

STAMFORD LAND CORPORATION LTD
(Company Registration No.: 197701615H)
(Incorporated in Singapore)

**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE:
ADDITIONAL INFORMATION**

The board of directors (the “**Board**” or “**Directors**”) of Stamford Land Corporation Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 7 December 2021 (“**7 December Announcement**”), the announcement dated 29 December 2021 on the approval-in-principle for the proposed Rights Issue (the “**29 December Announcement**”) and the Company’s Response to the SGX Request for Clarification dated 3 January 2022 (“**3 January Announcement**”), and collectively with the 7 and 29 December Announcements, the “**Announcements**”).

Unless otherwise defined, all capitalised terms not otherwise defined herein shall have the meanings respectively ascribed to them in the Announcements.

The Company makes the following clarifications in relation to the proposed use of Rights Proceeds and further updates on the Rights Issue in addition to the disclosures that has been made in the Announcements in particular, (a) paragraph 2.3 of the 7 December Announcement, (b) the Company’s Responses to Sub-Paragraphs (iv), (v) and (vi) in the 29 December Announcement, and (c) the Company’s Responses to SGX Queries 1 and 2 in the 3 January Announcement.

1. COSTS AND FINANCING OF ONGOING PROJECTS

As previously disclosed in the 3 January Announcement, the total cost of the Ongoing Projects (as defined in the 29 December Announcement) as a whole is expected to be more than the Rights Proceeds, the available cash and reserves of the Company combined.

Based on the Company’s current assessment, the total cost of the Ongoing Projects as a whole is projected to be in excess of \$1.4 billion when all of the Ongoing Projects is completed in a period which is anticipated to be over the course of 6 years from the date hereof. Based on current projections, the breakdown of the potential costs is set out below:

	Ongoing Project	Estimated Cost
1.	Redevelopment of Stamford Plaza Brisbane and Sir Stamford at Circular Quay	About \$780 million in total
2.	Asset enhancement of Stamford Grand Adelaide and/or Stamford Plaza Melbourne	About \$70 million in total
3.	Other opportunistic real estate acquisitions	About \$640 million in total

As mentioned in the 3 January Announcement, financing of the Ongoing Projects is intended to be by way of (i) the Rights Proceeds, (ii) debt financing, and (iii) the use of part of the Company’s cash and reserves. The Rights Proceeds are proposed to be utilised in each of the Ongoing Projects in the manner as set out in the Announcements and again set out in paragraph 2 below.

The detailed work descriptions of these Ongoing Projects and the involved expenditures as well as the reservations of the Company on the utilisation of its cash and bank balances in connection with the Ongoing Projects can be found in the 29 December Announcement.

2. PROPOSED USE OF RIGHTS PROCEEDS AND ALLOCATION

- 2.1. As previously disclosed in the 7 December Announcement, the estimated net proceeds from the Rights Issue will amount to approximately S\$238.9 million (after deducting estimated expenses of approximately S\$0.4 million to be incurred in connection with the Rights Issue).

In the said announcement, the Company has also announced that it intends to utilise the Rights Proceeds for the following purposes (i.e., the Ongoing Projects):

	Purpose	Percentage of Net Proceeds
1.	Potential development of properties in Australia or Singapore or re-development of properties in Australia (including but not limited to Stamford Plaza Brisbane and Sir Stamford at Circular Quay)	30%
2.	Asset enhancement of Stamford Grand Adelaide and/or Stamford Plaza Melbourne	30%
3.	Other opportunistic real estate acquisitions	40%
	Total	100%

- 2.2. As previously disclosed in the 3 January Announcement, the Company has announced the breakdown of the proposed allocation of the Rights Proceeds in value as follows:

	Ongoing Project	Proposed Allocation of the Rights Proceeds
1.	Redevelopment of Stamford Plaza Brisbane and Sir Stamford at Circular Quay	About \$68 to \$73 million
2.	Asset enhancement of Stamford Grand Adelaide and/or Stamford Plaza Melbourne	About \$68 to \$73 million
3.	Other opportunistic real estate acquisitions	About \$95 million

It is also disclosed therein that the utilisation of the Rights Proceeds will take place over the course of the next 24 months, with an estimated 80% of the same to be utilised within the first 12 months.

- 2.3. The Company wishes to reiterate that the foregoing represents the Company's best estimate of its allocation of the Rights Proceeds based on its current plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and the Company may find it necessary or advisable to re-allocate the Rights Proceeds within the categories described above or to use portions of the Rights Proceeds for other purposes. In the event that the Company decides to reallocate the Rights Proceeds or use portions for other purposes, the Company will make an announcement of its intention to do so.

3. ENHANCED SHARE ISSUE MANDATE

- 3.1. As set out in paragraph 1 above, the cost involved for the Ongoing Projects is significantly in excess of the Rights Proceeds and the cash and bank balances of the Company combined.

- 3.2. In arriving at its decision to undertake the Rights Issue, as set out in the 29 December Announcement, the Board has considered debt and other alternative forms of financing, ie. bank loans and convertible bonds.
- 3.3. The Board is of the view that debt, bank loans and convertible bonds are definitely necessary but the priority must be to strengthen its balance sheet by means of the Rights Issue. With a strengthened balance sheet, such debts can then be raised leveraging off an enhanced capital base.
- 3.4. In its deliberation, the Board weighed the overall benefits of each option and took into account the existing and potential future gearing of the Company, the setting up and interest cost of alternative financing, the forecast on the future upward movement of the interest rates, the timing of the capital requirements of the Ongoing Projects.

4. UPDATES ON POSSIBLE DIVESTMENT OF HOSPITALITY ASSETS

- 4.1. The Company had earlier announced on 27 March 2021 and 15 June 2021 the possibility of the divestment of part of its portfolio of properties which was exploratory in nature, and wishes to update Shareholders that as at this stage the exploration of the proposed diversification of these assets has effectively ceased. However, the Company may continue to receive unsolicited indicative offers for its hospitality portfolio from time to time and will update Shareholders on any material developments on this.

BY ORDER OF THE BOARD

Lee Li Huang
Chief Financial Officer and Company Secretary
6 January 2022