed an A Grade office in Perth, fully leased to oil major, Chevron.

SSDB was converted into The Stamford Cosmopolitan luxury apartments in Double Bay, Sydney and managed by the Group.

2011

The Stamford Residences & Reynell Terraces, Sydney
The Group redeveloped the Gloucester Street site as prime residential apartments.

2012

Macquarie Park Village ("MPV")
Approval granted for redevelopment of SGNR, a 648 units residences at MPV.

2013

The Group acquired the freehold properties at Dulwich Hill.

The Group acquired a freehold reversionary interest for SSCQ.

2014

La Boca Bar and Grill Adelaide
The Group opened the first La Boca Bar and Grill in SPA.

Dulwich Hill Site
The Group sold the site after securing Development Application (DA) Approval.

2015

La Boca Bar and Grill Sydney
The Group opened the second La Boca Bar and Grill in SPSA.

2018

MPV
Redevelopment of SGNR site is currently underway with completion expected in 2018.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Ow Chio Kiat
(Executive Chairman)
Ow Cheo Guan
(Executive Deputy Chairman)
Ow Yew Heng
(Executive Director & Chief Executive Officer)
Mark Anthony James Vaile
(Independent Non-Executive Director)
Douglas Owen Chester
(Independent Non-Executive Director)
Stanley Lai Tze Chang
(Independent Non-Executive Director)

AUDIT AND RISK MANAGEMENT COMMITTEE
Douglas Owen Chester (Chairman)
Mark Anthony James Vaile
Stanley Lai Tze Chang

NOMINATING COMMITTEE
Stanley Lai Tze Chang (Chairman)
Ow Chio Kiat
Mark Anthony James Vaile

REMUNERATION COMMITTEE
Mark Anthony James Vaile (Chairman)
Douglas Owen Chester
Stanley Lai Tze Chang

COMPANY SECRETARY
Chua Siew Hwi

REGISTERED OFFICE
200 Cantonment Road
#09-01 Southpoint
Singapore 089763

SHARE REGISTRAR
M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

AUDITORS
KPMG LLP
Public Accountants and
Certified Public Accountants
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Partner-in-charge: Ronald Tay Ser Teck
Year of Appointment: FY2015

INTERNAL AUDITORS
Nexia TS Risk Advisory Pte. Ltd.
100 Beach Road
Shaw Tower #30-00
Singapore 189702

PRINCIPAL BANKERS
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited
Australia and New Zealand Banking Group Limited

OUR PROPERTIES

Exterior, Stamford Plaza Brisbane

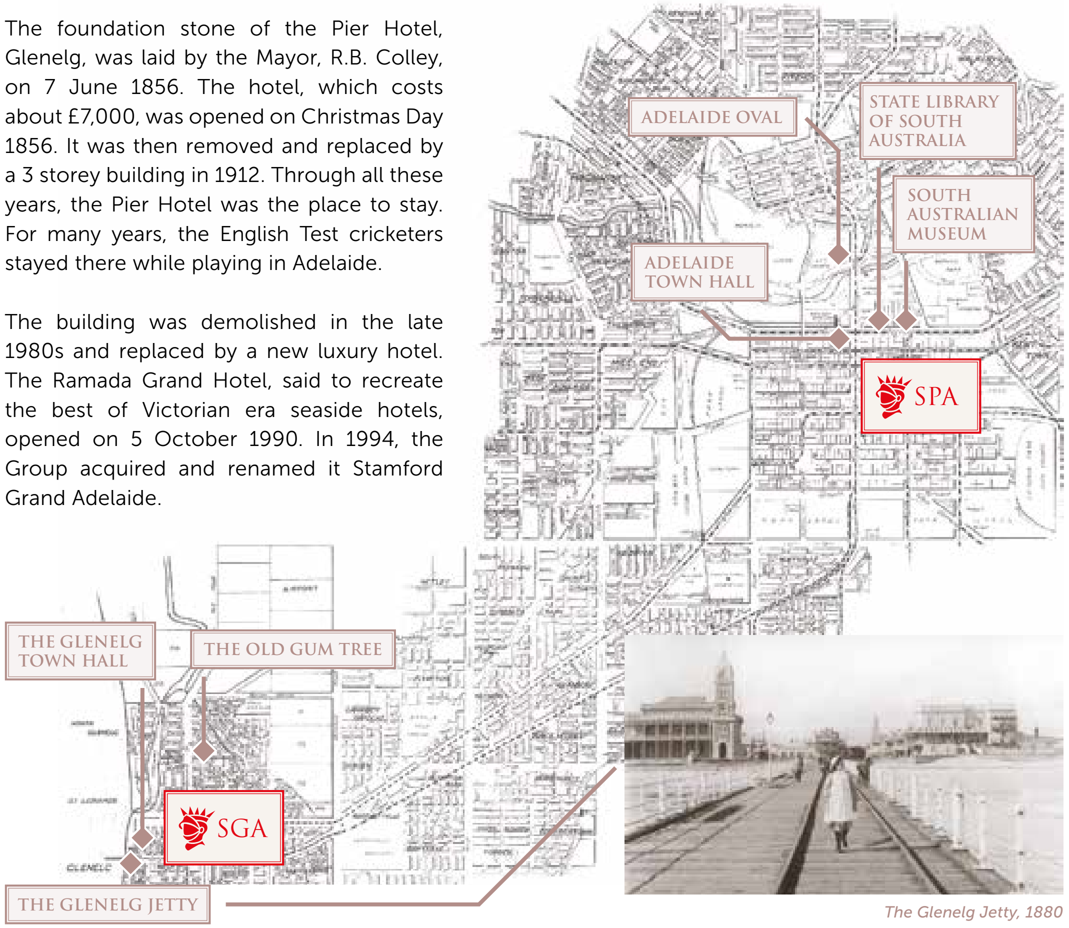
HISTORY OF OUR ADELAIDE JEWELS

STAMFORD GRAND ADELAIDE ("SGA")

Pier Hotel, 1935

The foundation stone of the Pier Hotel, Glenelg, was laid by the Mayor, R.B. Colley, on 7 June 1856. The hotel, which costs about £7,000, was opened on Christmas Day 1856. It was then removed and replaced by a 3 storey building in 1912. Through all these years, the Pier Hotel was the place to stay. For many years, the English Test cricketers stayed there while playing in Adelaide.

The building was demolished in the late 1980s and replaced by a new luxury hotel. The Ramada Grand Hotel, said to recreate the best of Victorian era seaside hotels, opened on 5 October 1990. In 1994, the Group acquired and renamed it Stamford Grand Adelaide.



The Glenelg Jetty, 1880

STAMFORD PLAZA ADELAIDE ("SPA")

South Australian Hotel, 1936

The story has its beginning in 1879, when a public house was first erected on the site in North Terrace. Renamed the South Australian Hotel ("The South") in 1894 and upgraded in 1900s, this three-storey hotel featuring wide balconies became the grandest on North Terrace.

Over the next three decades, The South was recognized as one of the great hotels. Guests from all over the world stayed there, including author H.G. Wells, dancer Anna Pavlova, film star Marlene Dietrich and, of course, the famous mop-tops, The Beatles.

It was demolished in 1971 to be replaced by the modern Gateway Hotel, which was later renamed The Terrace. Today, "The South" is known as Stamford Plaza Adelaide.

Some felt it was equal in nostalgic significance to Raffles' Hotel in Singapore. "The South" was more than an icon, it was Adelaide for almost 100 years.

HOTEL PORTFOLIO

STAMFORD PLAZA ADELAIDE

Freehold | 336 rooms
150 North Terrace, Adelaide
South Australia 5000

(61 8) 8461 1111 (61 8) 8231 7572
reservations@spa.stamford.com.au

STAMFORD GRAND ADELAIDE

Freehold | 220 rooms
2 Jetty Road, Glenelg,
South Australia 5045

(61 8) 8376 1222 (61 8) 8376 1111
reservations@sga.stamford.com.au

SIR STAMFORD AT CIRCULAR QUAY

Freehold | 105 rooms
93 Macquarie Street, Sydney
New South Wales 2000

(61 2) 9252 4600 (61 2) 9252 4286
reservations@sscq.stamford.com.au

STAMFORD PLAZA SYDNEY AIRPORT

Freehold | 314 rooms
Corner Robey & O'Riordan Street,
Mascot, New South Wales 2020

(61 2) 9317 2200 (61 2) 9317 3855
reservations@spsa.stamford.com.au

STAMFORD PLAZA MELBOURNE

Freehold | 283 rooms and 26 suites by 2H2017
111 Little Collins Street, Melbourne
Victoria 3000

(61 3) 9659 1000 (61 3) 9659 0999
reservations@spm.stamford.com.au

STAMFORD PLAZA BRISBANE

Leasehold | 252 rooms
Corner Edward & Margaret Street,
Brisbane, Queensland 4000

(61 7) 3221 1999 (61 7) 3221 6895
reservations@spb.stamford.com.au

STAMFORD PLAZA AUCKLAND

Freehold | 286 rooms
22-26 Albert Street, Auckland,
New Zealand

(64 9) 309 8888 (64 9) 379 6445
reservations@spak.stamford.com.au

PROPERTY PORTFOLIO

INVESTMENT PROPERTIES

DYNON'S PLAZA (PERTH)

Freehold | 14-storey commercial building and 2-storey commercial and retail building
905 Hay Street, Perth, Western Australia

SOUTHPOINT BUILDING (SINGAPORE)

Leasehold | One floor of office building
200 Cantonment Road #09-01 Southpoint
Singapore 089763

PROPERTY PORTFOLIO

COMPLETED DEVELOPMENTS

THE STAMFORD RESIDENCES (AUCKLAND)

Freehold | 26 Albert Street, Auckland, New Zealand

THE STAMFORD RESIDENCES & THE REYNELL TERRACES (SYDNEY)

Leasehold | 171 Gloucester Street, The Rocks, Sydney, Australia

PROPERTY UNDER DEVELOPMENT

MACQUARIE PARK VILLAGE (SYDNEY)

June 2015

June 2016

Freehold | Total site area 22,000 sqm; residential development comprising of not less than 648 units across 7 towers
110-114 Herring Road, Macquarie Park, Sydney, Australia

AWARDS & ACCOLADES

TRAVEL

SIR STAMFORD AT CIRCULAR QUAY
TripAdvisor Certificate of Excellence 2016
Winner (6th consecutive year)

Booking.com Award of Excellence 2015
(2nd Consecutive year)

STAMFORD PLAZA SYDNEY AIRPORT
2016 TAA (NSW) Awards for Excellence
Finalist – Sydney Deluxe Hotel of the Year 2016

STAMFORD PLAZA BRISBANE
TripAdvisor Certificate of Excellence 2016
Winner (4th consecutive year)

Agoda.com – 2015 Gold Circle Award

Hotels.com "Loved by Guests" 2016

STAMFORD PLAZA ADELAIDE
Agoda.com – 2015 Gold Circle Award

AHA State Award for Excellence
Winner – Best Staff Development & Training 2015

STAMFORD GRAND ADELAIDE
Agoda.com – 2015 Gold Circle Award

Orbitz Best in Stay 2015

STAMFORD PLAZA MELBOURNE
TripAdvisor Certificate of Excellence 2016
Winner (6th consecutive year)

Agoda.com – 2015 Gold Circle Award

2016 TAA (Vic) Accommodation Awards for Excellence
Winner – Outstanding Achievement in Training
Finalist – Hotel Restaurant (All Day Dining) of the Year – Harry's Restaurant Melbourne
Finalist – Best Environmental & Energy Efficiency Practice

STAMFORD PLAZA AUCKLAND
TripAdvisor Certificate of Excellence 2016

2015 Booking.com Excellent Award
Guest Review

FOOD AND BEVERAGE

SIR STAMFORD AT CIRCULAR QUAY
TripAdvisor Certificate of Excellence 2016
Winner – The Dining Room

2016 TAA (NSW) Awards for Excellence
Finalist – Metropolitan Restaurant of the Year Deluxe Hotels 2016 – The Dining Room
Finalist – Bar of the Year Metropolitan Hotels 2016 – The Bar

STAMFORD PLAZA SYDNEY AIRPORT
2016 TAA (NSW) Awards for Excellence
Finalist – Brasserie/Café of the Year 2016 – La Boca Bar and Grill

STAMFORD PLAZA BRISBANE
Dimmi People's Choice Awards 2016
Best for Atmosphere (Kabuki Teppanyaki)
Best for Families (Kabuki Teppanyaki)
Best for Parties & Groups (Kabuki Teppanyaki)
Best for Special Occassions (Kabuki Teppanyaki)

Global Dilmah Real High Tea Challenge 2015
Leaf and Artisan Trophy for 'The Most Tea-Inspired Non-Alcoholic Cocktail'
Leaf and Artisan Trophy for scoring 97/100

STAMFORD PLAZA ADELAIDE
2016 South Australia Restaurant & Catering Awards for Excellence
Finalist – Restaurant in a Hotel – La Boca Bar and Grill
Finalist – George Mure Professional Development Awards

AHA State Award for Excellence
Best Accommodation & Restaurant Division 2016
Finalist – La Boca Bar & Grill
Best Accommodation & Restaurant Division 2015
Finalist – La Boca Bar & Grill

STAMFORD GRAND ADELAIDE
2016 South Australia Restaurant & Catering Awards for Excellence
Finalist – Wedding Caterer

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

SIR STAMFORD AT CIRCULAR QUAY
TripAdvisor Green Leader [Gold]

STAMFORD PLAZA AUCKLAND
Qualmark New Zealand Enviro Award 2016
Silver - for Recognition of a High Level Commitment to Environmental & Social Responsibility (2nd consecutive year)

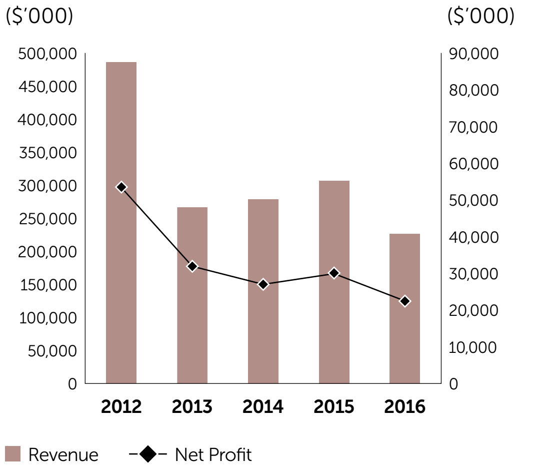
TripAdvisor Green Leader [Bronze]

All Figures in $'000	FY2012	FY2013	FY2014	FY2015	FY2016
Revenue	**485,995**	**266,742**	**278,727**	**307,020**	**226,491**
Net Profit	**53,386**	**31,696**	**27,128**	**29,749**	**22,429**
Earnings per Share (cents)	**6.2**	**3.7**	**3.1**	**3.4**	**2.6**
Dividend per Share (cents)	**4.0**	**3.0**	**3.0**	**3.0**	**0.5**

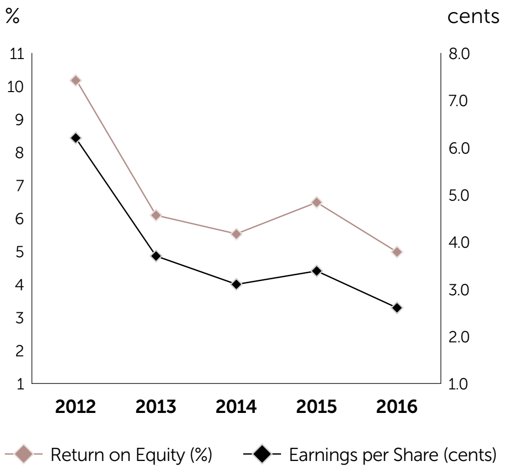
FINANCIAL POSITION

All Figures in $'000	FY2012	FY2013	FY2014	FY2015	FY2016
Property, Plant and Equipment	482,891	478,604	465,430	371,191	357,838
Investment Properties	213,281	224,411	203,534	177,127	158,265
Available-for-Sale Investments	347	384	347	406	398
Current Assets	250,259	225,830	227,130	273,569	337,840
Deferred Tax Assets	3,211	2,108	2,384	1,976	6,975
Total Assets	**949,989**	**931,337**	**898,825**	**824,269**	**861,316**
Current Liabilities	176,942	353,176	250,022	231,359	337,852
Non-Current Liabilities	222,813	29,924	132,413	113,833	60,897
Deferred Tax Liabilities	25,104	27,501	24,751	19,868	12,071
Total Liabilities	**424,859**	**410,601**	**407,186**	**365,060**	**410,820**
Shareholders' Equity	**525,130**	**520,736**	**491,639**	**459,209**	**450,496**
Net Asset Value per Share ($)	**0.61**	**0.60**	**0.57**	**0.53**	**0.52**

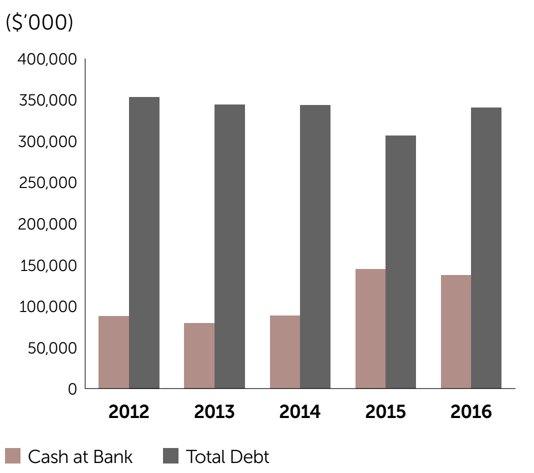
REVENUE VS NET PROFIT



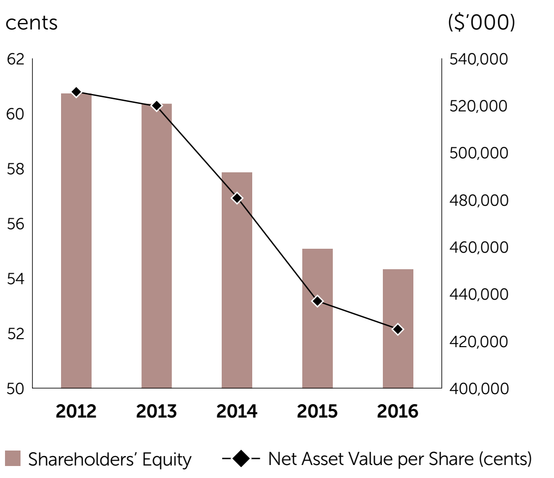
RETURN ON EQUITY VS EARNINGS PER SHARE



CASH AT BANK VS TOTAL DEBT



NET ASSET VALUE PER SHARE VS SHAREHOLDERS' EQUITY



INDEPENDENT NON-EXECUTIVE DIRECTOR

DOUGLAS OWEN CHESTER
Chairman, Audit and Risk Management Committee
BSc (Hons) (Australian National University)

1 What do you see as the major challenges facing the Group in the near future?

The growth in the sharing economy and the extent to which technology is disrupting traditional business models are some of the major challenges facing the Group. It has been widely reported how Airbnb is changing the rules of an entire industry and that its market value now exceeds that of most established players despite the fact that it owns no hotel rooms.

In addition, technology, Big Data analytics and the social media are having a major impact on how hotels are being booked, revenue yields are being managed and services are being offered.

The challenges notwithstanding, management believes that our ability to harness and use technology to enhance the customers' experience, streamline management operations and drive efficiencies, will be key to how we tackle some of these challenges.

The Board is confident that the new generation of leadership, guided by the founding Executive Chairman, will be focused on the tasks at hand and will be able to face these challenges and meet the changing needs of the customers, to bring the Group to a new level of profitability.

2 Why are we changing auditors?

KPMG has been our auditors since 2009.

Having carried out its annual evaluation and review of the external auditors, the ARMC is of the view that it is timely to seek a change in auditors.

The ARMC has considered the following factors in its evaluation (among other factors):

a) timeliness and manner of communications with the ARMC and management;
b) experience and competency of the audit team committed;
c) overall commitment of team members throughout the entire financial year of the audit engagement; and
d) audit fees.

To ensure that the Group continues to receive quality audits, the ARMC is of the view that the Group's interest is best served by a proposed change in auditors. This also serves as part of good corporate governance as it enables the Group to benefit from fresh perspectives and further enhances the value of future audits.

CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR

OW YEW HENG
Chief Executive Officer & Executive Director
BBus Accounting & Management
(University of Technology, Sydney)

1 What was management's focus for FY2016?

During FY2016, management focused on strengthening the Group's foundation to position its businesses for long-term growth.

Some key areas included the completion of the evaluation and overhaul of operational work processes, policies and procedures to conform to best practices; and investments in technologies/system upgrades to deliver a more efficient and robust business operations.

Management also spent an inordinate amount of time to grow our human capital assets and widen the current talent pool by recruiting and harnessing the best resources available in the market. We continued to invest significantly in training our existing team so that they will be equipped to undertake future expansion opportunities.

In addition, we also carried out a holistic review of our overall loan facilities leading to lower interest rates that were achieved across the entire portfolio. Please refer to the Consolidated Income Statement in the Annual Report for further details.

2 What are your plans moving forward?

Ensuring sustainability and maintaining our competitive edge in a challenging market dominated by third-party managers, particularly the global brands, continue to be our key focus in the coming year.

Management remains committed to strengthening our foundation in both development and hotel management segments to support a longer-term strategic growth plan. We will continue to identify and explore appropriate avenues of growth in different asset classes and further develop our position in hotel management in other market segments.

While there is an abundance of assets available, good assets in strategic locations with stable recurring income and long term capital appreciation, are few and far in between. The team will continue its disciplined, systematic approach to assess and seize the right opportunities that come along.

INTERVIEW WITH CHIEF EXECUTIVE OFFICER

3 Are there any plans to divest your entire Hotel Portfolio in the near future?

This entails constant evaluation of the trade-offs between one-off development gains and existing business with a recurring income stream. Premature asset sales to realise one-off gains will erode the overall scale of our business and reduce the level of future recurring income.

As we move forward, we are mindful of how these decisions will impact the long-term interests of our shareholders. We will evaluate and consider our options when the right opportunity arises as we firmly believe that every property in our portfolio should continually be evaluated and the Group is committed to seek the best use of our assets.

4 Why is SLC paying only dividend of 0.5 cents per share for the financial year ended 2016? This is even lower than the 1 cent during the global financial crisis period. Will the dividends increase when MPV is completed and profits are recognised?

We are evaluating the possibility of issuing scrip dividends which achieves the effect of giving shareholders stocks they can convert without affecting the cashflows of the Group. As we remain committed to seek growth opportunities while funding programmes for existing portfolio enhancement and development projects, we are mindful of maintaining a dividend payout that does not deprive the Group of ready resources to take advantage of opportunities often found in slow-downs in the economy.

5 Why is Dynon's Plaza recorded at market valuation but not for the hotels?

Dynon's Plaza is an investment property, which is held for rental or capital appreciation or both. Our hotels, on the other hand, fall under the classification of "Property, Plant and Equipment" (PPE) under the accounting standards since the Group owns and manages them.

In view of the difference in classification, investment properties have to be measured at fair value and any changes would have to be recorded in the "Profit and Loss". However, PPE are recorded at acquisition costs at the recognition date.

PPE can subsequently be carried at cost less depreciation or revalued to its fair value. However, any fair value adjustments will have to be carried through to the revaluation reserves and crystallise in the "Profit and Loss" only upon disposal of the PPE.

6 Since the accounting standards allow for PPE to be revalued to its fair value, why is management not revaluing the assets?

We have been conservative and have based our long-term fixed assets on acquisition costs. This is prudent and good practice. Given many of our properties were purchased two decades ago, there should be fair value gains from revaluing our hotel portfolio. Revaluation exercises are time-consuming and costly, and will inevitably result in unnecessary fluctuations during market downturns.

Notwithstanding, we may consider revaluing our long term fixed assets should the need arises, for example, if new accounting standards require us to do so.

The Stamford Residences, Auckland

HOTEL OPERATIONS & MANAGEMENT

The Group's hotel operations and management businesses performed creditably for FY2016. Despite business slowdown in two key cities, overall operating profit is consistent with the previous financial year after accounting for a 10% decline in AUD and NZD and loss of contributions from the closure of Stamford Grand North Ryde.

The falling AUD has resulted in an increase in both domestic and international visitors in FY2016. This trend looks set to continue in FY2017. Demand for hotel rooms is expected to remain strong in Sydney and Melbourne. However, secondary cities such as Brisbane and Adelaide will continue to experience pressure on RevPAR in near term as prevailing supply exceeds demand.

SYDNEY

Stamford Plaza Sydney Airport ("SPSA")

- SPSA reported a modest 1.5% improvement in RevPAR in the competitive Sydney airport precinct. Room revenue is expected to remain strong, as domestic and international visitors continue to flow in.
- In September 2015, the Group opened its second La Boca Bar and Grill restaurant in SPSA, following raving reviews of its first outlet in Adelaide. Since its opening, F&B revenue for SPSA has increased by 13%. Ongoing marketing efforts continue to anchor SPSA La Boca as the choice venue for Argentinian cuisine within the Mascot vicinity.

Sir Stamford at Circular Quay ("SSCQ")

- SSCQ reported another year of respectable results, with improvements in both ADR and GOP margins. This award-winning hotel has also been inducted into TripAdvisor's Hall of Fame after being awarded the popular travel website's Certificate of Excellence for five consecutive years.
- To maintain its leading position as a choice hotel, SSCQ will undergo a soft refurbishment programme in FY2017.

MELBOURNE

Stamford Plaza Melbourne ("SPM")

- SPM maintained its GOP and market position for FY2016.
- Construction for another 26 rooms has commenced, and is expected to be completed in 2H2017. Upon completion, this addition to the inventory will augment room revenue and enhance SPM's asset value.
- The Group is exploring feasibility of converting Harry's Restaurant and Bar to a La Boca restaurant or leasing out the premises to enhance revenue.

BRISBANE

Stamford Plaza Brisbane ("SPB")

- An increase in room supply over and above demand has resulted in falling occupancy levels and declining room rates in Brisbane as hotels compete for market share. FY2016 RevPAR decline was further magnified as results were measured off FY2015, which was boosted by G20 Summit.
- Despite less favourable market conditions, SPB maintained its position as the hotel and wedding venue of choice in Brisbane for FY2016.
- A soft refurbishment programme is planned for SPB as it strives to maintain its lead in the competitive Brisbane market.

ADELAIDE

Stamford Plaza Adelaide ("SPA")

- Outlook for Adelaide economy remains weak, with some 1.1% decline in RevPAR observed across the market. Despite business slowdown, SPA maintained its GOP due to concerted efforts in cost management.
- SPA La Boca continues to perform well, with an annual increase in revenue of 6%. To augment F&B revenue, the hotel has also converted part of its extended lobby area to a Celebrity Lounge that offers light F&B options to guests.
- The hotel has also completed the refurbishment of its lobby and will be commencing the refurbishment of its porte-cochere to enhance overall guest experience.

Stamford Grand Adelaide ("SGA")

- Overall revenue for SGA declined by 8% as rooms and banqueting facilities were progressively taken out of operation for refurbishment during FY2016. Despite this, GOP margin decline is less than 2 percentage points due to prudent cost management.
- The first phase of the refurbishment has been completed and the second phase is scheduled to begin in FY2017. In addition, plans are underway to increase the Grand Bar's outdoor seating capacity.
- These upgrading programmes, once completed, will reinforce SGA's position as the only 5-star hotel in Glenelg.

Superior King Room, Stamford Plaza Auckland

AUCKLAND

Stamford Plaza Auckland ("SPAK")

- SPAK recorded a stellar performance for FY2016 with RevPAR growth of 34%, following the timely completion of a NZ$7.9 million room refurbishment. GOP reached a new record, with a YOY improvement of 30%.
- With international visitors hitting new highs and no new supply expected in FY2017, the hotel is well positioned to continue its strong performance with its refreshed room stock.
- Plans are also in progress to upgrade guest lifts and refresh SPAK's conferencing and banqueting facilities. When all upgrading is completed, overall guest experience will be enhanced and SPAK's position as the choice hotel in Auckland will be strengthened.

PROPERTY DEVELOPMENT

- Property development segment revenue declined 56% in FY2016 on absence of a one-off divestment of Dulwich Hill.
- This, despite the Group having sold the three remaining units at The Stamford Residences & The Reynell Terraces, including a penthouse that fetched a record selling price.
- Four more units at The Stamford Residences Auckland were sold and ongoing marketing efforts continue for the remaining seven units.
- Last year, it was reported that some 142 units at Macquarie Park Village were under reconsideration as development application approval for a portion of the carparks was not granted. Most owners have retained their units, given the significant increase in valuation since launch.
- The Group has applied for an additional 60 apartments to be added to the Melbourne Tower, bringing the total number of apartments within the development to over 700 units.
- Construction for Macquarie Park Village is ahead of schedule. The Group is hopeful of early completion for some units in 1H2017. The remaining project is scheduled to complete in 2018.

PROPERTY INVESTMENT

- The Group made a significant fair value write-down of S$23.4 million for Dynon's Plaza, owing to the depressed Perth market. There is, however, a four-year tenancy remaining and the property will continue to post stable rental income.

CORPORATE STRUCTURE

HOTEL OWNING AND MANAGEMENT

Atrington Trust
Dickensian Holdings Ltd
Goldenlines Investments Limited
HSH (Australia) Trust
HSH Contractors Pte Ltd
K.R.M.F.C. Pty Ltd
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
Stamford Cairns Trust
Stamford Gold Coast Trust
Stamford Heritage Pty Ltd
Stamford Hotels and Resorts Pty Limited
Stamford Hotels & Resorts Pte. Ltd
Stamford Hotels (NZ) 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
The Grand Hotel Unit Trust
TIA Trust

PROPERTY DEVELOPMENT

SLC Campsie Pty Ltd
Stamford Property Services Pty. Limited
Stamford Raffles Trust
SNR Trust

PROPERTY INVESTMENT

HSH Properties Pte Ltd
Knoxville Trust

TRADING

Singapore Wallcoverings Centre (Private) Limited
Voyager Travel Pte Ltd

OTHERS

HSH Tanker Inc.
Stamford Land (International) Pte Ltd
Stamford Land Management Pte Ltd
Stamford F&B Pty Ltd

Artist's Impression: Macquarie Park Village, Sydney

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("Board") of Stamford Land Corporation Ltd ("Company") and its subsidiaries ("Group") are committed to high standards of corporate governance in its business and operations in the way in which the Company is directed, administered and controlled. The Board believes that good governance is an essential ingredient to ensure corporate and business success, and to maintain sustainable growth. In this respect, the Board promotes accountability to its shareholders in its pursuit of its corporate and business objectives.

The Company is pleased to confirm that it has adopted corporate governance practices which are in line with the principles and guidelines of the revised Code of Corporate Governance 2012 ("2012 Code").

This corporate governance statement provides an insight into the Company's corporate governance framework and practices in reference to the 2012 Code for the financial year ended 31 March 2016 ("FY2016").

1. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Board provides the entrepreneurial leadership, sets the strategic direction and performance objectives of the Group, and sets the standards for the Group's corporate governance policies and practices. Its principal function is to:

- Formulate corporate strategies, financial objectives and direction for the Group;
- Ensure effective management leadership of the highest quality and integrity;
- Provide oversight in the proper conduct of the Group's businesses;
- Oversee and/or evaluate the adequacy of the internal audit, risk management, financial reporting and compliance processes; and
- Oversee and ensure high standards of corporate governance for the Group.

The Board also deliberates and makes decisions on material acquisitions and divestments, any corporate restructuring, dividend payments and other returns to shareholders of the Company ("Shareholders"), and on matters that may involve a potential conflict of interest for any director.

Board Committees and Board Approvals

In order for the Board to efficiently oversee the various matters of the Group, it delegates specific areas of its responsibility to its three board committees ("Board Committees"), namely the Audit and Risk Management Committee ("ARMC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). Each Board Committee is governed by clear terms of references approved by the Board and its role is to assist the Board in the matters that the Board delegates to it. Notwithstanding the Board's delegation to its Board Committees, the Board maintains its responsibility on the matters overseen by each Board Committee.

The Board has put in place a process of approvals to ensure a balance between business efficacy and the maintenance of internal controls. However, various matters are reserved for the Board's approval, and these matters principally include:

- Approval of the Group's policies, strategies and financial objectives;
- Approval of the Group's internal control and risk management framework;
- Annual budget and major funding requirements of the Group; and
- Any acquisitions and divestments of assets and investments by the Group.

Meetings of the Board and Board Committees

The Board and the ARMC meet at least once every financial quarter and as and when required. The NC and RC meet as and when required to assist the Board in its respective roles and to perform the responsibilities that have been delegated to them. Where necessary, additional meetings are held to address significant transactions or issues arising from the business operations of the Group. For FY2016, the Board convened a total of 6 times, with the ARMC convening 4 times, and both the NC and RC convening 1 and 2 times respectively. In addition to these meetings, independent and non-executive directors ("Independent and Non-Executive Directors") meet without the presence of management, as and when required. As an alternative to physical meetings, teleconference facilities are made available to members of the Board to facilitate directors' participation at Board meetings.

The number of Board, ARMC, NC and RC meetings held during FY2016 and directors of the Company's ("Directors") attendance at those meetings are set out below:

	Number of meetings attended during FY2016			
Name of Director	**Board**	**Audit and Risk Management Committee**	**Nominating Committee**	**Remuneration Committee**
Ow Chio Kiat *(Executive Chairman and Executive Director)*	6	4 [4]	1	2 [4]
Ow Cheo Guan *(Deputy Executive Chairman and Executive Director)*	6	4 [4]	1 [4]	2 [4]
Ow Yew Heng *(Executive Director and Chief Executive Officer)*	6	4 [4]	1 [4]	2 [4]
Douglas Owen Chester *(Lead Independent and Non-Executive Director)*	6	4	1 [4]	2 [5]
Mark Anthony James Vaile *(Independent and Non-Executive Director)*	6	4	1	2
Stanley Lai Tze Chang [1] *(Independent and Non-Executive Director)*	1	1	–	1
Tan Chin Nam [2] *(Independent and Non-Executive Director)*	1	1	1 [4]	1
Lim Hwee Hua [3] *(Independent and Non-Executive Director)*	5	3	1	1
Aggregate number of meetings held for FY2016	6	4	1	2

(1) Stanley Lai Tze Chang was appointed as an Independent and Non-Executive Director on 12 November 2015.
(2) Tan Chin Nam retired as an Independent and Non-Executive Director on 30 July 2015.
(3) Lim Hwee Hua's appointment as an Independent and Non-Executive Director ceased on 12 November 2015 with the conclusion of her committed tenure to the Board.
(4) By invitation as observers of proceedings.
(5) Attended one meeting by way of invitation as observer and the second as a member of the RC.

Development of the Board

Upon each new director's appointment, he is briefed by management on his duties and obligations, and undergo an orientation to familiarise him with the business activities and structure, strategic direction, policies, and corporate governance practices of the Group. The orientation further serves to allow new directors to get acquainted with fellow directors, senior management and the Group.

Directors are continually and regularly updated on the Group's businesses, the business environment that the Group operates in, and any relevant legislative and regulatory changes applicable to the Group and its businesses.

Principle 2: Board Composition and Guidance

At the annual general meeting ("AGM") of the Company held on 30 July 2015, Tan Chin Nam retired and did not offer himself for re-election as a Director. On 12 November 2015, Lim Hwee Hua, following the conclusion of her committed tenure, ceased to be an Independent and Non-Executive Director and Stanley Lai Tze Chang was appointed by the Board as an Independent and Non-Executive Director. With Lim Hwee Hua ceasing to be a Director and Stanley Lai Tze Chang's appointment, the number of Independent and Non-Executive Directors remains unchanged keeping with the recommendations of the 2012 Code and the Board as at 31 March 2016 consists of six members, three of whom are Independent and Non-Executive Directors. There is a strong and independent element on the Board which is in the NC's view fundamental to good corporate governance, and no individual or group dominates the Board's decision-making process.

The names of the current Directors and their executive and independence status for FY2016 are set out below:

Executive Directors

- Ow Chio Kiat (Executive Chairman and Executive Director)
- Ow Cheo Guan (Deputy Executive Chairman and Executive Director)
- Ow Yew Heng (Executive Director and Chief Executive Officer)

Independent and Non-Executive Directors

- Douglas Owen Chester (Lead Independent and Non-Executive Director)
- Mark Anthony James Vaile (Independent and Non-Executive Director)
- Stanley Lai Tze Chang (Independent and Non-Executive Director)[1]

[1] Stanley Lai Tze Chang was appointed as an Independent and Non-Executive Director on 12 November 2015.

The Board periodically conducts a review of its size and composition to ensure that both aspects continue to meet the needs of the Group and to maintain the effectiveness of the Board. When reviewing the size and composition of the Board, the Board takes into consideration various factors, such as: (i) the executive status of the chairman of the Board; (ii) the balance of diversity of skills, experience, gender and knowledge; (iii) balance between executive and non-executive members; (iv) balance between independent and non-independent members; (v) the presence of a lead independent director; and (vi) various market benchmarks. The Board is of the view that the current Board comprises persons who as a group, provide core competencies necessary to meet the Group's needs and that the current board size is adequate taking into account the nature and scope of the Group's operations.

The appointment or re-appointment of directors are reviewed by the NC before recommending such appointments or re-appointments to the Board for their nomination to shareholders of the Company for approval.

The Directors include business, operations, finance and legal professionals, whose experience and expertise include those relevant to the industries and environment in which the Group operates. A profile of each of the Directors, their current directorships in both listed and non-listed companies, chairmanships, past directorships over the preceding 3 years, their principal commitments, backgrounds and qualifications may be found under pages 4 to 5 and page 45.

Principle 3: Role of Executive Chairman and Chief Executive Officer

Ow Chio Kiat is the Executive Chairman ("Chairman") of the Board and through his strong leadership he ensures its effectiveness by, among other matters, steering effective, productive and comprehensive discussions amongst Board members, and with the management team on strategic, business and other key issues pertinent to the business and operations of the Group. The Chairman is assisted by Ow Cheo Guan who is the Deputy Executive Chairman ("Deputy Chairman") of the Company.

Ow Yew Heng is the Chief Executive Officer ("CEO") of the Company who leads management to oversee the day-to-day management and operations of the Group and accounts to the Board in his capacity as CEO. The CEO 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 Chairman and the Deputy Chairman are brothers, and the CEO is the son of the Chairman and nephew of the Deputy Chairman.

With the full support of the Board, Company Secretary and management, the Chairman spearheads the Company's drive to promote, attain and maintain high standards of corporate governance and transparency. He also ensures overall effective communications to and with Shareholders on the performance of the Group. The Chairman, with the assistance of the Company Secretary, ensures that Directors are provided with clear, complete and timely information in order to make sound informed decisions.

In addition to the Chairman, Douglas Owen Chester, the lead independent director ("Lead Independent Director") is appointed by the Board to serve in a lead capacity to coordinate the activities of the Independent Directors ('Independent Directors"). The Lead Independent Director's role would include assisting the Chairman to ensure effective corporate governance in the management of the affairs of the Board and to provide feedback to the Chairman on matters which the Independent Directors consider to be in the interest of the Group that such feedback be raised. The Lead Independent Director is also available to shareholders if there are concerns relating to matters which contact through the normal channels to the Chairman is deemed inappropriate by shareholders. Led by the Lead Independent Director, the Independent Directors would meet as and when required to discuss matters arising in relation to the Company.

There is an appropriate balance and separation of power and authority, and clear division of responsibilities and accountability, between the Chairman and the CEO, notwithstanding their relationship, taking into consideration the CEO's line of accountability is to the Board.

CORPORATE GOVERNANCE STATEMENT

Principle 4: Board Membership

Nominating Committee

To achieve a transparent process for the appointment of directors to the Board, among other considerations, the Company has established the NC. The Chairman of the NC is an Independent and Non-Executive Director who is not associated with any substantial Shareholder. The majority of the NC members are independent, and currently comprise of the following members:

Stanley Lai Tze Chang	Chairman
Ow Chio Kiat	Member
Mark Anthony James Vaile	Member

The NC's principal function, as guided by its terms of reference, is as follows:

- Review and recommend to the Board the proposed objective performance criteria to be adopted by the Board. Following the adoption of such criteria, an annual evaluation and assessment of the performance of the Board as a whole and the contribution of each Director to the effectiveness and performance of the Board was implemented;
- Identify, review and recommend to the Board all appointments and re-appointments for approval by the Board, taking into account the following: (i) the candidate's qualifications, experience and reputation; (ii) the size and composition of the Board; (iii) the performance and effectiveness of the Board (taking into consideration the annual performance evaluation of the Board; among other relevant assessments) with a view to determine how the nominated candidate would assist to contribute towards increasing the performance and effectiveness of the Board; and (iv) the skills, expertise and experience of the nominated candidate with a view to determine whether the candidate's appointment would benefit the Group and would contribute to the deliberations and decisions of the Board;
- Review the structure, size and composition of the Board taking into consideration the balance between executive and non-executive directors and between independent and non-independent directors and other relevant considerations; and
- Review the independence of all independent directors in accordance with the guidelines on independence as set out in the 2012 Code. The NC is further required to review those independent directors who have served on the Board for more than 9 years.

In addition to the above, the Board, with the assistance of the NC, reviews and determines whether Directors who hold multiple listed board directorships and principal commitments are able to and have devoted sufficient time to discharge their responsibilities adequately as required under the 2012 Code. The NC has as part of its annual review, taken into account, among others (i) the contributions by Directors to and during meetings of the Board and relevant Board Committees, (ii) the results of the Board evaluation of its performance, and (iii) the directorships and principal commitments of individual Directors. Having reviewed, the NC is of the view that requiring a cap on the number of listed company board representations on each of the Directors is not required as despite the current directorships and principal commitments of the individual Directors, their commitment, deliberations and decisions, are not hindered by such directorships and commitments.

Article 91 of the Articles of Association ("Articles") requires one third of the Board to retire by rotation at every AGM and such retired Directors may however be eligible for re-election. At the Annual General Meeting of the Company held on 30 July 2015 ("2015 AGM"), Mark Anthony James Vaile was re-elected as Director pursuant to Articles 91 of the Articles. Prior to such appointment, the candidacy of Mark Anthony James Vaile was reviewed and following such review, recommended by the NC and endorsed by the Board for re-election by Shareholders at the 2015 AGM.

At the forthcoming AGM to be held on 28 July 2016, Ow Yew Heng and Stanley Lai Tze Chang shall be proposed to the Shareholders for re-election as Directors pursuant to Articles 91 and 97 of the Articles respectively. The NC has reviewed the candidates and recommends that the candidates be proposed to the Shareholders for re-election. The Board has endorsed the NC's recommendations.

Independence of Directors

The NC has in relation to FY2016 annually and upon the appointment of each new Director carried out the review of independence of each Independent Director. Following such review, the NC has determined that Douglas Owen Chester, Mark Anthony James Vaile and Stanley Lai Tze Chang are all independent. None of the Independent Directors have served more than 9 years.

Principle 5: Board Performance

The Company holds the belief that the Group's performance and that of the Board's performance 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 management.

The Board, with the assistance of the NC, has established and implemented a formal process for evaluating and assessing the effectiveness of the Board as a whole, together with the contributions by each Director to the effectiveness and performance of the Board. This evaluation and assessment exercise is carried out annually.

The Board's evaluation and assessment covers areas such as Board Composition, Board Information, Board Process, Internal Controls and Risk Management, Board Accountability, and the Board's relationship with the Group's senior management. Each Director evaluates and assesses the Board and their individual performance, the results of which are consolidated, analysed and discussed within the NC, which includes a comparison with the results of the preceding financial year. As part of the evaluation carried out by the Board, members of the Board considered whether fellow members are able to and have adequately carried out their duties as Directors. The results and areas to be strengthened are identified reported to the Board, and led by the Chairman of the Board and Upon the endorsement of the report, Directors act upon its findings.

The NC reviewed the evaluation and assessment criteria in FY2016, whereupon the same was updated to ensure that it is up to date and meets the requirements of the Board and the 2012 Code. The criteria allows the Board to make comparisons with industry peers and its own performance for preceding years.

Based on the evaluation and assessment carried out by the NC on the Board and each Director for FY2016, it is the Board's collective view that the Board and the Board Committees have operated effectively and each Director is contributing to the overall effectiveness of the Board.

Principle 6: Access to Information

To enable the Board to fulfil its responsibilities, it is provided with accurate, complete and timely information facilitated by the Company Secretary.

Board activities are scheduled prior to the commencement of each year. The Company Secretary attends all Board meetings, ensures that Board procedures are complied with, and provides advice and guidance on corporate governance, legal and regulatory compliance matters. Under the direction of the Chairman (and where relevant the chairpersons of each Board Committee), the Company Secretary facilitates and acts as a channel of communication between management and members of the Board, thereby ensuring a smooth flow of information.

Members of the Board have direct and unrestricted access to management and the Company Secretary. Members of management are invited to attend both Board and Board Committee meetings as and when required to facilitate discussions on the issues deliberated on and to respond and clarify any queries the Board may have. The Board is updated on the business and projects undertaken by the Group.

Notwithstanding the above, a Director or as a group, may seek professional advice in furtherance of their duties and the costs will be borne by the Company.

2. **REMUNERATION MATTERS**

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure on Remuneration

Remuneration Committee

The Board believes in adopting a formal and transparent procedure for fixing the remuneration packages of the directors and key management personnel so as to ensure that the level of remuneration is appropriate to attract, retain and motivate the directors and key management personnel needed to run the Group's businesses successfully.

In recommending to the Board the remuneration policy to be adopted, together with the level and mix of remuneration of directors and senior managers, the RC's objective is to draw, build, motivate and retain high performing directors and senior managers, to ensure that the Group's businesses grow sustainably, efficiently and profitably.

The RC comprises of three Independent and Non-Executive Directors, namely:

Mark Anthony James Vaile	Chairman
Douglas Owen Chester	Member
Stanley Lai Tze Chang	Member

The RC's principal function, as guided by its terms of reference, is as follows:

- Reviewing and determining appropriate adjustments as well as approving the remuneration of the Executive Directors and key management personnel;
- Administering any share incentive scheme implemented by the Company, and delegating the day-to-day administration of such plan or scheme to such persons the RC deems fit;
- Assuming other duties (if any) that may be required of the RC under the 2012 Code, and under the listing manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST");
- Considering the disclosure requirements for directors' and key management personnel remuneration as required by the 2012 Code; and
- Reviewing the Company's obligations arising in the event of termination of the Executive Directors and key management personnel.

The RC meets at least once a year. In setting remuneration packages, the RC takes into account the pay and employment conditions within the industry and in comparable companies, as well as the profitability of the Group as a whole, and individual performance. The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The expenses of such services will be borne by the Company.

No director is involved in any discussion relating to his own remuneration, terms and conditions of service and the review of his own performance. The level and structure of the Group's remuneration policy are aligned with its long-term interest and risk policies, as are appropriate to attract, retain and motivate directors to provide good stewardship, as well as to retain and motivate key management personnel to successfully manage the Group.

Disclosure of Remuneration

The Board is of the view that given the highly competitive industry conditions coupled with the sensitivity and confidentiality of remuneration matters, the disclosure of the remuneration packages of directors and key management personnel, including those who are immediate family members of the directors and the disclosure of remuneration of key management personnel as recommended by the 2012 Code would be prejudicial to the Company's interests.

There are no termination, retirement and post-employment benefits granted to Directors, the CEO or the top five key management personnel of the Group. For FY2016, no such termination, retirement and post-employment benefits were paid.

Share Option Plan and Performance Share Plan

The Group does not adopt any share based compensation schemes for Executive Directors, management and executives save for the Company's Share Option Plan 2015 ("SOP") and the Performance Share Plan 2015 ("PSP"), both of which were approved and adopted by the Shareholders of the Company at an Extraordinary General Meeting of the Company held on 30 July 2015 and are administered by the RC. The SOP and the PSP shall continue in force up to a maximum of 10 years from 30 July 2015, which period may be extended upon its expiry subject to the approval of the Company's Shareholders.

Through the SOP and the PSP, the Company seeks to recognise the continued services and contributions of talented, qualified and experienced staff to ensure the stability and growth of the Group. This would foster a greater ownership culture within the Group by aligning more directly the interests of key management personnel and senior executives with the interest of Shareholders, and for such employees to participate and share in the Group's growth and success.

Under the rules of the SOP and PSP, the maximum number of Company shares over which options may be granted under the SOP, or which may be issued or delivered pursuant to awards granted under the PSP, when aggregated with the number of new shares issued and issuable and/or existing shares transferred or transferrable in respect of all options granted under the SOP and all awards granted under the PSP (there are no other subsisting options or awards granted under any other share scheme of the Company) shall not exceed fifteen percent (15%) of the issued share capital of the Company.

Fees and Remuneration of Executive and Non-Executive Directors

The fees proposed to be paid to the Directors as directors' fees ("Directors' Fees") amount to an aggregate of about S$280,000 for FY2016 and the remuneration paid to the Executive Directors by the Group ("Executive Directors' Remuneration") amount to an aggregate of about S$2,676,000[1]. Directors' Fees consist of a fixed board fee and additional fees payable to a Director for appointment as a chairman or member of a particular Board Committee. The recommendations made by the RC in relation to Directors' Fees are subject to approval by the Shareholders at the AGM.

(1) The Executive Directors' Remuneration as disclosed in the annual report for financial year ended 31 March 2015 was a provision. The actual amount paid was S$2,311,000.

Directors' Fees are set at a level that commensurates with the level of responsibility of the Director within the Board and the Board Committees, which takes into account industry benchmarks. The Group believes that the current remuneration of Non-Executive and Independent Directors is at a level that will not compromise the independence of the Directors.

The following table shows a breakdown (in percentage terms) of the Directors' Fees and Executive Directors' Remuneration for FY2016:

Remuneration Bands	Total Fixed Compensation %	Total Variable Compensation %	Directors' Fees [1] %	Others %	Total Remuneration %
S$1,750,000 to below S$2,000,000					
Ow Chio Kiat [2]	56	40	3	1	100
S$500,000 to below S$750,000					
Ow Yew Heng [3]	46	47	6	1	100
S$250,000 to below S$500,000					
Ow Cheo Guan [4]	77	15	7	1	100
Below S$250,000					
Mark Anthony James Vaile	–	–	100	–	100
Douglas Owen Chester	–	–	100	–	100
Stanley Lai Tze Chang	–	–	100	–	100

(1) Directors' Fees are subject to Shareholder's approval at an AGM.
(2) Ow Chio Kiat's remuneration band as disclosed in the annual report for financial year ended 31 March 2015 as "S$1,500,000 to below S$1,750,000" should read as "S$1,750,000 to below S$2,000,000".
(3) Ow Yew Heng is the son of the Chairman, Ow Chio Kiat, and nephew of Ow Cheo Guan.
(4) Ow Cheo Guan is the brother of the Chairman, Ow Chio Kiat, and uncle of Ow Yew Heng.

Directors' Fees are subject to the approval of shareholders at an AGM and are paid annually upon such approval. Executive Directors' Remuneration are paid in accordance with service contracts entered into between the Company and each of the Executive Directors. Non-Executive Directors have no service contracts as the Articles govern the terms of directors' appointment.

Remuneration of Top Five Key Management

The remuneration bands and the composition of the remuneration of the top five key management personnel (excluding Executive Directors and the CEO of the Company) of the Group for FY2016 are as follow:

Remuneration Bands	Total Fixed Compensation %	Total Variable Compensation %	Awarded Under PSP %	Others %	Total %
S$250,000 to below S$500,000					
Chua Siew Hwi	60	28	11	1	100
Thomas Ong	89	7	–	4	100
Below S$250,000					
Helen Miao [1]	72	22	5	1	100
Andrew Lin	81	18	–	1	100
Wong Hui Hui	86	14	–	–	100

(1) Helen Miao joined the Company as Human Resource Director on 8 June 2015.

The aggregate amount of the total remuneration paid to the top five key management personnel (who are not Directors or CEO of the Company) is approximately S$1,300,000.

Remuneration of immediate family members of Director or the CEO

In addition to the remuneration received by the CEO as disclosed above, and the remuneration of Kiersten Ow Yiling, who is the daughter of the Chairman, Ow Chio Kiat, and the sister of the CEO, Ow Yew Heng and the niece of Ow Cheo Guan, there are no other employees who are immediate family members of the Directors and the CEO whose aggregate remuneration is more than S$50,000 for FY2016. Kiersten Ow Yiling draws a remuneration between S$50,000 to S$100,000.

3. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Group prepares its financial statements in accordance with the Singapore Financial Reporting Standards ("SFRS") prescribed by the Accounting Standards Council of Singapore. The Board provides Shareholders with financial statements for the first three quarters and full financial year in accordance with the Listing Manual. In presenting the annual and quarterly financial statements to Shareholders, the Board aims to provide Shareholders with a balanced and clear assessment of the Group's performance, financial position and prospects.

Management provides the Board with management accounts, operations review and related explanations and any other information as the Board may require together with the financial statements on a quarterly basis. The ARMC reviews the financial statements and recommends to the Board for approval. The Board authorises the release of the results to the SGX-ST and the public via SGXNET. The quarterly and full year financial results are also uploaded on the Group's own website at www.stamfordland.com.

The Board also provides negative assurance confirmation to Shareholders for the quarterly financial statements in accordance with the Listing Manual.

Principle 11: Risk Management and Internal Controls
Principle 12: Audit and Risk Management Committee

The ARMC comprises of three Independent and Non-Executive Directors, namely:

Douglas Owen Chester	Chairman
Mark Anthony James Vaile	Member
Stanley Lai Tze Chang	Member

The Board is of the view that the ARMC members have adequate accounting and related financial management expertise and accounting experience to discharge the ARMC's functions. The ARMC, as guided by its terms of reference, performs the functions as set out in the 2012 Code, which include:

- Nominating the external auditors for appointment or re-appointment and reviews the level of audit fees, cost effectiveness of the audit and the independence and objectivity of the external auditors;
- Reviewing the audit plans and scope of work of the internal and external auditors;
- Reviewing the findings of the internal and external auditors and the response from management;
- Reviewing the internal auditors' evaluation of the adequacy of the Group's system of accounting and internal controls;
- Overseeing management in the formulation, updating and maintenance of the Group's Enterprise Risk Management ("ERM") framework and policies;
- Reviewing risk reports on the Group and reviewing and monitoring management's responses to the findings;
- Reviewing any interested person transactions;
- Reviewing 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;
- Reviewing legal and regulatory matters that may have a material impact on the financial statements; and
- Report actions and minutes of the ARMC to the Board.

The ARMC through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Group's system of controls established by management, including financial, operational and compliance controls. In assessing the effectiveness of internal controls, the ARMC ensures primarily that key objectives are met, material internal controls are tested, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

Following the nomination of the ARMC to assist the Board in its risk management role, the ARMC reviews the adequacy and effectiveness of the Group's risk management framework to ensure that a robust risk management framework is in place. Key risks, mitigating measures and management actions have been identified, reviewed and monitored as part of the enterprise risk management process.

External Auditors

The current auditors of the Company is KPMG LLP ("KPMG") and the ARMC has reviewed the results of audit for FY2016 issued by KPMG.

As part of ongoing good corporate governance initiative, the Board, with the recommendation of the ARMC, is of the view that it would be timely to effect a change of auditors with effect from the financial year ending 31 March 2017 taking into consideration, among other factors, that KPMG has served as auditors of the Company for seven (7) years since the financial year 31 March 2010. KPMG, will accordingly not be invited to seek re-appointment at the forthcoming AGM to be held on 28 July 2016.

Ernst & Young LLP ("EY") has been selected by the Board for the proposed appointment as new auditors of the Company, pursuant to the ARMC's recommendations, following the ARMC's invitation and evaluation of competitive proposals from various established audit firms. The Board and ARMC, in their deliberation on the proposed appointment of EY, have considered various factors, including the adequacy of the resources of EY, the firm's experience, the experience (including industry experience) of the audit engagement partners assigned to the audit, EY's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit of the Group.

Following their deliberation, the Directors and the ARMC are of the opinion that EY will be able to meet the audit requirements of the Group and that with respect to EY's proposed appointment, Rule 712 of the Listing Manual has been complied with. For further details, please refer to the Appendix to the Notice of AGM dated 12 July 2016.

The Company confirms that it has in FY2016 and all preceding years complied with Rules 712 and 715 (read with Rule 716) of the Listing Manual in relation to its audit firms.

Meeting with Internal and External Auditors

Formal procedures are in place for the internal and external auditors to report their findings and recommendations to management and ARMC. The internal and external auditors are also granted unrestricted access to the ARMC. In addition, the ARMC also meets with the internal and external auditors separately, as and when required, without the presence of management, in order to have free and unfettered access to information that it may require.

Whistle-blowing Policy

The Group has in FY2016 reviewed and updated its whistle-blowing policy. The policy provides an independent feedback channel through which matters of concern regarding improprieties in matters of financial reporting or other matters may be raised by employees and external parties in confidence. Upon the receipt of any feedback, independent investigations are carried out by a panel which comprises of one or more of the CEO, the Deputy Chief Executive Officer, the General Counsel and Director of Human Resource, who reports to the ARMC. The salient terms of the policy and the contract details under the policy may be found on the Company's website. The policy does not disregard anonymous complaints and all complaints are investigated in accordance with the terms of the policy.

Adequacy of Internal Controls and Risk Management Systems

The Board has adopted an assurance framework to determine the adequacy and effectiveness of internal controls which includes, (i) the appointment of the ARMC to assist the Board in overseeing the internal controls and risk management of the Group; (ii) the appointment of internal and external auditors; (iii) periodical reports and assurances from relevant senior managers; (iv) the adoption of a risk management policy; and (v) the adoption of an established of an ERM framework.

Pursuant to Rule 1207 (10) of the Listing Manual of the SGX-ST and Principle 11 of the 2012 Code, the CEO and the Chief Financial Officer have in connection with the assurance framework each having given their assurance:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the system of risk management and internal controls in place within the Company is adequate and effective in addressing the material risks in the Company in its current business environment, including material, financial, operational, compliance and information technology risks.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors in accordance with agreed audit plans, and reviews performed by management and various Board Committees with the assistance of external consultants, the implementation of relevant procedures and policies with the assistance of relevant technology, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls are adequate to address financial, operational and compliance risks, which the Group considers relevant and material to its operations.

The Board notes that (i) the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by an event that could be reasonably foreseen as it strives to achieve its business objectives; and (ii) no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The ARMC is given full access to, and receives full cooperation from management. The ARMC 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 financial practices that are brought to its attention.

Dealings in Company's Securities

The Group has complied with the best practices in dealings in securities, as set out in the Listing Manual. In this regard, the Group has issued and implemented internal guidelines, to provide appropriate guidance to Directors and staff on dealings in the Company's securities. All Directors and staff of the Group are not allowed to trade in the Company's securities during the two weeks before the release of the Company's first three quarters' results and during the one month before the release of the full year results. To facilitate compliance, quarterly reminders are issued to all Directors and staff prior to the applicable trading black-out periods. Our Directors and staff, who are expected to observe insider trading laws at all times, are also reminded not to deal in the Company's securities on short-term considerations, or whilst in possession of unpublished material price-sensitive information.

Principle 13: Internal Audit

The Group has outsourced its internal audit function to Nexia TS Risk Advisory Pte. Ltd. ("Nexia") which reports to the Chairman of the ARMC on audit matters. Nexia plans the internal audit program which includes a review of the Group's risks assessments and the effectiveness of the Group's material internal controls to address the identified risks. This is done in consultation with, but independent of the management.

The ARMC is satisfied that Nexia is adequately resourced and has the appropriate standing and expertise to undertake its activities independently and objectively.

Nexia performs detailed work to assist the ARMC in the evaluation of the Group's operational, compliance and legal, financial, investment and information technology controls based on an internal audit plan approved by the ARMC. Any material non-compliance or weakness noted in internal controls, including recommendations for improvements, are reported to the ARMC. The ARMC also reviews the effectiveness of actions taken by management in response to recommendations made by Nexia.

4. COMMUNICATION WITH SHAREHOLDERS

Principle 14: Shareholder Rights
Principle 15: Communication with Shareholders
Principle 16: Conduct of Shareholder Meetings

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

All shareholders receive the annual report and the notices of general meetings. The notices for such meetings are also advertised in local newspaper and made available on SGXNET. Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated. The chairpersons of the various Board Committees and the external auditors are invited to be present at the general meetings, to address queries from Shareholders.

In considering the level of dividend payments, the Board takes into account various factors including but not limited to:

- The level of available cash for its working capital;
- The return on equity and retained earnings; and
- Projected levels of capital expenditure and other investment plans.

General meetings are held in Singapore. At such meetings, Shareholders are given the opportunity to air their views and ask the Directors questions regarding the Company. For each substantially separate issue, the Company adopts separate resolutions instead of "bundling" resolutions unless the issues are interdependent and linked. All Directors are present at general meetings to address any questions that Shareholders may have. Minutes of general meetings are prepared accordingly and made available to Shareholders upon their request. The Company will continue voting by poll for all resolutions this year.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has established a procedure to ensure that IPTs with interested and related parties are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies, on terms which are generally no more favourable to those extended to unrelated third parties.

The Company maintains a register of all transactions carried out by the Group with interested persons. On a quarterly basis, the ARMC reviews all recorded IPTs entered into by the Group, and the basis of such transactions. The ARMC reviews the IPTs as part of its standard procedures while examining the adequacy of the Group's internal controls.

Details of significant interested person transactions for FY2016 ("FY2016 IPTs") are set out below:

Name of Interested Person	Aggregate value of all IPTs during FY2016 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted during FY2016 under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
(a) Rental income from related parties	511,000	–
(b) Recharges of services rendered from related parties	483,000	–
(c) Services received from a Director of the Company	1,100,000	–

The FY2016 IPTs are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, on terms which are generally no more favourable to those extended to unrelated third parties.

Material Contracts

There were no other material contracts or loans entered into by the Company and its subsidiaries involving the interests of the CEO, Directors or controlling Shareholders, 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.

OW CHIO KIAT

Date of appointment: 25 July 1977
Date of last re-appointment: 30 July 2015
Academic & Professional Qualification(s):

- Fellow of Institute of Chartered Shipbrokers

OW CHEO GUAN

Date of appointment: 1 September 1977
Date of last re-election: 29 July 2014
Academic & Professional Qualification(s):

- Fellow of Institute of Chartered Shipbrokers

OW YEW HENG

Date of appointment: 8 November 2010
Date of last re-election: 25 July 2013
Academic & Professional Qualification(s):

- BBus Accounting & Management, University of Technology, Sydney

MARK ANTHONY JAMES VAILE

Date of appointment: 20 July 2009
Date of last re-election: 30 July 2015
Academic & Professional Qualification(s):

- Diploma in Real Estate Property Management

DOUGLAS OWEN CHESTER

Date of appointment: 25 July 2013
Date of last re-election: 29 July 2014
Academic & Professional Qualification(s):

- Bachelor of Science (Hons), Australian National University

STANLEY LAI TZE CHANG

Date of appointment: 12 November 2015
Date of last re-election: Not applicable
Academic & Professional Qualification(s):

- LLB (Hons) Upper Second Class), University of Leicester (UK)
- Barrister at Law, Lincoln's Inn
- Advocate & Solicitor, Supreme Court of Singapore
- PhD in Law, University of Cambridge (UK)
- Senior Counsel, Singapore Academy of Law/Supreme Court of Singapore

CONTENTS

The directors of Stamford Land Corporation Ltd (the "Company") present their statement together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 31 March 2016.

In the opinion of the directors,

(a) the consolidated financial statements of the Group set out on pages 54 to 126 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 March 2016; and

(b) 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.

The board of directors has, on the date of this statement, authorised these consolidated financial statements to be issued.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Mr Ow Chio Kiat	(Executive Chairman)
Mr Ow Cheo Guan	(Executive Deputy Chairman)
Mr Ow Yew Heng	(Chief Executive Officer)
Mr Douglas Owen Chester	
Mr Mark Anthony James Vaile	
Dr Stanley Lai Tze Chang	

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the particulars of interests of directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and its related corporations are as follows:

	Holdings registered in name of director or nominees		**Holdings in which director is deemed to have an interest**	
	At 31 March 2016	At 1 April 2015 or date of appointment if later	**At 31 March 2016**	At 1 April 2015 or date of appointment if later
Stamford Land Corporation Ltd				
Ordinary shares				
Mr Ow Chio Kiat	**300,216,000**	300,216,000	**22,342,000**	22,342,000
Mr Ow Cheo Guan	**3,730,000**	3,730,000	**26,400,000**	26,400,000
Mr Ow Yew Heng	**10,000,000**	10,000,000	**–**	–

By virtue of Section 7 of the Act, Mr Ow Chio Kiat is deemed to have an interest in the shares of all the subsidiaries of the Company at the beginning and at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year (or his date of appointment, if later) or at the end of the financial year.

There were no changes in any of the abovementioned interests in the Company between the end of the financial year and 21 April 2016.

Save as set out in this statement in relation to the SLC SOP and the SLC PSP (each as defined below), neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate. No grants have been made to any director under the SLC SOP or the SLC PSP during the financial year.

STAMFORD LAND CORPORATION LTD SHARE OPTION PLAN AND PERFORMANCE SHARE PLAN

The Company has in place the Stamford Land Corporation Ltd Share Option Plan 2015 ("SLC SOP") and the Stamford Land Corporation Ltd Performance Share Plan 2015 ("SLC PSP").

The SLC SOP and the SLC PSP were approved by shareholders of the Company at the annual general meeting held on 30 July 2015. The SLC SOP and the SLC PSP are administered by the Remuneration Committee ("RC") which comprises the following three independent and non-executive directors who do not participate in either the SLC SOP or the SLC PSP:

Mr Mark Anthony James Vaile (Chairman)
Mr Douglas Owen Chester
Dr Stanley Lai Tze Chang

<u>SLC SOP</u>

- The persons eligible to participate in the SLC SOP are selected employees (which may include executive directors) of the Group of such rank as the RC may determine, and other participants selected by the RC, but shall exclude non-executive directors of the Group, independent directors of the Company and controlling shareholders. As at the date of this statement, no associate of any controlling shareholder is a participant in the SLC SOP.

- SLC SOP shall continue in force at the absolute discretion of the RC, subject to a maximum period of 10 years from 30 July 2015 (unless extended with the approval of the shareholders and any relevant authorities).

- The RC has the full discretion to grant options at an exercise price of either market price or at a discount to market price (provided that such discount shall not exceed 20% of the market price). Market price shall be determined based on an average of the last dealt prices for the shares on the Singapore Exchange Securities Trading Limited for the three consecutive market days immediately preceding the date of the grant of the relevant option.

- Options granted at market price may be exercised after the expiry of one year from the date of the grant, whereas options granted at a discount to market price may only be exercised after the expiry of two years from the date of the grant.

- At the end of the financial year, there were no outstanding options granted under the SLC SOP.

STAMFORD LAND CORPORATION LTD SHARE OPTION PLAN AND PERFORMANCE SHARE PLAN (CONT'D)

SLC PSP

- The persons eligible to participate in the SLC PSP are either selected employees of the Group of such rank as the RC may determine, or other participants as selected by the RC at its discretion, but shall exclude the independent directors of the Company, controlling shareholders and the associates of such controlling shareholders.
- SLC PSP shall continue in force at the absolute discretion of the RC, subject to a maximum period of 10 years from 30 July 2015 (unless extended with the approval of the shareholders and any relevant authorities).
- An award granted under the SLC PSP represents the right to receive fully paid shares, free of charge, provided that certain pre-determined performance conditions (if applicable) are satisfied within the performance period (if applicable) during which such performance conditions are to be satisfied.
- At the end of the financial year, no awards under the SLC PSP have been granted to controlling shareholders or their associates, and directors, and no employee has received 5% or more of the total number of shares available/delivered pursuant to the grants under the SLC PSP.

At the end of the financial year, four employees of the Group have been granted awards in relation to an aggregate number of 105,000 shares under the SLC PSP. Details of such share awards granted under the SLC PSP are as follows:

Date of grant	Market price on date of grant S$	Number of share awards granted as at 31 March 2016	Number of share award holders as at 31 March 2016	Vesting Period
30 July 2015	0.575	105,000	4	No vesting period imposed, shares were released and issued to the grantees on 30 July 2015

Size of SLC SOP and the SLC PSP

The aggregate number of shares which may be issued or delivered pursuant to options granted under the SLC SOP and awards granted under the SLC PSP, together with shares, options or awards granted under any other share scheme of the Company then in force (if any), shall not exceed 15% of the issued share capital of the Company, excluding treasury shares.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

The members of the ARMC at the date of this statement are as follows:

Mr Douglas Owen Chester (Chairman)
Mr Mark Anthony James Vaile
Dr Stanley Lai Tze Chang

The ARMC carried out its functions in accordance with Section 201B of the Act and the SGX Listing Manual, and is guided by the Code of Corporate Governance. The ARMC's function includes (but not limited to) the following, the:

- Review of the audit plan with independent external auditors;
- Review of independent external auditors' evaluation of the Company's internal accounting control, their report on the financial statements and the assistance given by the Company's officers to the auditors;
- Review of the scope and results of the internal audit procedures with internal auditors;
- Review of the financial statements of the Group prior to their submission to the directors of the Company for adoption; and
- Review of interested person transactions (as defined in Chapter 9 of the SGX Listing Manual) of the Group.

Other functions performed by the ARMC are described in the corporate governance statement under the annual report.

For good corporate governance, the ARMC also recommended the proposed appointment of Ernst & Young LLP as the new external auditors of the Company for the financial year ending 31 March 2017.

On behalf of the directors

Ow Chio Kiat
Director

Ow Yew Heng
Director

Singapore
27 May 2016

Independent Auditors' Report to the Members of STAMFORD LAND CORPORATION LTD
(Registration No : 197701615H)

We have audited the accompanying financial statements of Stamford Land Corporation Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2016, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 54 to 126.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report to the Members of STAMFORD LAND CORPORATION LTD
(Registration No : 197701615H)

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 May 2016

Consolidated Income Statement

For the financial year ended 31 March 2016

	Note	THE GROUP 2016 $'000	2015 $'000
Revenue	4	**226,491**	307,020
Interest income	5	**2,218**	1,263
Dividend income	6	**148**	163
Other losses - net	7	**(27,173)**	(10,674)
Expenses			
Properties sold	17, 18	**(18,253)**	(54,770)
Consumables used		**(16,803)**	(21,707)
Staff costs	8	**(65,624)**	(90,191)
Depreciation expense	22	**(11,745)**	(14,414)
Other operating expenses		**(56,817)**	(60,889)
Finance costs - interest expense on bank loans		**(11,715)**	(14,821)
Profit before tax		**20,727**	40,980
Income tax credit/(expense)	10	**1,702**	(11,231)
Net profit attributable to shareholders		**22,429**	29,749
Earnings per share	11		
– Basic		**2.60 cents**	3.44 cents
– Diluted		**2.60 cents**	3.44 cents

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2016

	THE GROUP 2016 $'000	2015 $'000
Net profit	**22,429**	29,749
Other comprehensive (loss)/income:		
Items that will not be reclassified subsequently to profit or loss:		
Fair value gain on property, plant and equipment arising from change of use from property, plant and equipment to investment properties	**3,300**	–
Items that are or may be reclassified subsequently to profit or loss:		
Fair value (loss)/gain on available-for-sale investments	**(8)**	59
Exchange differences on consolidation of foreign subsidiaries	**(1,610)**	(18,242)
Exchange differences on foreign currency loans forming part of net investment in foreign operations	**(6,965)**	(18,081)
	(5,283)	(36,264)
Total comprehensive income/(loss), net of tax, attributable to shareholders	**17,146**	(6,515)

The accompanying notes form an integral part of these financial statements.

Balance Sheets

As at 31 March 2016

	Note	THE GROUP 2016 $'000	THE GROUP 2015 $'000	THE COMPANY 2016 $'000	THE COMPANY 2015 $'000
ASSETS					
Current Assets					
Cash and cash equivalents	12	**137,507**	144,909	**33,010**	51,541
Investments held-for-trading	13	**3,636**	3,724	**–**	–
Derivative financial assets	14	**–**	44	**–**	–
Trade and other receivables	15	**13,238**	16,812	**30,314**	95
Tax recoverable	10	**1,406**	–	**–**	–
Inventories	16	**1,240**	1,522	**–**	–
Completed properties for sale	17	**23,652**	43,949	**–**	–
Development properties for sale	18	**157,161**	62,609	**–**	–
		337,840	273,569	**63,324**	51,636
Non-Current Assets					
Available-for-sale investments	19	**398**	406	**398**	406
Investment properties	20	**158,265**	177,127	**–**	–
Investments in subsidiaries	21	**–**	–	**299,725**	354,944
Property, plant and equipment	22	**357,838**	371,191	**–**	–
Deferred tax assets	10	**6,975**	1,976	**–**	–
		523,476	550,700	**300,123**	355,350
Total Assets		**861,316**	824,269	**363,447**	406,986

The accompanying notes form an integral part of these financial statements.

Balance Sheets

As at 31 March 2016

	Note	THE GROUP 2016 $'000	THE GROUP 2015 $'000	THE COMPANY 2016 $'000	THE COMPANY 2015 $'000
LIABILITIES					
Current Liabilities					
Trade and other payables	23	**48,571**	28,599	**774**	3,253
Amounts due to subsidiaries	24	**–**	–	**–**	18,008
Current income tax liabilities	10	**7,840**	10,137	**7,743**	2,772
Derivative financial liabilities	14	**1,986**	–	**337**	–
Borrowings	25	**279,455**	192,623	**–**	–
		337,852	231,359	**8,854**	24,033
Non-Current Liabilities					
Amounts due to subsidiaries	24	**–**	–	**199,699**	194,989
Borrowings	25	**60,897**	113,833	**–**	–
Deferred tax liabilities	10	**12,071**	19,868	**–**	4,406
		72,968	133,701	**199,699**	199,395
Total Liabilities		**410,820**	365,060	**208,553**	223,428
NET ASSETS		**450,496**	459,209	**154,894**	183,558
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	**144,616**	144,556	**144,616**	144,556
Retained profits		**327,219**	330,709	**9,935**	38,651
Other reserves	27	**(21,339)**	(16,056)	**343**	351
TOTAL EQUITY		**450,496**	459,209	**154,894**	183,558

The accompanying notes form an integral part of these financial statements.

For the financial year ended 31 March 2016

THE GROUP	Note	Share capital	Share option reserve	Asset revaluation reserve	Fair value reserve	Foreign currency translation reserve	Retained profits	Total equity
		<----------- Attributable to equity holders of the Company						----------->
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
2016								
Beginning of financial year		144,556	–	–	351	(16,407)	330,709	459,209
Net profit for the year		–	–	–	–	–	22,429	22,429
Other comprehensive loss for the year		–	–	3,300	(8)	(8,575)	–	(5,283)
Total comprehensive income for the year		–	–	3,300	(8)	(8,575)	22,429	17,146
Employee performance share scheme								
– value of employee services		–	60	–	–	–	–	60
Issue of new shares		60	(60)	–	–	–	–	–
Dividends	28	–	–	–	–	–	(25,919)	(25,919)
Total transactions with owners, recognised directly in equity		60	–	–	–	–	(25,919)	(25,859)
End of financial year		144,616	–	3,300	343	(24,982)	327,219	450,496

The accompanying notes form an integral part of these financial statements.

For the financial year ended 31 March 2016

	Note	Share capital	Share option reserve	Asset revaluation reserve	Fair value reserve	Foreign currency translation reserve	Retained profits	Total equity
		<----------- Attributable to equity holders of the Company						----------->
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015								
Beginning of financial year		144,556	–	–	292	19,916	326,875	491,639
Net profit for the year		–	–	–	–	–	29,749	29,749
Other comprehensive loss for the year		–	–	–	59	(36,323)	–	(36,264)
Total comprehensive loss for the year		–	–	–	59	(36,323)	29,749	(6,515)
Dividends	28	–	–	–	–	–	(25,915)	(25,915)
Total transactions with owners, recognised directly in equity		–	–	–	–	–	(25,915)	(25,915)
End of financial year		144,556	–	–	351	(16,407)	330,709	459,209

The accompanying notes form an integral part of these financial statements.

For the financial year ended 31 March 2016

	Note	THE GROUP 2016 $'000	2015 $'000
Cash Flows From Operating Activities			
Net profit		**22,429**	29,749
Adjustments for:			
Share-based compensation		**60**	–
Income tax (credit)/expense		**(1,702)**	11,231
Depreciation expense of property, plant and equipment		**11,745**	14,414
Dividend income		**(148)**	(163)
Unrealised foreign exchange loss/(gain) – net		**2,546**	(1,280)
Fair value loss on investment properties – net		**21,945**	7,832
Interest expense		**11,715**	14,821
Interest income		**(2,218)**	(1,263)
Loss/(gain) on disposal of property, plant and equipment – net		**11**	(465)
Property, plant and equipment written off		**–**	2,208
Fair value loss/(gain) on investments held-for-trading		**88**	(36)
Write-back of impairment loss on completed properties		**(392)**	(445)
		66,079	76,603
Trade and other receivables		**3,540**	3,386
Inventories		**282**	197
Completed properties for sale		**20,355**	21,438
Development properties for sale		**(95,657)**	20,235
Trade and other payables		**19,555**	(4,953)
Derivative financial (assets)/liabilities		**2,030**	(645)
Cash generated from operations		**16,184**	116,261
Income taxes paid		**(14,463)**	(8,138)
Net Cash From Operating Activities		**1,721**	108,123

The accompanying notes form an integral part of these financial statements.

For the financial year ended 31 March 2016

	Note	THE GROUP 2016 $'000	2015 $'000
Cash Flows From Investing Activities			
Purchase of investments held-for-trading		**–**	(249)
Proceeds from disposal of property, plant and equipment		**–**	1,482
Purchase of property, plant and equipment		**(11,696)**	(7,477)
Interest received		**2,252**	1,106
Dividends received		**148**	163
Deposits pledged		**(658)**	286
Net Cash Used in Investing Activities		**(9,954)**	(4,689)
Cash Flows From Financing Activities			
Proceeds from borrowings		**43,218**	–
Repayment of borrowings		**(5,150)**	(3,789)
Interest paid		**(11,298)**	(14,875)
Dividends paid to equity holders		**(25,919)**	(25,915)
Net Cash From/(Used in) Financing Activities		**851**	(44,579)
Net Change in Cash and Cash Equivalents		**(7,382)**	58,855
Cash and cash equivalents at beginning of year		**141,771**	84,742
Effect of currency translation on cash and cash equivalents		**(678)**	(1,826)
Cash and Cash Equivalents at End of Year	12	**133,711**	141,771

The accompanying notes form an integral part of these financial statements.

1 GENERAL

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars, which is the functional currency of the Company.

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. It is listed on the Singapore Exchange Securities Trading Limited. 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

(i) Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS"). The financial statements are prepared on a going concern basis under the historical cost basis except as otherwise described in the notes below.

Changes and Adoption of New/Revised Financial Reporting Standards

On 1 April 2015, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

Amendments to FRS 19	*Employee Benefits Plans: Employee contributions*
Amendments to FRS 16 and FRS 38	*Property, Plant and Equipment* and *Intangible Assets: Restatement of accumulated depreciation on revaluation*
Amendments to FRS 24	*Related Party Disclosures: Definition of related party*
Amendments to FRS 40	*Investment Property: Clarifying the interrelationship between FRS 103 and FRS 40 when classifying property as investment property or owner-occupied property*
Amendments to FRS 102	*Share-based Payment: Definition of vesting condition*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Basis of preparation (cont'd)

Changes and Adoption of New/Revised Financial Reporting Standards (cont'd)

Amendments to FRS 103	*Business Combinations: Classification and measurement of contingent consideration in a business combination and scope exceptions for joint arrangements*
Amendments to FRS 108	*Operating Segments: Aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets*
Amendments to FRS 113	*Fair Value Measurement: Scope of portfolio – exception*
Amendments to FRS 38	*Intangible Assets: Revaluation method – proportionate restatement of accumulated amortisation*

New Standards and Interpretations Not Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, among others, on the financial statements which include:

- FRS 115 *Revenue from Contracts with Customers* (effective for annual periods beginning after 1 January 2018)

FRS 115 *Revenue from Contracts with Customers* establishes a framework for determining when and how to recognise revenue. It introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 supersedes all existing revenue recognition requirements under FRS.

- FRS 109 *Financial Instruments* (effective for annual periods beginning after 1 January 2018)

FRS 109 *Financial Instruments* replaces the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. The standards introduces new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements.

The Group does not plan to adopt these standards early.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Basis of consolidation (cont'd)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's balance sheet at cost less accumulated impairment losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Revenue

Revenue represents invoiced value of goods sold and services rendered, hotel and restaurant operations revenue, rental income and income from the sale of completed residential properties. The Group's revenue excludes transactions within the Group. Revenue is measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts and volume rebates allowed by the Group.

Revenue from sale of goods and services

Income from the sale of goods and completed properties is recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and the costs of the transaction can be measured reliably. This generally coincides with the point in time when the completed property is delivered to the buyer. No revenue is recognised when there is significant uncertainty as to the collectibility of consideration due or the possible return of units sold.

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

Rental income

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income on interest-bearing instruments is recognised on a time-proportion basis using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based compensation

The Company operates an equity-settled, share-based compensation plan for the Group's employees with a share option plan component and a performance share plan component. The value of the employee services received in exchange for the grant of options on shares or shares is recognised as an expense with a corresponding increase in the share-based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options on shares or share awards on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under the plan which are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under the plan which are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

When the shares are issued, the proceeds received (net of transaction costs) and the related balance previously recognised in the share-based payment reserve are credited to share capital account when new ordinary shares are issued to the employees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Income tax

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity or in other comprehensive income.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(vi) Foreign currency

Foreign currency transactions

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign operations

The results and balance sheets of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the balance sheet date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income ("OCI") and accumulated in the foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal of the entity giving rise to such reserve.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the foreign currency translation reserve in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(vii) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development.

(viii) Property, plant and equipment

Property, plant and equipment is stated at cost less any accumulated depreciation and any accumulated impairment loss. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Freehold buildings	–	100 years
Leasehold land and buildings	–	terms of the leases ranging from 51 to 70 years
Renovations, furniture and fittings	–	2 to 25 years
Motor vehicles	–	5 to 7 years
Equipment and computers	–	2 to 15 years

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. No depreciation is provided on freehold land and capital work-in-progress. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(viii) Property, plant and equipment (cont'd)

Cost includes any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost is recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss when incurred.

When there is a change of use, the property is remeasured to fair value up to the date of change in use. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses any previous impairment allowance, with remaining gain recognised in equity under "Asset Revaluation Reserve". The asset revaluation reserve is transferred to retained profits upon disposal of the property. Any loss is recognised directly to the profit or loss.

(ix) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. The fair value is determined based on internal valuation or independent professional valuation. Independent professional valuation is obtained at least once every 3 years.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure relating to investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised is the difference between net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continual maintenance and regular revaluation on the basis set out above.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Properties under development

Properties under development are properties being developed for sale or future use as investment properties.

Development properties for sale are recognised at cost including cost of acquisition, cost of land, other direct and related development expenditure, and borrowing costs incurred in developing the properties. Borrowing costs payable on loans funding a property under development are capitalised, on a specific identification basis, as part of the cost of the property under development until the completion of development. Completed properties are transferred and accounted for as completed properties for sale.

Properties under development for future use as investment properties are initially recognised at cost and subsequently at fair value with any change therein recognised in the profit or loss. Completed properties are transferred and accounted for as investment properties.

(xi) Impairment of non-financial assets

Property, plant and equipment
Investments in subsidiaries

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xi) Impairment of non-financial assets (cont'd)

Property, plant and equipment (cont'd)
Investments in subsidiaries (cont'd)

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

(xii) Non-derivative financial assets

Initial recognition and measurement and derecognition of financial assets

A financial asset is recognised on the balance sheet only when the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

Subsequent measurement and impairment of financial assets

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

a. Financial assets at fair value through profit or loss: Assets are classified in this category when they are incurred principally for the purpose of trading in the near term (trading assets) or because the conditions are met to use the "fair value option" and it is used. These assets are carried at fair value by reference to the transaction price or current bid prices in an active market. All changes in fair value relating to assets at fair value through profit or loss are recognised directly in the profit or loss. They are classified as non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting year. Typically, short-term investments in equity and debt securities are classified in this category.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xii) Non-derivative financial assets (cont'd)

Subsequent measurement and impairment of financial assets (cont'd)

b. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised cost using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised; and the reversal is recognised in profit or loss. Typically, the trade and other receivables are classified in this category.

c. Available-for-sale financial assets: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value by reference to the transaction price or current bid prices in an active market. If such market prices are not reliably determinable, management establishes fair value by using valuation techniques. Changes in fair value of available-for-sale financial assets are recognised in other comprehensive income and transferred to equity in other reserves. Such reserves are reclassified to profit or loss when realised through disposal. Impairment losses are recognised in profit or loss. When there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income and transferred to equity is reclassified from equity to the profit or loss as a reclassification adjustment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases, it is reversed through other comprehensive income. However, for debt instruments classified as available-for-sale, impairment losses recognised in profit or loss are subsequently reversed through profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. They are classified as non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting year. Typically, long-term investments in equity shares and debt securities are classified in this category but do not include subsidiaries, joint ventures, or associates.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xiii) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

(xiv) Derivative financial instruments

The Group holds derivative financial instruments to manage exposures to foreign exchange and interest rate risks arising from operational, financing and investment activities. These derivative financial instruments do not qualify for hedge accounting and as such, they are accounted for as economic hedges. Such derivative financial instruments are initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Changes in fair values are recognised directly in profit or loss.

(xv) Non-derivative financial liabilities

Non-derivative financial liabilities comprise borrowings, and trade and other payables. Such financial liabilities are initially recognised at fair value (net of directly attributable transaction costs) when the Group becomes a party to the contractual provisions of the instrument. Subsequently these financial liabilities are carried at amortised cost using the effective interest method. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

(xvi) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when the Group has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xvii) Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet. Intra-group transactions are eliminated on consolidation.

(xviii) Completed properties for sale

Completed properties held for sale are those which are intended for sale in the ordinary course of business. They are stated at the lower of cost and estimated net realisable value. Cost includes cost of acquisition, cost of land and other direct and related development expenditure, including borrowing costs, incurred in developing the properties. Borrowing costs payable on loans funding a property under development are also capitalised, on a specific identification basis, as part of the cost of the property under development until the completion of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

(xix) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and includes the cost of purchase and other costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xx) Provisions

A liability of provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the period they occur.

(xxi) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the executive directors and key executives that make strategic resources allocation decisions.

A geographical segment is a distinguishable component that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

(xxii) Leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xxii) Leases (cont'd)

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of that specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(xxiii) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When shares are being repurchased ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the non-distributable capital reserve.

(xxiv) Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised in equity when the dividends are authorised for payment.

3 CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about judgements, estimation uncertainties and assumptions that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Current and deferred tax

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The carrying amounts of current and deferred tax assets/liabilities are set out in Note 10.

Impairment of properties for sale

Management makes allowance for foreseeable losses taking into account the Group's recent experience in estimating net realisable values of units by reference to comparable properties, timing of sale launches, location of property and expected net selling prices. Market conditions may, however, change which may affect the future selling prices on the remaining unsold residential units of the properties and accordingly, further impairment loss may be required or reversed in future periods.

The carrying amounts of the completed properties for sale and development properties for sale are set out in Notes 17 and 18 respectively.

Fair value determination of investment properties

The fair values of investment properties are estimated based on valuations carried out by management and/or external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuations reflect when appropriate, comparable sales of similar properties or estimated market values based on projection of income and expense streams over period of leases, using market rates of return.

The carrying amount of investment properties is set out in Note 20.

3 CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONT'D)

Useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitor actions in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated, or the carrying amounts written off or written down for technically obsolete or non-strategic assets that have been abandoned or sold. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a significant adjustment to the carrying amount of the balance affected.

The carrying amount of property plant and equipment is set out in Note 22.

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. If indication exists, the recoverable amounts of property, plant and equipment are determined based on higher of fair value less costs to sell or value-in-use calculations. These calculations require the use of judgements and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The carrying amount of property plant and equipment is set out in Note 22.

4 REVENUE

	THE GROUP	
	2016	2015
	$'000	$'000
Rendering of services from hotel operations	**172,806**	205,973
Rental income	**13,896**	14,374
Sale of properties	**36,585**	83,908
Others	**3,204**	2,765
	226,491	307,020

5 INTEREST INCOME

	THE GROUP	
	2016	2015
	$'000	$'000
Interest income from bank deposits	**2,218**	1,258
Interest income from investments held-for-trading	**–**	5
	2,218	1,263

6 DIVIDEND INCOME

	THE GROUP	
	2016	2015
	$'000	$'000
Dividend income on investments in quoted equity securities	**148**	163

7 OTHER (LOSSES)/GAINS

	THE GROUP	
	2016	2015
	$'000	$'000
Fair value (loss)/gain on investments held-for-trading	**(88)**	36
Fair value loss on investment properties - net	**(21,945)**	(7,832)
(Loss)/gain on disposal of property, plant and equipment – net	**(11)**	465
Foreign exchange losses – net	**(5,497)**	(1,578)
Inventories written off	**(24)**	(1)
Property, plant and equipment written off	**–**	(2,208)
Loss on liquidation of a subsidiary	**–**	(1)
Write-back of impairment allowance on completed properties held for sale	**392**	445
Other losses – net	**(27,173)**	(10,674)

8 STAFF COSTS

	THE GROUP	
	2016 $'000	2015 $'000
Staff costs including directors' remuneration	**65,624**	90,191
Share-based compensation (Note 26)	**60**	–
Costs of defined contribution plans included in staff costs	**4,307**	5,259

9 OTHER OPERATING EXPENSES

Other operating expenses include the following:

	THE GROUP	
	2016 $'000	2015 $'000
Audit fees paid to auditors of the Company	**155**	175
Audit fees paid to other auditors	**210**	240
Non-audit fees paid to other auditors	**–**	44
Commission and reservation expenses	**7,972**	14,706
Land lease	**4,176**	4,590
Utilities and telecommunication	**6,103**	8,657
Repairs and maintenance	**4,846**	6,860
Advertising and promotion	**2,549**	4,171
Property taxes and rates	**5,566**	5,725
Hotel supplies and services	**2,895**	3,219
Consultancy, legal and professional fees	**1,477**	2,242
Insurance	**633**	983

10 INCOME TAX

	THE GROUP	
	2016 $'000	2015 $'000
Current year		
Current income tax	**10,939**	13,596
Deferred income tax credit	**(12,462)**	(2,365)
	(1,523)	11,231
Over provision in prior years		
Current income tax	**(179)**	–
Tax (credit)/expense	**(1,702)**	11,231

The income tax (credit)/expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to profit before income tax as a result of the following differences:

	THE GROUP	
	2016 $'000	2015 $'000
Tax rate reconciliation:		
Profit before tax	**20,727**	40,980
Income tax expense at statutory rate	**3,524**	6,967
Expenses not deductible for tax purposes	**394**	1,400
Income not subject to tax	**(388)**	(369)
Utilisation of deferred tax assets previously not recognised	**(1,768)**	(1,646)
Recognition of previously unrecognised tax losses	**(5,114)**	–
Effect of different tax rates of overseas operations	**1,829**	4,879
Over provision in prior years	**(179)**	–
Total income tax (credit)/expense	**(1,702)**	11,231

10 INCOME TAX (CONT'D)

Movements in current income tax liabilities

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Tax recoverable	**(1,406)**	–	**–**	–
Income tax liabilities	**7,840**	10,137	**7,743**	2,772
End of financial year	**6,434**	10,137	**7,743**	2,772

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**10,137**	4,679	**2,772**	3,699
Income tax paid	**(14,463)**	(8,138)	**(2,716)**	(3,754)
Current year income tax	**10,939**	13,596	**7,687**	2,827
Over provision in prior years	**(179)**	–	**–**	–
End of financial year	**6,434**	10,137	**7,743**	2,772

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	THE GROUP	
	2016	2015
	$'000	$'000
Deferred tax assets	**6,975**	1,976
Deferred tax liabilities	**(12,071)**	(19,868)
	(5,096)	(17,892)

10 INCOME TAX (CONT'D)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	THE GROUP	
	2016	2015
	$'000	$'000
Deferred tax assets	**16,316**	1,976
Deferred tax liabilities	**(21,412)**	(19,868)
	(5,096)	(17,892)

Movements in deferred tax assets and liabilities

	Provisions		Unutilised tax losses		Total	
THE GROUP	**2016**	2015	**2016**	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Deferred tax assets						
Beginning of financial year	**1,976**	2,384	**–**	–	**1,976**	2,384
Credited/(charged) to profit or loss	**1,191**	(179)	**13,195**	–	**14,386**	(179)
Currency translation	**(46)**	(229)	**–**	–	**(46)**	(229)
End of financial year	**3,121**	1,976	**13,195**	–	**16,316**	1,976

10 INCOME TAX (CONT'D)

Movements in deferred tax assets and liabilities (cont'd)

THE GROUP	Fair value on investment properties		Accelerated tax depreciation		Others		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Deferred tax liabilities								
Beginning of financial year	**(19,868)**	(24,547)	**–**	–	**–**	(204)	**(19,868)**	(24,751)
Credited/(charged) to profit or loss	**7,023**	2,350	**(8,947)**	–	**–**	194	**(1,924)**	2,544
Currency translation	**380**	2,329	**–**	–	**–**	10	**380**	2,339
End of financial year	**(12,465)**	(19,868)	**(8,947)**	–	**–**	–	**(21,412)**	(19,868)

Deferred tax assets not recognised are as follows:

	THE GROUP	
	2016	2015
	$'000	$'000
Provision for impairment on completed properties for sale	**–**	3,953
Unutilised tax losses	**20,468**	64,249

The remaining tax losses and the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which certain subsidiaries of the Group can utilise the benefits therefrom.

11 EARNINGS PER SHARE

THE GROUP	2016		2015	
	Basic	**Diluted**	Basic	Diluted
	$'000	**$'000**	$'000	$'000
Profit attributable to equity holders	**22,429**	**22,429**	29,749	29,749

The weighted average number of ordinary shares is arrived at as follows:

	2016 Basic	2016 Diluted	2015 Basic	2015 Diluted
Ordinary shares issued ('000)				
Beginning of year	**863,833**	**863,833**	863,833	863,833
Weighted average number issued during the year	**70**	**70**	–	–
Weighted average number of ordinary shares	**863,903**	**863,903**	863,833	863,833
Earnings per share (cents)	**2.60**	**2.60**	3.44	3.44

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.

12 CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Cash and bank balances	**26,971**	11,407	**1,990**	2,364
Fixed deposits	**110,536**	133,502	**31,020**	49,177
Cash and cash equivalents	**137,507**	144,909	**33,010**	51,541
Deposits pledged	**(3,796)**	(3,138)	**–**	–
Cash and cash equivalents in the consolidated statement of cash flows	**133,711**	141,771	**33,010**	51,541

Deposits pledged are in relation to a banker guarantee given by a subsidiary and for the purposes of interest payment on loans of subsidiaries. The rate of interest for the cash balances range between 1.13% and 2.64% (2015: 0.51% and 3.35%) per annum. Fixed deposits represent short-term deposits with maturity dates of less than 3 months.

13 INVESTMENTS HELD-FOR-TRADING

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	THE GROUP	
	2016	2015
	$'000	$'000
Level 1		
Quoted equity securities	**3,347**	3,438
Level 2		
Debt securities	**289**	286
Fair value at end of year	**3,636**	3,724

The fair values of investments in quoted equity securities are determined by reference to their quoted closing bid price in an active market at the measurement date.

The fair value of debt securities was determined by reference to their quoted closing bid price in a non-active market at the measurement date.

14 DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Level 2				
Derivative financial (liabilities)/assets	**(1,986)**	44	**(337)**	–

Derivative financial instruments comprise forward exchange contracts.

The fair values of derivative financial instruments are determined by reference to broker quotes at the measurement date. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

15 TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Trade receivables				
Third parties	**4,949**	6,432	**–**	–
Lease receivable	**1,207**	1,225	**–**	–
Less: Allowance for impairment	**(16)**	(86)	**–**	–
	6,140	7,571	**–**	–
Other receivables				
Related parties	**408**	181	**–**	–
Amount due from subsidiaries	**–**	–	**30,270**	–
Accrued interest receivable	**170**	204	**22**	82
Deposits	**105**	108	**–**	–
Prepayments	**2,831**	7,385	**–**	–
Other receivables	**3,584**	1,363	**22**	13
	13,238	16,812	**30,314**	95

15 TRADE AND OTHER RECEIVABLES (CONT'D)

The average credit terms generally granted for third party trade receivables is about 30 days (2015: 30 days). Some customers take a longer period to settle the amounts. Trade receivables aging analysis as follows:

	2016		2015	
THE GROUP	**Gross**	**Impairment allowance**	Gross	Impairment allowance
	$'000	**$'000**	$'000	$'000
Less than 30 days	**3,939**	**–**	5,598	–
31 – 60 days	**845**	**–**	733	–
61 – 90 days	**159**	**(10)**	–	–
More than 90 days	**6**	**(6)**	101	(86)
	4,949	**(16)**	6,432	(86)

Amounts greater than 30 days are considered to be past due. They are not secured.

Movements in impairment allowance

THE GROUP	**2016**	2015
	$'000	$'000
Beginning of financial year	**86**	101
Currency translation	**(1)**	(11)
Utilisation	**(69)**	(4)
End of financial year	**16**	86

Trade receivables that are neither past due nor impaired are substantially from companies with a good collection track record with the Group.

16 INVENTORIES

	THE GROUP	
	2016	2015
	$'000	$'000
Finished goods	**376**	594
Consumables	**864**	928
	1,240	1,522

The net realisable value of inventories is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale.

17 COMPLETED PROPERTIES FOR SALE

	THE GROUP	
	2016	2015
	$'000	$'000
Beginning of financial year	**47,902**	75,909
Currency translation	**(2,436)**	(5,078)
Transfer to profit or loss upon sale	**(18,253)**	(22,929)
	27,213	47,902
Less: Write-down to net realisable value	**(3,561)**	(3,953)
End of financial year	**23,652**	43,949

The net realisable value of unsold completed properties for sale is determined based on expected sales price. A write down to net realisable value was provided for the unsold residential properties in New Zealand based on an independent professional valuation. The valuation obtained was based on the direct sales comparison method.

Notes to Financial Statements

18 DEVELOPMENT PROPERTIES FOR SALE

THE GROUP	Land	Development expenditure	Other related costs	Total
	$'000	**$'000**	**$'000**	**$'000**
Cost:				
At 1 April 2014	29,032	13,405	90	42,527
Currency translation	(1,125)	(1,106)	(4)	(2,235)
Additions	–	11,750	1,130	12,880
Transfer from property, plant and equipment (Note 22)	41,278	–	–	41,278
Disposals	(27,907)	(3,858)	(76)	(31,841)
At 31 March 2015	41,278	20,191	1,140	62,609
Currency translation	**(596)**	**(274)**	**(17)**	**(887)**
Additions	**–**	**95,439**	**–**	**95,439**
At 31 March 2016	**40,682**	**115,356**	**1,123**	**157,161**

19 AVAILABLE-FOR-SALE INVESTMENTS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Level 1				
Quoted equity securities	**406**	347	**406**	347
Fair value gain/(loss) recognised in other comprehensive income	**(8)**	59	**(8)**	59
	398	406	**398**	406

The fair values of investments in equity securities are determined by reference to their quoted closing bid price in an active market at the measurement date.

20 INVESTMENT PROPERTIES

The table below analyses investment properties carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

THE GROUP	**Freehold land and buildings**	**Leasehold property**	**Total**
	$'000	**$'000**	**$'000**
Level 3			
At 1 April 2014	188,568	14,966	203,534
Currency translation	(18,575)	–	(18,575)
Fair value loss	(7,832)	–	(7,832)
At 31 March 2015	162,161	14,966	177,127
Currency translation	**(2,646)**	**–**	**(2,646)**
Transfer from property, plant and equipment (Note 22)	**–**	**5,729**	**5,729**
Fair value (loss)/gain (Note 7)	**(23,410)**	**1,465**	**(21,945)**
At 31 March 2016	**136,105**	**22,160**	**158,265**

THE GROUP	**2016**	2015
	$'000	$'000
Rental and service income from investment properties	**12,865**	13,477
Direct operating expense (that generated rental income during the year)	**1,245**	3,620

All investment properties are leased out under operating lease arrangements.

Fair value of leasehold investment property was based on internal valuation, consistent with the Group's accounting policy to obtain an external independent valuation once every three years. External valuation for the leasehold investment property was last obtained in the financial year ended 31 March 2014.

20 INVESTMENT PROPERTIES (CONT'D)

Fair value of freehold investment property was based on external valuation from an independent and qualified valuer to determine the fair value of the property based on highest and best use. External valuation for the freehold investment property was last obtained in the financial year ended 31 March 2016.

The following methods were used to value investment properties:

- Applying a suitable price per square metre by analysing comparable sales for similar properties, adjusted for various factors including the age, location and condition, to reflect differences with the investment properties (direct sales comparison approach).
- Capitalising rental income using a market capitalisation rate, based on yields achieved by comparable properties (capitalisation approach).

The following table presents the information about fair value measurements using significant unobservable inputs:

Description	Tenure	Valuation method	Key unobservable inputs	Relationship of key unobservable inputs to fair value
Commercial buildings – Perth	Freehold	Capitalisation method Discounted cash flow method	Capitalisation rate: 2016: 7.75% Discount rate: 7.75% (2015: 8.25%)	The estimated fair value varies inversely against the capitalisation rate and discount rate.
Office building – Singapore	99-year lease from 1985	Direct sales comparison	Price per square foot: 2016: $1,700 to $1,800 (2015: $1,600 to $1,800)	The estimated fair value increases in proportion with the price per square foot.

Valuations reflect when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

Investment properties at carrying value of $136,105,000 (2015: $162,161,000) are mortgaged as securities for the bank facilities (Note 25).

21 INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2016	2015
	$'000	$'000
Cost of investments	**104,174**	104,174
Less: Share capital reduction in a subsidiary	**(25,000)**	–
Loans forming part of net investment in subsidiaries	**199,493**	229,712
Financial guarantees to subsidiaries	**22,129**	22,129
	300,796	356,015
Less: Allowance for impairment	**(1,071)**	(1,071)
	299,725	354,944
<u>Movements in impairment allowance</u>		
Beginning and end of financial year	**1,071**	1,071

The recoverable amounts of investments in subsidiaries are measured based on fair value less costs to sell, by reference to the net assets value of the subsidiaries. The net assets of the subsidiaries comprise mainly financial assets and liabilities, investment properties and properties held for sale. The Company views that the carrying amounts of the financial assets and financial liabilities approximate their fair values due to the short-term maturity of these items, while the investment properties and properties held for sale have been adjusted to their fair values and realisable values, respectively.

Investments in subsidiaries include investments of $75,789,000 (2015: $100,790,000) which are denominated in Australian dollars.

21 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Country of incorporation and operation	Group's effective interest 2016 %	2015 %
Hotel owning and management				
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 Ltd [1]	Trustee	Australia	**100**	100
The Grand Hotel Unit Trust [1]	Hotel owning & operations	Australia	**100**	100
HSH (Australia) Trust	Investment holding	British Virgin Islands	**100**	100
HSH Contractors Pte Ltd	Financier	Singapore	**100**	100
K.R.M.F.C. Pty Ltd +	Dormant	Australia	**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

21 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Country of incorporation and operation	Group's effective interest 2016 %	2015 %
Hotel owning and management (cont'd)				
MLCS Trust	Investment holding	British Virgin Islands	**100**	100
North Ryde Investments Limited	Investment holding	British Virgin Islands	**100**	100
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	Dormant	Singapore	**100**	100
Stamford Cairns Trust +	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

21 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Country of incorporation and operation	Group's effective interest	
			2016	2015
			%	%
Hotel owning and management (cont'd)				
Stamford Hotels & Resorts Pte. Ltd.	Dormant	Singapore	**100**	100
Stamford Hotels (NZ) Limited [2]	Hotel operator	New Zealand	**100**	100
Stamford Hotels Pty Ltd [1]	Dormant	Australia	**100**	100
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]	Dormant	Australia	**100**	100
Stamford Raffles Pty Ltd +	Dormant	Australia	**100**	100
Stamford Sydney Airport Pty Ltd [1]	Hotel operator	Australia	**100**	100
Terrace Hotel (Operations) Pty Ltd [1]	Hotel operator	Australia	**100**	100
TIA Trust	Investment holding	British Virgin Islands	**100**	100

21 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Country of incorporation and operation	Group's effective interest	
			2016	2015
			%	%
Property development				
SLC Campsie Pty Ltd [1]	Property developer	Australia	**100**	100
Stamford Property Services Pty. Limited [1]	Property management	Australia	**100**	100
SNR Trust [1]	Property developer	British Virgin Islands	**100**	100
Stamford Raffles Trust [1]	Property developer	British Virgin Islands	**100**	100
Knoxville Trust	Property investment	British Virgin Islands	**100**	100
HSH Properties Pte Ltd	Property investment	Singapore	**100**	100
Trading				
Singapore Wallcoverings Centre (Private) Limited	Wallcoverings and interior design	Singapore	**100**	100
Voyager Travel Pte Ltd	Travel agency	Singapore	**100**	100

21 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Country of incorporation and operation	Group's effective interest	
			2016	2015
			%	%
Others				
HSH Tanker Inc.	Dormant	Panama	**100**	100
Stamford Land Management Pte Ltd	Management services	Singapore	**100**	100
Stamford Land (International) Pte Ltd	Dormant	Singapore	**100**	100
Stamford F&B Pty Ltd +	Dormant	Australia	**100**	100

All subsidiaries are audited by KPMG LLP, Singapore except as indicated.

(1) Audited by KPMG, Sydney
(2) Audited by KPMG, Auckland
+ Not required to be audited as it is dormant

22 PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold land	Freehold buildings	Leasehold land and buildings	Renovation, furniture and fittings	Motor vehicles	Equipment and computers	Capital work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2016								
Cost:								
Beginning of year	62,353	236,265	103,091	66,639	585	86,244	1,214	556,391
Currency translation	(2,237)	(8,882)	(1,401)	(1,742)	(8)	(1,577)	(18)	(15,865)
Additions	–	312	2	3,890	–	3,030	4,462	11,696
Reclassification	–	4,526	–	–	–	–	(4,526)	–
Disposals	–	–	–	(2,292)	–	(209)		(2,501)
Revaluation adjustment	–	–	3,300	–	–	–	–	3,300
Transfer to investment properties	–	–	(6,451)	–	–	–	–	(6,451)
End of year	60,116	232,221	98,541	66,495	577	87,488	1,132	546,570
Accumulated depreciation:								
Beginning of year	–	54,346	20,771	56,429	534	53,120	–	185,200
Currency translation	–	(2,410)	(253)	(1,294)	(7)	(1,037)	–	(5,001)
Depreciation charge	–	2,038	1,945	3,150	24	4,588	–	11,745
Disposals	–	–	–	(2,320)	–	(170)	–	(2,490)
Transfer to investment properties	–	–	(722)	–	–	–	–	(722)
End of year	–	53,974	21,741	55,965	551	56,501	–	188,732
Net book value:								
End of year	60,116	178,247	76,800	10,530	26	30,987	1,132	357,838

22 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP	Freehold land	Freehold buildings	Leasehold land and buildings	Renovation, furniture and fittings	Motor vehicles	Equipment and computers	Capital work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015								
Cost:								
Beginning of year	73,634	309,776	114,024	70,801	1,009	113,895	137	683,276
Currency translation	(6,699)	(28,275)	(10,933)	(6,469)	(97)	(11,302)	(14)	(63,789)
Additions	–	81	–	4,023	–	2,282	1,091	7,477
Disposals	–	–	–	(1,716)	(327)	(18,631)	–	(20,674)
Transfer to development properties	(4,582)	(45,317)	–	–	–	–	–	(49,899)
End of year	62,353	236,265	103,091	66,639	585	86,244	1,214	556,391
Accumulated depreciation:								
Beginning of year	–	65,601	21,347	59,067	737	71,094	–	217,846
Currency translation	–	(5,969)	(2,115)	(5,595)	(74)	(7,325)	–	(21,078)
Depreciation charge	–	3,335	1,539	4,203	20	5,317	–	14,414
Disposals	–	–	–	(1,246)	(149)	(15,966)	–	(17,361)
Transfer to development properties	–	(8,621)	–	–	–	–	–	(8,621)
End of year	–	54,346	20,771	56,429	534	53,120	–	185,200
Net book value:								
End of year	62,353	181,919	82,320	10,210	51	33,124	1,214	371,191

In 2015, the Group transferred freehold land and building with a net book value of $41,278,000 to development properties for sale due to change in use (Note 18).

In 2016, the Group transferred a portion of a leasehold building with a net book value of $5,729,000 to investment properties due to change in use (Note 20). The fair value relating to the change in use amounted to $3,300,000 was recognised in equity under "Asset revaluation reserve" (Note 27).

The freehold and leasehold land and buildings with carrying value totalling approximately $315,163,000 (2015: $326,592,000) are charged by way of mortgages and fixed and floating equitable charges for long-term borrowings (Note 25).

23 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Trade payables				
Third parties	**16,669**	3,176	**–**	–
Other payables				
Related parties	**8**	102	**–**	–
Accrued loan interest payable	**1,318**	901	**–**	–
Accrued liabilities	**13,726**	12,495	**–**	–
Other payables	**16,850**	11,925	**774**	2,253
Financial guarantees in favour of subsidiaries	**–**	–	**–**	1,000
	48,571	28,599	**774**	3,253

Other payables to related parties are unsecured, interest-free, non-trade and repayable on demand.

The fair value of financial guarantees in favour of subsidiaries is calculated based on the difference between the actual interest rates obtained by subsidiaries for loans guaranteed by the Company and market interest rates for non-guaranteed loans obtained from banker quotes.

24 AMOUNTS DUE TO SUBSIDIARIES

	THE COMPANY	
	2016	2015
	$'000	$'000
Current portion	**–**	18,008
Non-current portion	**199,699**	194,989
	199,699	212,997
Non-current portion that is interest-free		
Beginning of financial year	**241,962**	218,902
(Repayment)/advances during the financial year	**(5,039)**	23,060
	236,923	241,962
Less: Unamortised interest expense	**(37,224)**	(46,973)
End of financial year	**199,699**	194,989
Unamortised interest expense		
Beginning of financial year	**46,973**	47,355
Fair value on inception of advances during the financial year	**–**	8,903
Amortised interest expense during the financial year	**(9,749)**	(9,285)
End of financial year	**37,224**	46,973

Amounts due to subsidiaries (current) are unsecured, non-trade and repayable on demand.

The carrying amount of the non-current portion of the amounts due to subsidiaries approximates its fair values.

25 BORROWINGS

	THE GROUP	
	2016	2015
	$'000	$'000
Current borrowings	**279,455**	192,623
Non-current borrowings	**60,897**	113,833
	340,352	306,456

Non-current borrowings are repayable within 2 – 3 years from balance sheet date.

Details of the outstanding borrowings are as follows:

		2016	2015	**2016**		2015	
	Currency	**Nominal interest rate**	Nominal interest rate	**Source currency**	**Local currency**	Source currency	Local currency
		%	%	**$'000**	**$'000**	$'000	$'000
Term loan	AUD	3.28% to 4.27%	4.07% to 5.25%	139,060	**143,385**	95,000	99,389
Term loan	NZD	4.14% to 5.30%	4.07% to 5.25%	24,620	**22,911**	24,620	25,283
Term loan	AUD	4.10% to 4.26%	4.59% to 4.69%	85,706	**88,371**	85,706	89,666
Term loan	AUD	3.49% to 3.69%	3.72% to 4.30%	60,000	**61,866**	60,000	62,772
Term loan	AUD	4.02% to 4.23%	4.29% to 4.66%	23,100	**23,819**	28,050	29,346
Total interest-bearing borrowings					**340,352**		306,456

The term loans are secured by legal mortgages on certain properties of the subsidiaries.

26 SHARE CAPITAL

THE COMPANY AND GROUP	Number of ordinary shares		$'000	
	2016	2015	**2016**	2015
Issued and fully paid:				
Beginning of financial year	**863,833,482**	863,833,482	**144,556**	144,556
Issue of new ordinary shares	**105,000**	–	**60**	–
End of financial year	**863,938,482**	863,833,482	**144,616**	144,556

The ordinary shares of no par value carry no right to fixed income and are fully paid-up.

On 30 July 2015, the Company issued 105,000 ordinary shares for fulfilling the grant of performance shares that were fully vested during the financial year.

Stamford Land Corporation Ltd Performance Share Plan 2015 ("SLC PSP")

Under the SLC PSP, an award granted represents the right to receive fully paid shares, free of charge, provided that certain pre-determined performance conditions (if applicable) are satisfied within the performance period (if applicable) during which such performance conditions are to be satisfied. Performance conditions are intended to be based on short to medium term corporate critical targets based on criteria such as total shareholders' returns, market share, market ranking, return on sales and gross operating profits being met over a short period of one to three years.

The persons eligible to participate in the SLC PSP are either selected employees of the Group of such rank as the Remuneration Committee may determine, or other participants as selected by the Remuneration Committee at its discretion, but shall exclude the independent directors of the Company, controlling shareholders and the associates of such controlling shareholders.

105,000 ordinary shares were granted during the financial year and since the commencement of the SLC PSP.

Notes to Financial Statements

27 OTHER RESERVES

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Other reserves				
Share option reserve	**–**	–	**–**	–
Fair value reserve	**343**	351	**343**	351
Foreign currency translation reserve	**(24,982)**	(16,407)	**–**	–
Asset revaluation reserve	**3,300**	–	**–**	–
	(21,339)	(16,056)	**343**	351
Share option reserve				
Beginning of financial year	**–**	–	**–**	–
Employee share-based compensation scheme				
– value of employee services	**60**	–	**60**	–
– issue of new ordinary shares	**(60)**	–	**(60)**	–
End of financial year	**–**	–	**–**	–
Fair value reserve				
Beginning of financial year	**351**	292	**351**	292
Fair value gain/(loss)	**(8)**	59	**(8)**	59
End of financial year	**343**	351	**343**	351

27 OTHER RESERVES (CONT'D)

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Foreign currency translation reserve				
Beginning of financial year	**(16,407)**	19,916	**–**	–
Exchange differences on consolidation of foreign subsidiaries	**(1,610)**	(18,242)	**–**	–
Exchange differences on foreign currency loans forming part of net investment in foreign operations	**(6,965)**	(18,081)	**–**	–
End of financial year	**(24,982)**	(16,407)	**–**	–
Asset revaluation reserve				
Beginning of financial year	**–**	–	**–**	–
Fair value gain (Note 22)	**3,300**	–	**–**	–
End of financial year	**3,300**	–	**–**	–

28 DIVIDENDS

	THE GROUP	
	2016	2015
	$'000	$'000
Final tax exempt (one-tier) dividend paid in respect of previous year of 2 cents (2015: 2 cents) per share	**17,279**	17,276
Special tax exempt (one-tier) dividend paid in respect of previous year of 1 cent (2015: 1 cent) per share	**8,640**	8,639
	25,919	25,915

At the Annual General Meeting on 28 July 2016, a final dividend of 0.5 cent per share amounting to a total of $4,320,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2017.

NOTES TO FINANCIAL STATEMENTS

29 OPERATING SEGMENTS

For management purposes, the Group is organised into strategic business units based on their products, services and geography. The Group has five reportable segments as follows:

- Hotel owning and management segment: The ownership and management of hotels.
- Property development segment: The development, construction and trading in properties.
- Property investment segment: The holding of properties for rental income and/or capital appreciation.
- Trading segment: Interior decoration companies and a travel agency.
- Others: Dividend income and management fees charged to related parties and unallocated expenses that are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis.

The chief operating decision maker monitors the results of each of the above operating segments for the purpose of making decisions about resource allocation and performance assessment.

Inter-segment revenue are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices.

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

	Hotel Owning & Management	Property Development	Property Investment	Trading	Others	Inter-segment Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2016							
REVENUE							
External revenue	172,806	37,695	12,865	3,029	96	–	226,491
Inter-segment revenue	–	112	605	120	4,637	(5,474)	–
	172,806	37,807	13,470	3,149	4,733	(5,474)	226,491
RESULTS							
Profit/(loss) from operations	44,527	17,257	13,545	357	(6,692)	–	68,994
Depreciation	(11,676)	–	–	(16)	(53)	–	(11,745)
Profit/(loss) after depreciation	32,851	17,257	13,545	341	(6,745)	–	57,249
Interest income							2,218

29 OPERATING SEGMENTS (CONT'D)

	Hotel Owning & Management	Property Development	Property Investment	Trading	Others	Inter-segment Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2016							
Dividend income							**148**
Finance costs							**(11,715)**
Other charges (net of other credits)							**(27,173)**
Profit before tax							**20,727**
Income tax credit							**1,702**
Profit after tax							**22,429**
Other material non-cash items:							
Fair value losses on investment properties	**–**	**–**	**(21,945)**	**–**	**–**	**–**	**(21,945)**
Loss on disposal of property, plant and equipment - net	**–**	**–**	**–**	**–**	**(11)**	**–**	**(11)**
Write-back of impairment allowance on completed properties held for sale	**–**	**392**	**–**	**–**	**–**	**–**	**392**
ASSETS							
Reportable segment assets	**501,897**	**119,435**	**163,900**	**3,649**	**72,435**	**–**	**861,316**
Capital expenditure	**11,653**	**–**	**–**	**–**	**43**	**–**	**11,696**
LIABILITIES							
Reportable segment liabilities	**296,008**	**25,891**	**75,756**	**768**	**12,397**	**–**	**410,820**

29 OPERATING SEGMENTS (CONT'D)

	Hotel Owning & Management	Property Development	Property Investment	Trading	Others	Inter-segment Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015							
REVENUE							
External revenue	205,973	84,958	13,477	2,516	96	–	307,020
Inter-segment revenue	–	858	452	801	3,514	(5,625)	–
	205,973	85,816	13,929	3,317	3,610	(5,625)	307,020
RESULTS							
Profit/(loss) from operations	52,044	21,546	12,060	173	(6,360)	–	79,463
Depreciation	(14,250)	–	–	(26)	(138)	–	(14,414)
Profit/(loss) after depreciation	37,794	21,546	12,060	147	(6,498)	–	65,049
Interest income							1,263
Dividend income							163
Finance costs							(14,821)
Other charges (net of other credits)							(10,674)
Profit before tax							40,980
Income tax expense							(11,231)
Profit after tax							29,749
Other material non-cash items:							
Fair value losses on investment properties	–	–	(7,832)	–	–	–	(7,832)
Gain on disposal of property, plant and equipment – net	465	–	–	–	–	–	465
Property, plant and equipment written off	(2,208)	–	–	–	–	–	(2,208)
Write-back of impairment allowance on completed properties held for sale	–	445	–	–	–	–	445

29 OPERATING SEGMENTS (CONT'D)

	Hotel Owning & Management	Property Development	Property Investment	Trading	Others	Inter-segment Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015							
ASSETS							
Reportable segment assets	445,169	85,916	192,488	3,476	97,220	–	824,269
Capital expenditure	7,403	18	–	–	56	–	7,477
LIABILITIES							
Reportable segment liabilities	243,104	31,445	82,966	807	6,738	–	365,060

29 OPERATING SEGMENTS (CONT'D)

Geographical segments

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

	2016	2015
	$'000	$'000
Segment revenue		
Australia	**192,026**	264,477
New Zealand	**30,829**	39,549
Singapore	**3,636**	2,994
	226,491	307,020

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

	2016	2015
	$'000	$'000
Segment assets		
Australia	**670,709**	585,731
New Zealand	**89,760**	118,082
Singapore	**100,847**	120,456
	861,316	824,269

30 OPERATING LEASES

The Group leases out its investment property under operating leases. The leases have an option to renew after expiration. Lease payments are reviewed every year to reflect market rentals and changes in the local price index. None of the leases contain contingent rent arrangements. The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	THE GROUP	
	2016	2015
	$'000	$'000
Within one year	**15,688**	11,908
Between one and five years	**76,589**	53,784
More than five years	**54,805**	603
	147,082	66,295

31 CAPITAL EXPENDITURE COMMITMENTS

	THE GROUP	
	2016	2015
	$'000	$'000
Estimated amounts committed for plant and equipment but not provided for in the balance sheet	**7,889**	3,041

32 FINANCIAL RISK MANAGEMENT

The main purpose for holding or issuing financial instruments is to raise and manage the capital requirements for the Group's operating, investing and financing activities. The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risks comprising interest rate, foreign currency and price risks. The management of financial risks are as follows:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of income and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. Enter into derivatives or any other similar instruments solely for hedging purposes.
4. All financial risk management activities are carried out and monitored by senior management staff.
5. All financial risk management activities are carried out following good market practices.

(a) Foreign currency risk

The Group has exposure to changes in foreign exchange rates arising from foreign currency transactions and balances. These exposures and changes in fair values from time to time are monitored and any gains and losses are included in profit or loss unless otherwise stated in the accounting policies. The Group holds derivative financial instruments to manage exposures to foreign exchange risk. These derivative financial instruments serve as economic hedges and do not qualify for hedge accounting.

32 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Foreign currency risk (cont'd)

The Group has significant investments in subsidiaries in Australia and New Zealand and is exposed to currency translation risk. A summary of the Group's exposure to significant foreign currency risk as reported to the management of the Group is as follows:

THE GROUP	Australian Dollars	New Zealand Dollars	Total
	$'000	$'000	$'000
2016			
Trade and other receivables	**7,499**	**1,232**	**8,731**
Cash and cash equivalents	**97,423**	**32,544**	**129,967**
Borrowings	**(317,442)**	**(22,910)**	**(340,352)**
Trade and other payables	**(32,205)**	**(1,733)**	**(33,938)**
	(244,725)	**9,133**	**(235,592)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	**276,471**	**22,175**	**298,646**
Net currency exposure	**31,746**	**31,308**	**63,054**
2015			
Trade and other receivables	6,843	1,238	8,081
Cash and cash equivalents	78,485	21,783	100,268
Borrowings	(281,173)	(25,283)	(306,456)
Trade and other payables	(11,227)	(1,300)	(12,527)
	(207,072)	(3,562)	(210,634)
Less: Net financial liabilities denominated in the respective entities' functional currencies	257,988	25,169	283,157
Net currency exposure	50,916	21,607	72,523

If the Australian Dollars ("AUD") and New Zealand Dollars ("NZD") change against Singapore Dollars by 5% (2015: 5%) with all other variables held constant, the net currency position on the Group's profit before tax would increase/decrease by approximately $3,100,000 (2015: $3,600,000).

32 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Foreign currency risk (cont'd)

For the Company, if the AUD and NZD change against Singapore Dollars by 5% (2015: 5%) with all other variables including tax rate being held constant, the net currency position on the Company's equity would increase/decrease by approximately $10,000,000 (2015: $11,500,000). At the Group level, $10,000,000 (2015: $11,500,000) would be reclassified to other comprehensive income on consolidation as they relate to exchange differences on foreign currency loan that form part of the Group's net investment in foreign operations.

Management is of the view that the above sensitivity analysis may not be representative of the inherent foreign exchange risk as year-end exposures may not reflect the actual exposure and circumstances during the year.

(b) Interest rate risk

The Group obtains additional financing through bank borrowings. There is exposure to interest rate risk for financial instruments with floating interest rates that is reset as market rates change. The Group's policy is to obtain the most favourable interest rates available.

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in AUD and NZD. If the AUD and NZD interest rates had been increased/decreased by 0.5% (2015: 0.5%) with all other variables being held constant, the profit before tax would have been lower/higher by approximately $1,700,000 (2015: $1,500,000) as a result of higher/lower interest expense on borrowings.

Management is of the view that the above effective interest rates are unrepresentative of the inherent interest rate risk as the historical exposure does not necessarily reflect the exposure in future.

(c) Liquidity risk

The Group's funding is primarily handled by the Company 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 some extent, liquid funds are in some periods placed in money market instruments or bonds.

The following table shows the contractual undiscounted cash flows of the Group and the Company's non-derivative financial liabilities on the basis of their earliest possible contractual maturities.

32 FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

THE GROUP	Carrying amount	Total	Not later than 1 year	Between 1 and 5 years
	<------------- Contractual cash flows ------------->			
	$'000	$'000	$'000	$'000
2016				
Bank borrowings	**340,352**	**359,831**	**290,350**	**69,481**
Trade and other payables	**48,571**	**48,571**	**48,571**	**–**
	388,923	**408,402**	**338,921**	**69,481**
2015				
Bank borrowings	306,456	319,285	202,845	116,440
Trade and other payables	28,599	28,599	28,599	–
	335,055	347,884	231,444	116,440

THE COMPANY	Carrying amount	Total	Not later than 1 year	Between 1 and 5 years	More than 5 years
	<----------------- Contractual cash flows ---------------->				
	$'000	$'000	$'000	$'000	$'000
2016					
Trade and other payables	**774**	**774**	**774**	**–**	**–**
Amounts due to subsidiaries	**199,699**	**236,923**	**–**	**–**	**236,923**
	200,473	**237,697**	**774**	**–**	**236,923**
2015					
Trade and other payables	2,253	2,253	2,253	–	–
Amounts due to subsidiaries	212,997	259,970	18,008	–	241,962
Financial guarantees in favour of subsidiaries	1,000	306,456	306,456	–	–
	216,250	568,679	326,717	–	241,962

32 FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

It is expected that all the liabilities will be paid at their contractual maturity except for bank borrowings which are expected to be re-financed. In order to meet such cash commitments, the operating activities are expected to generate sufficient cash inflows. In addition, the financial assets are held for which there is a liquid market and that are readily available to meet liquidity needs. Except for cash flows arising from the intra-group financial guarantees, it is not expected that the cash flows included in the maturity analysis above could occur at significantly different amounts.

(d) Credit risk

The carrying amounts of cash and cash equivalents, debt securities, trade receivables and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. 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, as the exposure is spread over a large number of counterparties and customers. Information relating to the Group's credit risk exposure is disclosed in Note 15 of financial statements.

(e) Price risk

There are arrangements to invest temporary excess liquidity in equity or debt securities. Investments in derivatives for speculative purposes are not considered. As at end of the year, the quoted equity securities were held either as investments held-for-trading at fair value through profit or loss or available-for-sale investments. As a result, such investments are exposed to both currency risk and changes in fair value risk.

No sensitivity analysis was performed as management is of the view that the effect on profit before tax is not significant.

32 FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Financial assets and liabilities by category

The carrying amounts of the different categories of financial assets and liabilities are disclosed on the face of balance sheets and as follows:

THE GROUP	Fair value through profit or loss	Loans and receivables	Available - for- sale	Other financial liabilities
	$'000	$'000	$'000	$'000
2016				
Cash and cash equivalents	–	137,507	–	–
Trade and other receivables	–	10,407	–	–
Available-for-sale investments	–	–	398	–
Investments held-for-trading	3,636	–	–	–
	3,636	147,914	398	–
Borrowings	–	–	–	340,352
Trade and other payables	–	–	–	48,571
Derivative financial liabilities	1,986	–	–	–
	1,986	–	–	388,923
2015				
Cash and cash equivalents	–	144,909	–	–
Derivative financial assets	44	–	–	–
Trade and other receivables	–	9,427	–	–
Available-for-sale investments	–	–	406	–
Investments held-for-trading	3,724	–	–	–
	3,768	154,336	406	–
Borrowings	–	–	–	306,456
Trade and other payables	–	–	–	28,599
	–	–	–	335,055

32 FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Financial assets and liabilities by category (cont'd)

THE COMPANY	Fair value through profit or loss	Loans and receivables	Available - for- sale	Other financial liabilities
	$'000	$'000	$'000	$'000
2016				
Cash and cash equivalents	–	33,010	–	–
Trade and other receivables	–	30,314	–	–
Available-for-sale investments	–	–	398	–
	–	63,324	398	–
Derivative financial liabilities	337	–	–	–
Trade and other payables	–	–	–	774
Amounts due to subsidiaries	–	–	–	199,699
	337	–	–	200,473
2015				
Cash and cash equivalents	–	51,541	–	–
Trade and other receivables	–	95	–	–
Available-for-sale investments	–	–	406	–
	–	51,636	406	–
Amounts due to subsidiaries	–	–	–	212,997
Trade and other payables	–	–	–	3,253
	–	–	–	216,250

32 FINANCIAL RISK MANAGEMENT (CONT'D)

(g) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of currency forwards are determined using actively quoted forward exchange rates.

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity. The carrying amounts of bank borrowings approximate their fair values as they are repriced every one to three months.

(h) Capital management

The primary objective of the Group's capital management is to have a strong capital base and a good rating to maintain investor, creditor and market confidence and to sustain future development of the business. The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital. The Group manages its capital to ensure entities in the Group will be able to continue as going concerns while maximising the return to shareholders through optimisation of the debt and equity balance. The Group actively reviews its capital structure and considers the cost of capital and the risks associated with each class of capital. The Group balances its overall capital structure through the payment of dividends, share buy-back, new share issues as well as the issue of new debt or the redemption of existing debt.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO FINANCIAL STATEMENTS

32 FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Offsetting financial assets and financial liabilities

The gross intercompany receivables and payables that were subject to enforceable netting arrangements in balance sheet are as follows:

THE COMPANY	**2016**	2015
	$'000	$'000
Amounts due from subsidiaries - current	**68,723**	21,013
Amounts due to subsidiaries - current	**(38,453)**	(39,021)
Net amount due from/(to) subsidiaries (2016: Note 15, 2015: Note 24)	**30,270**	(18,008)

33 RELATED PARTY TRANSACTIONS

(a) Related companies:

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below. These are on the basis determined between the parties.

(b) Other related parties:

There are transactions and arrangements between the Group and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current related party balances are unsecured, without fixed repayment terms and interest unless stated otherwise.

33 RELATED PARTY TRANSACTIONS (CONT'D)

(b) Other related parties: (cont'd)

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	THE GROUP	
	2016	2015
	$'000	$'000
Services received from a director of the Company	**(1,100)**	(1,000)
Recharges of services rendered/(received)	**483**	(186)
Rental income from related parties	**511**	381

Related parties refer to companies and their subsidiaries with a substantial shareholder in common with the Group.

(c) Compensation to key management and directors:

Key management personnel are executive directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The below amounts for key management compensation are all the executive directors and key management personnel.

	THE GROUP	
	2016	2015
	$'000	$'000
Fees to directors of the Company	**280**	303
Remuneration of directors of the Company	**2,676**	2,541
Remuneration of key management personnel	**1,250**	953
Share-based compensation	**47**	–
	4,253	3,797

A total amount of $4,088,000 (2015: $3,627,000) is included under staff costs (Note 8).

As at 17 June 2016

Number of Shares in Issue:	863,938,482
Number of Shareholders:	8,484
Class of Shares:	Ordinary Shares
Treasury Shares:	Nil
Voting Rights:	One vote per share

BREAKDOWN OF SHAREHOLDINGS BY RANGE

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 – 99	10	0.12	133	0.00
100 – 1,000	173	2.04	127,334	0.01
1,001 – 10,000	4,201	49.51	27,044,150	3.13
10,001 – 1,000,000	4,050	47.74	232,657,419	26.93
1,000,001 AND ABOVE	50	0.59	604,109,446	69.93
TOTAL	**8,484**	**100.00**	**863,938,482**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital
1	OW CHIO KIAT	300,216,000	34.75
2	DBS NOMINEES PTE LTD	27,700,900	3.21
3	TAN GIM TEE HOLDINGS PTE LTD	26,400,000	3.06
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	21,663,700	2.51
5	MORPH INVESTMENTS LTD	20,335,000	2.35
6	RAFFLES NOMINEES (PTE) LTD	17,807,600	2.06
7	CITIBANK NOMINEES SINGAPORE PTE LTD	17,514,723	2.03
8	KIERSTEN OW YILING (OU YILING)	14,582,500	1.69
9	CHU SIEW HOONG CHRISTOPHER	13,562,000	1.57
10	BANK OF SINGAPORE NOMINEES PTE LTD	12,833,400	1.48
11	HAI SUN HUP GROUP PTE LTD	12,400,000	1.44
12	OW YEW HENG (OU YAOXING)	10,000,000	1.16
13	MARITIME PROPERTIES PTE LTD	9,776,000	1.13
14	OCBC NOMINEES SINGAPORE PTE LTD	9,210,600	1.06
15	PHILLIP SECURITIES PTE LTD	7,432,200	0.86
16	TAN HUA TOCK	7,406,000	0.86
17	HONG LEONG FINANCE NOMINEES PTE LTD	7,335,000	0.85
18	HT OFFSHORE PTE. LTD.	6,500,000	0.75
19	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,900,000	0.45
20	OW CHEO GUAN	3,730,000	0.43
	TOTAL	**550,305,623**	**63.70**

As at 17 June 2016

SUBSTANTIAL SHAREHOLDER

	Direct Interest		Deemed Interest		Total	
	No. of Shares	**% of Issued Share Capital**	**No. of Shares**	**% of Issued Share Capital**	**No. of Shares**	**% of Issued Share Capital**
Ow Chio Kiat	300,216,000	34.75	22,342,000*	2.59	322,558,000	37.34

* Mr Ow Chio Kiat is deemed to have an interest in the shares owned by (a) his spouse, Madam Lim Siew Feng (166,000 shares); (b) Hai Sun Hup Group Pte Ltd (12,400,000 shares); and (c) Maritime Properties Pte Ltd (9,776,000 shares).

PUBLIC FLOAT

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10% of the total number of issued shares (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. Based on information available to the Company as at 17 June 2016 approximately 55.97% of the issued ordinary shares of the Company was held by the public and therefore, Rule 723 of the Listing Manual has been complied with.

STAMFORD LAND CORPORATION LTD
Company Registration No. 197701615H
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the 38th Annual General Meeting of Stamford Land Corporation Ltd (the "Company") will be held at Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 28 July 2016 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 2016 and the Directors' Statement and Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend (one-tier tax exempt) of 0.5 Singapore cents per ordinary share for the financial year ended 31 March 2016. **(Resolution 2)**

3. To approve the payment of Directors' Fees of S$280,000 for the financial year ended 31 March 2016. **(Resolution 3)**

4. To re-elect Ow Yew Heng, who is retiring in accordance with Article 91 of the Articles of Association comprising part of the Constitution of the Company (each an "Article"), as a Director.

   Note: Ow Yew Heng will, upon his re-election, remain as Executive Director and Chief Executive Officer. **(Resolution 4)**

5. To re-elect Stanley Lai Tze Chang, who is retiring in accordance with Article 97, as a Director.

   Note: Stanley Lai Tze Chang will, upon his re-election, remain as Chairman of the Nominating Committee, and member of the Audit and Risk Management and Remuneration Committees. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). **(Resolution 5)**

6. To re-appoint Ow Chio Kiat, whose appointment as Director expires at the forthcoming Annual General Meeting.

   Note: Ow Chio Kiat was, at the last Annual General Meeting of the Company held on 30 July 2015, appointed to hold office until the forthcoming Annual General Meeting of the Company pursuant to the then Section 153(6) of the Companies Act, Cap 50. (the "Companies Act"), which has since been repealed. Ow Chio Kiat will, upon his re-appointment as Director, remain as Chairman of the Board, and member of the Nominating Committee. **(Resolution 6)**

STAMFORD LAND CORPORATION LTD
Company Registration No. 197701615H
(Incorporated in the Republic of Singapore)

SPECIAL BUSINESS

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

7 That:

(a) Ernst & Young LLP be and is hereby appointed as auditors of the Company in place of KPMG LLP and to hold office until the conclusion of the next annual general meeting of the Company and the Directors be authorised to fix the terms of their remuneration (the "Proposed Change of Auditors"); and

(b) the Directors and each of them be and are hereby authorised and empowered to complete and to do all such acts and things (including without limitation, executing all such documents as may be required) as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purpose of giving full effect to the Proposed Change of Auditors.

Note: This Resolution, if passed, is to approve the appointment of Ernst & Young LLP as the auditors of the Company in place of KPMG LLP, and to authorise the Directors to fix the terms of their remuneration. Please refer to the Appendix to the Notice of Annual General Meeting dated 12 July 2016 for more details. **(Resolution 7)**

8. That authority be and is hereby given to the Directors to:

(a) (i) issue new shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

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; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

STAMFORD LAND CORPORATION LTD
Company Registration No. 197701615H
(Incorporated in the Republic of Singapore)

provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution), does not exceed 50% of the issued Shares in the 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 shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued Shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares shall be based on the number of issued Shares in the capital of the Company at the time this Resolution is passed, and adjusting for: (1) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and (2) any subsequent bonus issue, consolidation or subdivision of Shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable requirements under the Companies Act and the Constitution for the time being of the Company; and

(iv) (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, authorises the Directors to issue Shares in the capital of the Company and to make or grant Instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such Instruments, up to an amount not exceeding in total 50% of the issued Shares in the capital of the Company, with a sub-limit of 20% for issues other than on a pro rata basis to shareholders. **(Resolution 8)**

STAMFORD LAND CORPORATION LTD
Company Registration No. 197701615H
(Incorporated in the Republic of Singapore)

9. That the Directors of the Company be and are hereby authorised to:

(a) offer and grant options in accordance with the provisions of the Stamford Land Corporation Ltd Share Option Plan 2015 and/or grant awards in accordance with the provisions of the Stamford Land Corporation Ltd Performance Share Plan 2015 (together the "Share Plans"); and

(b) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options under the Stamford Land Corporation Ltd Share Option Plan 2015 and/or such number of fully paid Shares as may be required to be issued pursuant to the vesting of awards under the Stamford Land Corporation Ltd Performance Share Plan 2015,

provided always that the aggregate number of Shares to be issued pursuant to the Share Plans shall not exceed 15 per cent of the total number of issued Shares (excluding treasury shares) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

Note: This Resolution, if passed, will empower the Directors, from the date of this Annual General Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in a general meeting, whichever is the earlier, to offer and grant options and/or awards, and to issue new Shares, pursuant to the Share Plans, provided that the aggregate number of Shares to be issued pursuant to the Share Plans shall not exceed 15 per cent of the total number of issued Shares (excluding treasury shares) from time to time. **(Resolution 9)**

STAMFORD LAND CORPORATION LTD
Company Registration No. 197701615H
(Incorporated in the Republic of Singapore)

OTHER BUSINESS

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 and Register of Members of the Company will be closed on 12 August 2016 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Registrars, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, up to the close of business at 5:00 p.m. on 12 August 2016 will be registered to determine the shareholders' entitlement to the proposed dividends. In respect of Shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividends 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.

If approved, the proposed dividends will be paid on 22 August 2016.

BY ORDER OF THE BOARD

OW YEW HENG
DIRECTOR

Singapore
12 July 2016

STAMFORD LAND CORPORATION LTD
Company Registration No. 197701615H
(Incorporated in the Republic of Singapore)

Notes:
A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different class of Share or Shares held by such member. A member of the Company entitled to attend and vote at the Annual General Meeting and who is not a Relevant Intermediary, is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member who is not a Relevant Intermediary appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

The instrument appointing a proxy must be deposited at the office of the Company's share registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 not less than 48 hours before the time appointed for holding the Annual General Meeting. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Protection Terms:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company, (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

STAMFORD LAND CORPORATION LTD
Company Registration No. 197701615H
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Stamford Land Corporation Ltd shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

PERSONAL DATA PRIVACY
By submitting an instrument appointing a proxy(ies) or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 July 2016.

I/We ______________________________

of ______________________________

being a member/members of the abovementioned company (the "Company"), hereby appoint

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (please delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies, to vote for me/us and on my/our behalf at the 38th Annual General Meeting of Stamford Land Corporation Ltd to be held at Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 28 July 2016 at 2:30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated below. In the absence of specific directions, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any matter arising at the Annual General Meeting.

Resolution No.	Ordinary Resolutions	For*	Against*
1.	Adoption of Directors' Statement and Audited Financial Statements		
2.	Declaration of Dividend		
3.	Approval of Directors' Fees		
4.	Re-election of Ow Yew Heng as Director		
5.	Re-election of Stanley Lai Tze Chang as Director		
6.	Re-appointment of Ow Chio Kiat as Director		
7.	Proposed Change of Auditors		
8.	Authority to issue Shares		
9.	Authority to offer and grant options and/or awards, and to issue new Shares in accordance with the provisions of the Stamford Land Corporation Ltd Share Option Plan 2015 and/or grant awards in accordance with the provisions of the Stamford Land Corporation Ltd Performance Share Plan 2015		

** Please indicate your vote "For" or "Against" with a tick "✓" in the box provided or insert the relevant number of Shares.*

Dated this ______________ day of ______________ 2016

Total Number of Shares held	

____
Signature(s) or Common Seal of Member(s)
Important: Please read the notes on the overleaf.

2nd Fold here

Affix
Postage
Stamp

STAMFORD LAND CORPORATION LTD
c/o M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

1st Fold here

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 81SF of the Securities and Futures Act, Chapter 289), 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 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 Shares held by you.
2. "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.
3. A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting of the Company. A member who is not a Relevant Intermediary appointing more than one proxy shall specify the percentage of Shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
4. A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than one proxy is appointed, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the instrument appointing a proxy or proxies the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF investors as its proxies shall comply with this Note.
5. To be effective, the instrument appointing a proxy or proxies must be completed and deposited at the office of the Company's share registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902, not less than 48 hours before the time appointed for the meeting.
6. 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.
7. 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 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 appointer are not ascertainable from the instructions of the appointer specified in the instruments appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

SHAREHOLDER CALENDAR

July 2016	Annual General Meeting for financial year ended 31 March 2016 (FY2016)
	Announcement of financial year ending 31 March 2017 (FY2017) first quarter results
August 2016	Scheduled payment of final dividend for FY2016
November 2016	Announcement of FY2017 second quarter results
February 2017	Announcement of FY2017 third quarter results
May 2017	Announcement of FY2017 full year results

Lobby, Stamford Plaza Brisbane

Celebrity Lounge,
Stamford Plaza Adelaide

STAMFORD LAND CORPORATION LTD

200 Cantonment Road
#09-01 Southpoint Singapore 089763
Tel: (65) 6236 6888 | Fax: (65) 6236 6250

www.stamfordland.com

Company Registration No.: 197701615H