



**STAMFORD**  
LAND CORPORATION LTD  
Co. Registration No. 197701615H

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**PROPOSED DISPOSAL OF THE PROPERTY  
KNOWN AS SIR STAMFORD AT CIRCULAR QUAY, 93-97 MACQUARIE STREET, SYDNEY**

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**1. INTRODUCTION**

1.1. The board of directors (the “**Board**” or “**Directors**”) of Stamford Land Corporation Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the Company has, through Sir Stamford at Circular Quay (2000) Ltd (the “**Seller**”), entered into an option agreement (the “**Option Agreement**”) with, and has thereby been granted a put option (the “**Option**”) by, JDH Capital Pty Ltd (the “**Purchaser**”) on 23 August 2022 for the sale of the Company’s property known as Sir Stamford at Circular Quay, 93-97 Macquarie Street, Sydney, New South Wales 2000, Australia (the “**Property**”) (the “**Proposed Disposal**”).

1.2. The Option grants the Seller the right to require the Purchaser or such related entity of the Purchaser (the “**Purchaser Related Entity**”), if the Purchaser provides the Replacement Contract (as defined hereinafter) to purchase the Property on the terms and conditions of the Option and the property sale agreement (the “**SPA**”) or the Replacement Contract (as defined hereinafter) (as the case may be). The Option exercisable by the Seller thirty (30) days after the date of the grant of Option (the “**Option Commencement Date**”) and will lapse at 5.00 p.m. on the tenth business day (which shall exclude (i) a Saturday or Sunday and (ii) a public holiday in Sydney, New South Wales) (the “**Business Day**”) after the Option Commencement Date (the “**Option Period**”).

Unless otherwise stated, all currency translations of Singapore dollar (“**S\$**”) from Australia dollar (“**A\$**”) used in this announcement are based on an exchange rate of A\$1.00: S\$0.9571 (as extracted from <https://finance.yahoo.com>) as at 22 August 2022, being the date immediately preceding the date of this announcement. Any reference to the time of day herein shall be a reference to Australia time.

**2. INFORMATION ON THE PROPOSED DISPOSAL**

2.1. Information on the Seller

The Seller is the trustee for Sir Stamford at Circular Quay (2000) Trust (the “**Trust**”), the special purpose vehicle of the Company which owns the Property.

2.2. Information on the Property

2.2.1. The Property is a freehold 10-storey 5-star hotel comprising 105 bedrooms built in 1990 but incorporating the heritage listed former Health Department building on the corner of Albert and Macquarie Streets. Facilities include restaurant, bar, roof top fitness centre, pool and parking for 109 cars. The Property is situated in a prime Sydney CBD location overlooking Circular Quay, Sydney Harbour and the Sydney Harbour Bridge.

2.2.2. The Company had previously announced on 7 December 2021, 3 January 2022 and 6 January 2022 that part of the proceeds from the rights issue (which had completed on 15 February 2022) amounting to approximately S\$68 – S\$73 million was intended to be utilised in, among other things, the redevelopment of the Property (the “**Redevelopment**”) as elaborated below.

2.2.3. On 12 March 2020, the Sydney Council approved the concept building envelope for the development of the Property into residential units, subject to conditions. The initial Phase 1 approval granted by Sydney Council on 12 March 2020 was for the Redevelopment of the Property into residential units with ancillary commercial and retail units, for both sale and investment income. Phase 2 approval by the Sydney Council was underway and was expected to complete in January 2023. Under the Phase 2 approval phase, the Company was required to undertake a design competition, with construction commencing in October 2023. The total estimated development cost was estimated to be more than A\$380 million spread over the course of 3 years. The development was estimated to complete in 2026.

### 2.3. Value of the Property

2.3.1. The book value of the Property as at 31 March 2022 is S\$59,407,000.

2.3.2. The net asset value attributable to the Property as at 31 March 2022 is S\$59,407,000.

2.3.3. The net profit attributable to the Property before tax for the financial year ended 31 March 2022 (“FY2022”) is approximately S\$2,046,000.

2.3.4. The Sale Price represents an excess of more than S\$80 million over the book value of the Property. The Group is expected to record a gain on the Proposed Disposal in excess of S\$80 million.

2.3.5. A recent valuation commissioned by the Company solely for the preparation of the Group’s audited financial statements for the financial year ended 31 March 2022 suggests that the market value of the Property as at 31 March 2022 is approximately A\$90 million (the “Report”). According to the Report (dated 31 March 2022), the basis of valuation is freehold/long leasehold going concern values of the properties on a walk-in, walk-out basis, subject to hypothetical hotel management agreements.

### 2.4. Information on the Purchaser

2.4.1. The Purchaser is a private principal investment firm in Australia.

2.4.2. The Purchaser Related Entity (if applicable) will be a related entity of the Purchaser established for tax planning purposes.

2.4.3. The Purchaser or the Purchaser Related Entity (as the case may be) is not and will not be related to any of the Company’s Directors, controlling shareholders, Chief Executive Officer or their respective associates. As at the date of this Announcement, the Purchaser or the Purchaser Related Entity (as the case may be) does not hold shares in the Company.

## 3. **RATIONALE FOR THE PROPOSED DISPOSAL**

The Board believes that the Proposed Disposal is in the commercial interests and benefit to the Group for the following reasons:

- (a) The net cash that the Company stands to receive from the Proposed Disposal of the Property, as compared to the net cash receivable from the Redevelopment of the Property as a residential redevelopment, is more than 76%.
- (b) The Sale Price is A\$120.5 million higher than the latest valuation for the Property as at 31 March 2022.
- (c) The net profit receivable in connection with the Proposed Disposal is more than 20% higher than the net profit receivable in the event of the Redevelopment.
- (d) By undertaking the Proposed Disposal, the Company will be able to avoid any redevelopment risk for the 4 years that the development is expected to take, such risk of which has substantially increased since the year 2021. The Proposed Disposal extinguishes uncertainties connected with the redevelopment, such as the

development planning process, escalating labour and material cost, and uncertainties in property values.

- (e) Taking into consideration the capital requirements for the Redevelopment of the Property, the potential yield for the reinvestment of the sale proceeds from the Proposed Disposal is higher than the potential yield for the continued operations of the Property as a hotel.

#### **4. USE OF PROCEEDS**

- 4.1. Based on the Sale Price, the gain on the Proposed Disposal, taking into account the book value of the Property as at 31 March 2022, is in excess of S\$80 million (the "Net Proceeds"). The Net Proceeds will be utilised for future acquisitions and investments, and the paying down of loans to mitigate the impact of rising interest rates.
- 4.2. With the Proposed Disposal, the proceeds raised from the renounceable non-underwritten rights issue of 703,735,903 new ordinary shares in the Company's capital that was completed on 15 February 2022 will be re-allocated to the other projects set out in the Company's offer information statement dated 17 January 2022 in relation to the said renounceable non-underwritten rights issue.

#### **5. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL**

##### 5.1. Exercise of Option

- 5.1.1. Under the terms of the Option Agreement, the Seller may during the Option Period exercise the Option by signing the notice of exercise of Option (the "**Option Notice**") and the SPA and delivering the same duly signed Option Notice and the SPA to the Purchaser.
- 5.1.2. The Seller shall pay a sum of A\$10 including any GST (the "**Option Fee**") to the Purchaser's solicitor as an option fee.
- 5.1.3. The Option Fee is not refundable in any circumstances even if the Option is exercised.
- 5.1.4. The Purchaser shall sign the SPA, which it has received from the Seller and which is to be dated the date on which the Option is exercised (the "**Option Exercise Date**").

##### 5.2. Replacement Contract

- 5.2.1. Prior to the Seller exercising the Option and in any event before the expiry of the Option Period, the Purchaser may provide the Seller with a replacement contract (the "**Replacement Contract**") which shall contain the same terms as the SPA, to nominate the Purchaser Related Entity as the ultimate purchaser for the sale and purchase of the Property instead.
- 5.2.2. At the same time the Purchaser delivers the Replacement Contract, the Purchaser must pay (or procure the payment of the Deposit (as defined hereinafter)) by:
  - (a) a bank cheque drawn in favour of the Seller's solicitors as stakeholder (the "**Stakeholder**") under the Replacement Contract for the Deposit; or
  - (b) transferring, or procuring the transfer of, the Deposit to the Stakeholder's trust account as cleared funds by real time gross settlement.
- 5.2.3. The Option Agreement will be validly terminated on formation of the Replacement Contract and payment of the Deposit by the Purchaser or the Purchaser Related Entity under the Replacement Contract.
- 5.2.4. If a Replacement Contract is provided, the Option Deposit (as defined hereinafter) will be refunded to the Purchaser by the Stakeholder contemporaneously with payment of the Deposit in accordance with paragraph 5.2.2 above.

- 5.2.5. On receipt of the Replacement Contract and the Deposit by the Seller, the Seller must sign the Replacement Contract, and a contract is formed between the Seller and the Purchaser Related Entity for the purchase price and on the other terms in the Replacement Contract (which will be on substantially similar terms as the SPA).
- 5.2.6. The Seller shall sign the Replacement Contract, which it has received from the Purchaser and which is to be dated the date on which the Replacement Contract is provided to the Seller and the Deposit is paid in accordance with paragraph 5.2.2 above.
- 5.3. Option as a Binding Agreement
- 5.3.1. Upon the Seller's due exercise of the Option or the delivery of the Replacement Contract and Seller's receipt of the Deposit (as the case may be), there shall be constituted between the Purchaser or the Purchaser Related Entity (as the case may be) and the Seller a valid binding agreement for the sale and purchase of the Property for the purchase price and on the other terms of the SPA or the Replacement Contract (as the case may be), which have been set out in this announcement, irrespective of whether the SPA or the Replacement Contract (as the case may be) is executed.
- 5.4. The Property is sold free from all encumbrances created by the Seller or its predecessor in title, except for, *inter alia*, the lease between the Seller and the Trust in respect of part of the Property and such third-party leases (the "**Leases**") and other specified encumbrances contained in the SPA or the Replacement Contract (as the case may be).
- 5.5. The Property is sold (i) with the buildings and other fixtures and fixed improvements constructed on or under the Property, excluding all of the inclusions at the Property owned by the Seller at the date of the SPA or the Replacement Contract (as the case may be); (ii) with vacant possession save for the Leases; and (iii) on an "as is, where is" basis without recourse to, or warranty by, the Seller or any other person. The Purchaser accepts the Property in its present condition and subject to any legal and physical defects including without limitation any of the matters to which the Purchaser has satisfied itself. The Purchaser shall not be entitled to make any claim, requisition, demand or objection or seek any compensation in respect thereof, or rescind or terminate the SPA or the Replacement Contract (as the case may be) or delay Completion in virtue thereof.
- 5.6. The Purchaser agrees and acknowledges that the Seller has not made any warranty or representation in respect of:
- (a) the income from the Property; or
  - (b) any financial return or income that can be derived from the Property.
- 5.7. Sale Price
- 5.7.1. The consideration payable for the Proposed Disposal is A\$210.5 million (equivalent to approximately S\$201.5 million) including any GST (the "Sale Price"). The Purchase Price was determined at arm's length and on a willing buyer, willing seller basis taking into consideration, *inter alia*, prevailing market conditions and the potential development margin the Purchaser is able to achieve in the redevelopment of the Property.
- 5.7.2. Under the terms of the Option Agreement and the SPA or the Replacement Contract (as the case may be), the Sale Price shall be paid as follows:
- (a) a sum of A\$1,000,000 (the "**Option Deposit**") equivalent to approximately 0.5% of the Sale Price, to be paid to the Seller's solicitors as stakeholders within three (3) Business Days from the date of the grant of Option;
  - (b) a sum of up to A\$9,525,000 equivalent to approximately 5% of the Sale Price less the Option Deposit (the "**Deposit**"), to be paid to the Seller's solicitors as Stakeholders within two (2) Business Days from the Option Exercise Date; and

- (c) a sum of A\$199,975,000, being the balance of the Sale Price to be paid at completion, which is agreed to be ninety (90) days from the date of the SPA or the Replacement Contract (as the case may be) (the “**Completion Date**”).

5.8. Option Deposit

5.8.1. The Option Deposit will be forfeited to the Seller and released to the Seller immediately if:

- (a) the Option is terminated by the Seller as a result of a default by the Purchaser; or
- (b) a Replacement Contract is not delivered to the Seller and the Seller elects not to exercise the Option.

5.8.2. In all other circumstances where the Option is terminated, the Option Deposit must be refunded and paid to the Purchaser within five (5) Business Days from the termination of the Option or within five (5) Business Days following the expiry of the Option Period.

5.9. Deposit

5.9.1. The Deposit shall be retained by the Stakeholder until completion of the Proposed Disposal or the earlier termination or rescission of the SPA, whereupon the parties must ensure that the Stakeholder pays the Deposit to the party entitled to it under the SPA.

5.9.2. The Seller is entitled to the Deposit unless:

- (a) the Purchaser terminates the SPA or the Replacement Contract (as the case may be) in accordance with the terms of the SPA or the Replacement Contract (as the case may be); or
- (b) the Seller is in default or has breached the SPA or the Replacement Contract (as the case may be) and the Purchaser has lawfully terminated or rescinded the SPA or the Replacement Contract (as the case may be),

in which case the Purchaser is entitled to a refund of the Deposit which must be paid to the Purchaser within two (2) Business Days, from the date of termination or rescission of the SPA or the Replacement Contract (as the case may be).

5.10. Conditions Precedent

5.10.1. Save as disclosed herein, there are no other material conditions attaching to the Proposed Disposal, including a put, call or other option.

5.11. Completion

5.11.1. Subject to the various condition precedents being fulfilled, completion of the Proposed Disposal (the “Completion”) shall take place on the Completion Date.

5.11.2. The Seller shall give the Purchaser vacant possession of the Property (except for the Leases) on Completion.

**6. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL**

6.1. The relative figures for the Proposed Disposal using the applicable bases of comparison under Rule 1006 of the Listing Manual based on the audited consolidated financial statements of the Group for FY2022, being the latest announced consolidated accounts, are as follows:

|              |  |                      |
|--------------|--|----------------------|
| Rule 1006(a) | Net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.  | 7.4% <sup>(1)</sup>  |
| Rule 1006(b) | Net profits attributable to the assets acquired or disposed of, compared with the group's net profits.   | 4.1% <sup>(2)</sup>  |
| Rule 1006(c) | Aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares. <sup>(1)</sup>  | 36.7% <sup>(3)</sup> |
| 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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. | Not Applicable       |

Notes:

- a. This figure is based on the net asset value of the Property of S\$59,407,000 as at 31 March 2022 and the net asset value of the Group of S\$801,670,000 as at 31 March 2022.
  - b. This figure is based on the net profits attributable to the Property of S\$2,046,000 and the net profits of the Group of S\$50,061,000 for FY2022.
  - c. This figure is based on the Sale Price of S\$201.5 million and the Company's market capitalisation of approximately S\$549.7 million. The Company's market capitalisation was computed based on the Company's existing issued and paid-up capital of 1,485,664,685 ordinary shares (excluding treasury shares) ("**Shares**") and the volume weighted average price of S\$0.37 per Share on 22 August 2022, which is the last full market day on which the Shares were traded prior to the date of the Option granted.
- 6.2. As the relative figure in respect of Rule 1006(c) exceeds 20%, the Proposed Disposal constitutes a "major transaction" under Rule 1014 of the Listing Manual. Accordingly, unless waived or exempted by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Proposed Disposal must be made conditional upon approval by shareholders of the Company (the "**Shareholders**") in a general meeting.
  - 6.3. The Company is pleased to announce that the SGX-ST has granted a waiver of the requirement for the Company to obtain the prior approval of Shareholders for the Proposed Disposal (the "**Waiver**"). As such, the Proposed Disposal will not be subject to the prior approval of Shareholders. Please refer to the announcement dated 23 August 2022 in relation to the Waiver for further information.

## 7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal set out below are purely for illustrative purposes only and do not reflect the actual future financial position of the Company or the Group after the completion of the Proposed Disposal.

The financial effects of the Proposed Disposal are calculated based on the audited consolidated financial statements of the Group for FY2022, being the most recently completed financial year.

### 7.1. Net tangible assets (“NTA”) per share

Effects on NTA assuming that the Proposed Disposal was completed on 31 March 2022:

|   | Before the Proposed Disposal | After the Proposed Disposal |
|---|------------------------------|-----------------------------|
| NTA (S\$'000)                                       | 801,670                      | 891,782                     |
| Number of Shares (excluding treasury shares) ('000) | 1,485,665                    | 1,485,665                   |
| NTA per share (S\$)                                 | 0.54                         | 0.60                        |

### 7.2. Earnings per share (“EPS”)

Effects on EPS assuming that the Proposed Disposal was completed on 1 April 2021:

|  | Before the Proposed Disposal | After the Proposed Disposal |
|--|------------------------------|-----------------------------|
| Net profit attributable to owners of the Company (S\$'000)           | 31,874                       | 121,822                     |
| Weighted average number of Shares (excluding treasury shares) ('000) | 896,071                      | 896,071                     |
| EPS (cents)  | 3.56                         | 13.60                       |

## 8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or substantial shareholders of the Company (other than in his capacity as director or shareholder of the Company) have any interest, direct or indirect, in the Proposed Disposal.

## 9. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## 10. DOCUMENTS FOR INSPECTION

A copy of the Option Agreement (including the SPA) and the Report is available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

**11. FURTHER INFORMATION**

The Company will make further announcements in relation the Proposed Disposal as and when there are material developments.

BY ORDER OF THE BOARD

Lee Li Huang  
Chief Financial Officer and Company Secretary  
23 August 2022