



STAMFORD
LAND CORPORATION LTD

**DIVESTMENT OF STAMFORD GREEN (FORMERLY KNOWN AS DYNONS PLAZA)
LOCATED AT 905 – 919 HAY STREET, PERTH WESTERN AUSTRALIA**

**WAIVER FROM REQUIREMENT TO OBTAIN PRIOR SHAREHOLDERS' APPROVAL
UNDER RULE 1014(2)**

1. INTRODUCTION

- 1.1. The Board of Directors of Stamford Land Corporation Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the trustee of Dynons Perth (2010) Trust, a wholly-owned subsidiary of the Company, has entered into a contract for the sale of land (the “**SPA**”) with Redhill Partners Investment Pty Ltd (the “**Purchaser**”) in relation to the sale of a property known as Stamford Green (formerly known as Dynons Plaza) at 905 – 919 Hay Street, Perth Western Australia (the “**Property**”) for a consideration of AUD 67.8 million (the “**Sale Price**”). The SPA for the sale of the Property (the “**Divestment**”) was executed on 29 December 2020.
- 1.2. The Divestment is a “major transaction” as defined under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) requiring the prior approval of the shareholders of the Company (“**Shareholders**”) under Rule 1014 of the Listing Manual at a general meeting (the “**EGM**”).
- 1.3. The SGX-ST has granted the Company a waiver (the “**Waiver**”) of the requirement of prior Shareholders’ approval subject to certain conditions. The conditions of the Waiver, as well as a summary of the Company’s reasons for seeking the Waiver is set out at paragraph 11 below.

2. INFORMATION RELATING TO THE DIVESTMENT

- 2.1. The Property consists of a 14-storey commercial office building and 3 adjacent heritage premises, located at the western end of Perth, Central Business District (CBD).
- 2.2. The commercial office building remains vacant following the expiry of Chevron’s lease in April 2020, due to the poor leasing conditions and high vacancy in the Perth CBD area, which was further compounded by the COVID-19 pandemic in the beginning of this year.
- 2.3. No valuation was carried out in connection with the Divestment due to the time sensitive nature of the transaction. However, the Sale Price, together with the rental income from the Property for the period from the date of completion of the development to its divestment, is more than 90% over the initial investment outlay by the Group in the land and development of the Property.

3. CONSIDERATION AND TERMS OF THE SPA

- 3.1. The Sale Price of AUD 67.8 million (equivalent to approximately SGD 68.3 million using the exchange rate of 22 December 2020) was arrived at after arm's length negotiations and on a willing-buyer willing-seller basis.
- 3.2. The SPA is subject to, among others, the Purchaser obtaining approval from the foreign investment review board.

4. RATIONALE AND USE OF PROCEEDS

- 4.1. The Company is of the view that the Divestment is in the commercial interests of the Company for various reasons, one of which is that it provides the Company the opportunity to redeploy the sale proceeds to other investments that meet the objectives of the Group.
- 4.2. The Group intends to reinvest the net sale proceeds in any opportunities that presents itself in the future.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures computed on the basis set out in Rule 1006 of the Listing Manual in respect of the Divestment based on the unaudited financial statements for the six months ended 30 September 2020 ("1H FY2021") are as follows:

Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value.	16.4%
Rule 1006(b)	Net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	-4.7%
Rule 1006(c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation ⁽¹⁾ based on the total number of issued shares excluding treasury shares.	27.2%
Rule 1006(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable
Rule 1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not Applicable

Notes:

- (1) Market capitalisation as at 22 December 2020, calculated based on 782,962,382 shares at the closing share price on 22 December 2020 of SGD 0.32.

As the relative figure computed pursuant to Rule 1006(c) is more than 20%, the Divestment constitutes a “major transaction” as defined under Chapter 10 of the Listing Manual. The Company will be seeking the approval of its Shareholders for the Divestment at the EGM to be convened in due course.

6. FINANCIAL EFFECTS OF THE DIVESTMENT

6.1. The financial figures set out below are for illustrative purposes only and do not necessarily reflect the actual results and financial performance of the Group after the Divestment. No representation is made as to the actual financial position and/or results of the Group after the completion of the Divestment.

6.2. The financial effects of the Divestment are computed on the following basis and assumptions:

(a) the financial effect on the net tangible assets (“**NTA**”) per share of the Company for the financial year ended 31 March 2020 (“**FY2020**”), assuming that the Divestment had been effected on 31 March 2020; and

(b) the financial effect on the earnings per share (“**EPS**”) of the Company for FY2020, assuming that the Divestment had been effected on 1 April 2019.

NTA per Share

	Before Divestment	After Divestment
NTA (SGD'000)	481,946	467,244
Number of Issued Shares Excluding Treasury Shares ('000)	782,982	782,982
NTA per Share (SGD)	0.62	0.60

EPS per Share

	Before Divestment	After Divestment
Profit attributable to equity holders of the Company (SGD'000)	24,945	13,352
Weighted Average Number of Shares ('000)	803,924	803,924
EPS (cents)	3.10	1.66

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As far as the Company is aware, no Director or controlling shareholder of the Company has any interest, direct or indirect, in the Divestment (other than through their respective shareholdings in the Company, if any).

8. SERVICE AGREEMENTS

No new directors are proposed to be appointed to the board of directors in connection with the Divestment. Accordingly, no service agreements will be entered into with any new director of the Company in connection with the Divestment.

9. CIRCULAR TO SHAREHOLDERS

A circular to Shareholders setting out, among others, further information on the Divestment, together with the notice of EGM to be convened, will be despatched to Shareholders in due course.

10. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the registered office of the Company at 200 Cantonment Road, #09-01 Southpoint, Singapore 089763 for three months from the date of this Announcement.

11. WAIVER GRANTED

11.1. The Company had sought a Waiver from Rule 1014(2) for the Divestment (which was referred to therein as the “Proposed Divestment”).

11.2. The Company’s reasons for seeking the Waiver are summarised below:

11.2.1. the board of directors of the Company are of the view that the Proposed Divestment will not cause a change in the risk profile of the Company as there will be no adverse impact on the Company’s earnings, working capital, or gearing;

11.2.2. the Proposed Divestment has been foreshadowed by reason of the various references to the Property’s performance and the Company’s consideration of the same, in the AR for FY2020 and the unaudited financial statements for 1H FY2021;

11.2.3. the Property is a non-core asset of the Company;

11.2.4. Mr Ow Chio Kiat and other shareholders (“**Other Shareholders**”) holding shares amounting to approximately 50.1% of the total number of shares in the Company (as at 23 December 2020) will vote in favour of the Proposed Divestment if a general meeting is required to be convened to approve the Proposed Divestment;

11.2.5. the Proposed Divestment is in the commercial interest of the Company, for the reasons mentioned at paragraph 4.1 above; and

11.2.6. the Proposed Divestment is time-sensitive and needs to be expedited as an expeditious closing of the Proposed Divestment would allow the Company to avoid incurring significant costs and expenses.

11.3. The Company is pleased to announce that the SGX-ST had granted the Waiver subject to the following conditions (the “**Waiver Conditions**”):

(a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;

(b) the Waiver is/will not be in contravention of any laws and regulations governing the issuer and its constitution (or the equivalent in the issuer’s country of incorporation);

(c) unanimous approval from the Board of Directors of the Proposed Divestment;

- (d) submission of a written undertaking from the Company that it will seek shareholders' ratification of the Proposed Divestment within 3 months from the date of waiver;
- (e) submission of an undertaking that Mr Ow Chio Kat and the Other Shareholders holding shares in aggregate of approximately 50.1% of the total number of shares in the Company to vote in favour of the Proposed Divestment at the EGM; and
- (f) submission of an undertaking that Mr Ow Chio Kat and the Other Shareholders will not dispose of their shares in the Company until the EGM is conducted.

11.4. In relation to the Waiver Conditions, the Company and the Board confirms that:

- 11.4.1. the Waiver is and will not be in contravention of any laws and regulations governing the Company and the constitution of the Company;
- 11.4.2. the Company has complied with items (a) to (c) of the Waiver Conditions above, and will be complying with items (d) to (f) of the Waiver Conditions accordingly; **and**
- 11.4.3. the Company will be releasing an update announcement when items (d) to (f) of the Waiver Conditions have been met.

12. FURTHER ANNOUNCEMENTS

The Company will make subsequent announcements to update Shareholders when there are material updates, as may be necessary or appropriate, and when the Waiver Conditions have been fulfilled.

BY ORDER OF THE BOARD

LEE LI HUANG
Company Secretary
30 December 2020