

STAMFORD LAND CORPORATION LTD

(Company Registration No. 197701615H)

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

PART I – INFORMATION REQUIRED FOR HALF YEAR ANNOUNCEMENTS

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

	Note	The Group		Change %
		1H FY2021 S\$'000	1H FY2020 S\$'000	
Revenue		40,121	94,941	(57.7)
Interest income		117	900	(87.0)
Dividend income		55	254	(78.3)
Other gains (net)	(ii)	2,107	1,766	19.3
Expenses				
Properties sold		(4,567)	(4,653)	(1.8)
Consumables used		(1,517)	(7,050)	(78.5)
Staff costs		(6,344)	(30,988)	(79.5)
Depreciation expense		(6,285)	(5,713)	10.0
Other operating expenses		(13,395)	(28,279)	(52.6)
Finance costs		(6,124)	(4,493)	36.3
Profit before tax		4,168	16,685	(75.0)
Income tax expense		(1,391)	(1,350)	3.0
Profit for the period		2,777	15,335	(81.9)
Attributable to:				
Owners of the Company		1,484	14,566	(89.8)
Non-controlling interests		1,293	769	68.1
		2,777	15,335	(81.9)

1H: Half year ended 30 September
 FY2021: Financial year ending 31 March 2021
 FY2020: Financial year ended 31 March 2020
 N.M: Not meaningful

Notes

- (i) For the income statement, the Australian dollars ("A\$") New Zealand dollars ("NZ\$") and Sterling Pound ("GBP") are translated at average exchange rates as prescribed below:

	The Group		Change
	1H FY2021	1H FY2020	
A\$	0.9631	0.9452	1.9%
NZ\$	0.8942	0.8932	0.1%
GBP	1.7610	1.7122	2.9%

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

(ii) Other gains (net) comprises:

	The Group		Change
	1H FY2021	1H FY2020	
	S\$'000	S\$'000	%
Foreign exchange gain (net) ^(a)	2,318	1,654	40.1
Fair value (loss)/gain on investment securities	(247)	178	N.M
Gain/(loss) on disposal of investment securities	72	(66)	N.M
Others	(36)	-	100.0
	<u>2,107</u>	<u>1,766</u>	<u>19.3</u>

(a) Foreign exchange difference in 1H FY2021 relates to realised exchange difference on forward exchange contracts fulfilled and unrealised exchange difference on translation of NZ\$, A\$ and GBP deposits (refer to note 3(a) on exchange rates).

2. A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group		Change
	1H FY2021	1H FY2020	
	S\$'000	S\$'000	%
Profit for the period	2,777	15,335	(81.9)
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value (loss)/gain on equity instruments at fair value through other comprehensive income	(2)	58	N.M
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on consolidation of foreign subsidiaries	27,706	(11,557)	N.M
Exchange differences on foreign currency loans forming part of net investment in foreign operations	625	(2,175)	N.M
	<u>28,331</u>	<u>(13,732)</u>	<u>N.M</u>
Other comprehensive income for the period, net of tax	<u>28,329</u>	<u>(13,674)</u>	<u>N.M</u>
Total comprehensive income for the period	<u>31,106</u>	<u>1,661</u>	<u>N.M</u>
Attributable to:			
Owners of the Company	29,817	898	N.M
Non-controlling interests	1,289	763	68.9
	<u>31,106</u>	<u>1,661</u>	<u>N.M</u>

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3(a). A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	30.09.2020	31.03.2020	30.09.2020	31.03.2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Non-current assets				
Property, plant and equipment	331,061	302,745	-	-
Right-of-use asset	72,066	65,647	-	-
Investment properties	571,746	563,573	-	-
Investments in subsidiaries	-	-	128,224	128,127
Investment securities	458	460	458	460
Deferred tax assets	7,627	7,218	-	-
	<u>982,958</u>	<u>939,643</u>	<u>128,682</u>	<u>128,587</u>
Current assets				
Completed properties for sale	14,138	16,823	-	-
Development properties for sale	7,696	6,791	-	-
Inventories	445	518	-	-
Trade and other receivables	18,891	15,339	214,978	181,392
Tax recoverable	6,338	416	4,996	-
Investment securities	415	1,549	2	-
Cash and bank balances	58,421	58,774	675	1,040
	<u>106,344</u>	<u>100,210</u>	<u>220,651</u>	<u>182,432</u>
Total assets	1,089,302	1,039,853	349,333	311,019
<u>LIABILITIES</u>				
Current liabilities				
Trade and other payables	28,965	26,625	276	358
Current income tax liabilities	1,608	673	-	459
Bank borrowings	22,457	22,525	-	-
Lease liability	378	331	-	-
Derivative financial liabilities	2,377	72	711	5
	<u>55,785</u>	<u>50,226</u>	<u>987</u>	<u>822</u>
Non-current liabilities				
Amounts due to subsidiaries	-	-	64,401	38,597
Amount due to non-controlling interests	83,337	81,927	-	-
Bank borrowings	362,898	354,812	-	-
Lease liability	73,306	66,314	-	-
Deferred tax liabilities	4,846	4,628	-	-
	<u>524,387</u>	<u>507,681</u>	<u>64,401</u>	<u>38,597</u>
Total liabilities	580,172	557,907	65,388	39,419
NET ASSETS	509,130	481,946	283,945	271,600
<u>EQUITY</u>				
Equity attributable to owners of the Company				
Share capital	144,693	144,693	144,693	144,693
Treasury shares	-	(39,634)	-	(39,634)
Retained profits	408,151	450,223	138,849	166,136
Other reserves	(48,497)	(76,830)	403	405
	<u>504,347</u>	<u>478,452</u>	<u>283,945</u>	<u>271,600</u>
Non-controlling interests	4,783	3,494	-	-
TOTAL EQUITY	509,130	481,946	283,945	271,600

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3(a). A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year (continued)

In the balance sheets, the following closing exchange rates were used to translate the A\$, NZ\$ and GBP:

	30.09.2020	31.03.2020	Change
A\$	0.9745	0.8779	11.0%
NZ\$	0.9006	0.8533	5.5%
GBP	1.7552	1.7548	*

* Less than 0.1%

3(b). Aggregate amount of the group's borrowings and debt securities

	As at 30.09.2020		As at 31.03.2020	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year or less, or on demand	4,905	17,552	4,977	17,548
Amount repayable after one year	362,898	-	354,812	-

Details of any collaterals:

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

Stamford Plaza Melbourne
Stamford Grand Adelaide
8 Finsbury Circus

The carrying amount of the properties charged as security for the bank borrowings is approximately S\$561.3 million as at 30 September 2020 (31 March 2020: S\$552.9 million).

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4. A statement of cash flows (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Note	The Group	
	1H FY2021	1H FY2020
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	4,168	16,685
Adjustments for:		
Depreciation of property, plant and equipment	5,491	4,933
Depreciation of right-of-use asset	794	780
Dividend income	(55)	(254)
Fair value loss/(gain) on investment securities	247	(178)
(Gain)/loss on disposal of investment securities	(72)	66
Interest expense	6,124	4,493
Interest income	(117)	(900)
Loss on disposal of property, plant and equipment	36	-
Unrealised foreign exchange gain	(3,972)	(5,339)
Operating cash flows before changes in working capital	12,644	20,286
Changes in working capital:		
Trade and other receivables	(3,542)	(4,317)
Inventories	73	799
Completed properties for sale	4,567	695
Trade and other payables	(28)	(821)
Derivative financial liabilities/(assets)	2,305	(226)
Cash flows from operations	16,019	16,416
Income tax paid	(5,859)	(17,338)
Net cash flows from/(used in) operating activities	10,160	(922)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,390)	(3,233)
Purchase of investment property	-	(446,431)
Proceed from disposal of investment securities	961	3,185
Interest received	107	(748)
Dividends received	55	254
Deposits pledged	9	278
Net cash flows used in investing activities	(3,258)	(446,695)
Cash flows from financing activities		
Proceeds from borrowings	-	275,048
Repayment of borrowings	(2,489)	-
Dividends paid	(3,915)	(8,085)
Loan from non-controlling interests	-	79,574
Purchase of treasury shares	(7)	(13,744)
Payment of lease liability	-	(2,224)
Interest paid	(2,679)	(2,472)
Net cash flows (used in)/from financing activities	(9,090)	328,097
Net decrease in cash and cash equivalents	(2,188)	(119,520)
Cash and cash equivalents at beginning of the period	55,313	146,366
Effect of exchange rate changes on cash and cash equivalents	1,445	(722)
Cash and cash equivalents at end of the period	54,570	26,124

(i)

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4. A statement of cash flows (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)

Note

	The Group	
	30.09.2020	30.09.2019
	S\$'000	S\$'000
(i) Cash and bank balances in the balance sheet	58,421	29,666
Less: Deposits pledged	(3,851)	(3,542)
Cash and cash equivalents in the statement of cash flows	<u>54,570</u>	<u>26,124</u>

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

THE GROUP

	Attributable to owners of the Company							Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Asset revaluation reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained profits S\$'000	Non-controlling interests S\$'000	
1H FY2021								
Balance at 1 April 2020	144,693	(39,634)	3,300	405	(80,535)	450,223	3,494	481,946
Profit for the period	-	-	-	-	-	1,484	1,293	2,777
Other comprehensive income for the period	-	-	-	(2)	28,335	-	(4)	28,329
Total comprehensive income for the period	-	-	-	(2)	28,335	1,484	1,289	31,106
<u>Contributions by and distributions to owners</u>								
Purchase of treasury shares	-	(7)	-	-	-	-	-	(7)
Cancellation of treasury shares	-	39,641	-	-	-	(39,641)	-	-
Dividends on ordinary shares	-	-	-	-	-	(3,915)	-	(3,915)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	39,634	-	-	-	(43,556)	-	(3,922)
Balance at 30 September 2020	144,693	-	3,300	403	(52,200)	408,151	4,783	509,130

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

THE GROUP

	Attributable to owners of the Company							Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Asset revaluation reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained profits S\$'000	Non-controlling interests S\$'000	
1H FY2020								
Balance at 1 April 2019	144,693	(17,545)	3,300	311	(48,099)	433,363	-	516,023
Profit for the period	-	-	-	-	-	14,566	769	15,335
Other comprehensive income for the period	-	-	-	58	(13,726)	-	(6)	(13,674)
Total comprehensive income for the period	-	-	-	58	(13,726)	14,566	763	1,661
<u>Contributions by and distributions to owners</u>								
Purchase of treasury shares	-	(13,744)	-	-	-	-	-	(13,744)
Dividends on ordinary shares	-	-	-	-	-	(8,085)	-	(8,085)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	(13,744)	-	-	-	(8,085)	-	(21,829)
Balance at 30 September 2019	144,693	(31,289)	3,300	369	(61,825)	439,844	763	495,855

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

THE COMPANY

	Share capital S\$'000	Treasury shares S\$'000	Fair value reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
1H FY2021					
Balance at 1 April 2020	144,693	(39,634)	405	166,136	271,600
Profit for the period	-	-	-	16,269	16,269
Other comprehensive income for the period	-	-	(2)	-	(2)
Total comprehensive income for the period	-	-	(2)	16,269	16,267
<u>Contributions by and distributions to owners</u>					
Purchase of treasury shares	-	(7)	-	-	(7)
Cancellation of treasury shares	-	39,641	-	(39,641)	-
Dividends on ordinary shares	-	-	-	(3,915)	(3,915)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	39,634	-	(43,556)	(3,922)
Balance at 30 September 2020	144,693	-	403	138,849	283,945
1H FY2020					
Balance at 1 April 2019	144,693	(17,545)	311	175,648	303,107
Loss for the period	-	-	-	(1,387)	(1,387)
Other comprehensive income for the period	-	-	58	-	58
Total comprehensive income for the period	-	-	58	(1,387)	(1,329)
<u>Contributions by and distributions to owners</u>					
Purchase of treasury shares	-	(13,744)	-	-	(13,744)
Dividends on ordinary shares	-	-	-	(8,085)	(8,085)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	(13,744)	-	(8,085)	(21,829)
Balance at 30 September 2019	144,693	(31,289)	369	166,176	279,949

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

Issued and fully paid ordinary shares

	Number of ordinary shares	
	Issued Share Capital	Treasury Shares
As at 1 April 2020	864,087,982	81,105,600
Treasury shares purchased	-	20,000
Cancellation of treasury shares	(81,125,600)	(81,125,600)
As at 30 September 2020	782,962,382	-

Treasury shares

During 1H FY2021, the Company purchased 20,000 treasury shares (1H FY2020: 28,388,100 treasury shares) and cancelled 81,125,600 treasury shares (1H FY2020: Nil).

As at 30 September 2020, the number of treasury shares held by the Company represented Nil (30 September 2019: 8.02%) of the total number of issued ordinary shares (excluding treasury shares).

Share options and subsidiary holdings

There were no outstanding share options and subsidiary holdings as at 30 September 2020 and 30 September 2019.

- 5(c). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 30.09.2020	As at 31.03.2020
Total number of issued shares (excluding treasury shares)	782,962,382	782,982,382

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

On 23 May 2020, 81,125,600 treasury shares were cancelled.

- 5(e). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

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6. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the auditors of the Company.

7. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)**

Not applicable.

8. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue; and
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period ended 30 September 2020 as compared to the most recently audited financial statements for the financial year ended 31 March 2020.

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

Not applicable.

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

	The Group	
	1H FY2021	1H FY2020
Profit for the period attributable to owners of the Company (S\$'000)	1,484	14,566
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	782,962	817,699
Earnings per share		
(i) Basic (cents)	0.19	1.78
(ii) Diluted (cents)	0.19	1.78

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12. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	The Group		The Company	
	30.09.2020	31.03.2020	30.09.2020	31.03.2020
	S\$	S\$	S\$	S\$
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the financial period/year	0.65	0.62	0.36	0.35

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

Consolidated income statement

	1H FY2021	The Group 1H FY2020	Change	
	S\$'000	S\$'000	S\$'000	%
REVENUE				
Hotel owning and management	21,239	77,292	(56,053)	(72.5)
Property development	6,234	6,730	(496)	(7.4)
Property investment	12,321	10,271	2,050	20.0
Trading	4	310	(306)	(98.7)
	39,798	94,603	(54,805)	(57.9)
Others	323	338	(15)	(4.4)
	40,121	94,941	(54,820)	(57.7)

	1H FY2021	The Group 1H FY2020	Change	
	S\$'000	S\$'000	S\$'000	%
OPERATING PROFIT				
Hotel owning and management	(936)	12,803	(13,739)	N.M
Property development	1,010	1,541	(531)	(34.5)
Property investment	9,586	8,741	845	9.7
Trading	(43)	54	(97)	N.M
	9,617	23,139	(13,522)	(58.4)
Others	(1,604)	(4,881)	3,277	67.1
	8,013	18,258	(10,245)	(56.1)

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

Hotel owning and management

- Significant decline in revenue of 72.5% and the operating loss in 1H FY2021 was due to the temporary closure of all our hotels in Adelaide, Auckland, Brisbane and Sydney, except Stamford Plaza Sydney Airport, during the financial period. As at 30 September 2020, we have reopened our hotels for business operations.

Property development

- Revenue and operating profit were lower mainly due to the sale of our last unit in The Stamford Residences Auckland in 1H FY2020.

Property investment

- Revenue and operating profit were higher due to rental income earned from the investment property in London acquired in July 2019, 8 Finsbury Circus. This was partially offset by the loss of rental income from Dynons Plaza due to the expiry of the lease in April 2020.

Consolidated balance sheet

- Increase in property, plant and equipment was mainly due to new refurbishment projects and translation gain arising from the appreciation of AUD against SGD.

Consolidated statement of cash flows

- The Group registered an decrease in cash and cash equivalents of S\$2.2 million in 1H FY2021, details as follows:
 - Cash inflow from operating activities;
 - Cash outflow from investing activities was mainly due to ongoing refurbishment projects, partly offset by the proceeds from disposal of investment securities; and
 - Cash outflow from financing activities was mainly due to repayment of bank borrowings and payment of interest on bank borrowings and dividends.

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

No forecast was previously provided.

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

- While all our hotels had reopened, our business is badly affected by COVID-19 due to the lack of demands from international and domestic travellers. So far, it is uncertain when the business will return to normalcy.
- Under the property investment segment, the commercial tenancy situation for the London property remains unaffected by COVID-19. However, a number of options are currently being evaluated for the Perth property.
- 27 units at Macquarie Park Village Sydney remain unsold but are currently leased out for recurring income.

16. Dividend

(a) Current financial period reported on

No.

(b) Corresponding period of the immediately preceding financial year

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

17. If no dividend has been declared/recommended, a statement to that effect

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

18. Interested Person Transactions ("IPTs")

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

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirmed that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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20. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the financial period ended 30 September 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ow Chio Kiat
Executive Chairman

Ow Yew Heng
Chief Executive Officer

BY ORDER OF THE BOARD

Lee Li Huang
Company Secretary

12 November 2020