



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

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- A. **PROPOSED DISPOSAL OF THE PROPERTY KNOWN AS STAMFORD PLAZA AUCKLAND, 22 – 26 ALBERT STREET, AUCKLAND CENTRAL 1010, NEW ZEALAND**
- B. **PROPOSED DISPOSAL OF BUSINESS AND BUSINESS ASSETS OF SPAK (1996) LIMITED**
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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 on 10 October 2022, through:

- a. Stamford Auckland (1996) Limited (the “**Property Seller**”), entered into a property sale agreement (the “**SPA**”) with Albert Street Hotel Limited (the “**Property Purchaser**”) for the sale of the Company’s property located at 22 – 26 Albert Street, Auckland Central 1010, New Zealand (the “**Property**”) (the “**Proposed Property Disposal**”), which operates as a hotel under the brand of “Stamford Plaza Auckland” (“**Hotel**”); and
- b. SPAK (1996) Limited (the “**Business Seller**”), entered into a business sale agreement (the “**BSA**”) with Albert Street Operations Limited (the “**Business Purchaser**”), pursuant to which the Business Seller has agreed to sell, and the Business Purchaser has agreed to acquire, the Business (as defined below) and the Business Assets (as defined below) upon the terms and subject to the conditions of the BSA (the “**Proposed Business Disposal**”),

at a price of NZ\$170.0 million (“**Total Sale Price**”) (equivalent to approximately S\$137.5 million), which comprises the sale price of the Property of no less NZ\$152.0 million (“**Property Sale Price**”) (equivalent to approximately S\$123.0 million) and the sale price of the Business and the Business Assets amounting to about NZ\$18.0 million (“**Business Sale Price**”) (equivalent to approximately S\$14.6 million).

(Collectively, the Proposed Property Disposal and the Proposed Business Disposal, the “**Proposed Transactions**”).

1.2. Unless otherwise stated, all currency translations of Singapore dollar (“**S\$**”) from New Zealand dollar (“**NZ\$**”) used in this announcement are based on an exchange rate of NZ\$1.00: S\$0.8090 (as extracted from <https://finance.yahoo.com>) as at 7 October 2022, being the business day immediately preceding the date of this announcement. Any reference to the time of day herein shall be a reference to New Zealand time.

**2. RATIONALE FOR THE PROPOSED TRANSACTIONS**

2.1 The Board believes that the Proposed Transactions are in the commercial interests and benefit to the Group for the following reasons:

- a. The Property Sale Price is 8.5% higher than the Valuation (as defined below).

- b. The potential return for the reinvestment of the net sale proceeds from the Proposed Transactions is about 18% higher than the potential yield from the continued operations of the Hotel in the current financial year ending 31 March 2023 (“**FY2023**”) <sup>1</sup>.
- c. The projected gross operating profit of the Hotel, which takes into consideration the gross operating profit of the Property Seller, for FY2023 is estimated to be approximately 50% below pre-Covid levels and is not expected to recover in the near future.
- d. The net profit in connection with the Proposed Business Disposal is estimated to be NZ\$18.0 million after taking into consideration the value attributable to the Business and the Business Assets as at 31 March 2022.
- e. The Proposed Property Disposal would enable the Group to realise the value of the Property, reduce holding costs, improve the liquidity of the Group, a position that would be in the best interests of the Group given the current uncertain global economic climate. The improved liquidity would also allow the Group to take advantage of any opportunities that presents itself in the near future.
- f. The Property was last refurbished in 2015. The Group anticipates that major refurbishment works and upgrades will be required within the next few years to ensure that the Property remains competitive in a saturated Auckland market. Taking into consideration the substantial increase in material and labour costs, together with the volatility of such costs in the foreseeable future, the divestment mitigates the risk of such capital deployment.
- g. In view that the Property has been disposed to the Property Purchaser, the Company considers that it is commercially no longer necessary for the Business to remain as part of the Group.

### 3. VALUE OF THE HOTEL, PROPERTY, THE BUSINESS AND THE BUSINESS ASSETS

- 3.1 The book value and the net tangible asset value of the Property as at 31 March 2022 is S\$48,528,000. The book value and the net tangible asset value of the Business and the Business Assets as at 31 March 2022 is S\$18,000.
- 3.2 The net profit attributable to the Hotel before tax for the financial year ended 31 March 2022 (“**FY2022**”) is approximately S\$18,017,000, which takes into consideration the financial performance of the Property, the Business and the Business Assets.
- 3.3 The Property Sale Price represents an excess of S\$74.4 million over the book value of the Property as at 31 March 2022. The Group is expected to record a net gain on the Proposed Property Disposal in excess of S\$50.0 million.
- 3.4 The Business Sale Price represents an excess of approximately S\$14.5 million over the book value of the Business and the Business Assets. The Group is expected to record a net gain on the Proposed Business Disposal in excess of S\$10.0 million.
- 3.5 A recent valuation (the “**Report**”) commissioned by the Company solely for the preparation of the Group’s audited financial statements for FY2022 provides that the market value of the Property as at 31 March 2022 is approximately NZ\$140.2 million (the “**Valuation**”) (equivalent to approximately S\$113.4 million). According to the Report (dated 31 March 2022), in deriving the market value, the valuers had recognised the freehold title of the Property and that the Hotel is operated and owned as a going concern.

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<sup>1</sup> This is calculated by comparing the projected returns from reinvesting the net proceeds from the Proposed Transactions in fixed deposits for twelve (12) months against the projected yield based on the forecasted earnings before income tax and depreciation of the Hotel for FY2023.

#### 4. INFORMATION ON THE PROPOSED PROPERTY DISPOSAL

##### 4.1. Information on the Property Seller

The Property Seller is the registered owner of the Property.

##### 4.2. Information on the Property

The Property is part of a freehold development and is operated as a 5-star hotel under the branding of Stamford Plaza Auckland. The Hotel comprises 286 luxurious bedrooms, function rooms which may hold an aggregate of up to 320 delegates, various restaurants, an indoor pool and gymnasium.

##### 4.3. Information on the Property Purchaser

- a. The Property Purchaser is a company incorporated in New Zealand and is in the business of owning hotel assets. The Property Purchaser is a related entity of CP Group Limited (the "**Ultimate Purchaser**") and the Business Purchaser.
- b. The Property Purchaser is not and will not be related to any of the Company's Directors, controlling shareholders, Chief Executive Officer or their respective associates. As far as the Company is informed, as at the date of this announcement, the Ultimate Purchaser, the Property Purchaser, and their respective directors, do not hold shares in the Company.

##### 4.4. Principal Terms of the Proposed Property Disposal

- a. The Property is sold free from all encumbrances created by the Property Seller or its predecessor in title as detailed in the SPA, but subject to all registered easements, leases and licences.
- b. The Property is sold with the buildings and other fixtures and fixed improvements constructed on or under the Property; and is subject to usual warranties in a sale of this nature. The Property 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 Property Purchaser has satisfied itself.
- c. On the Completion Date (as defined below), the Property Seller assigns, and the Property Purchaser accepts an assignment of all agreed Property Seller's rights under, benefits of and interests in the contracts relating to the Property.

##### 4.5. Property Sale Price

- a. The Property Sale Price is subject to any adjustments on the Completion Date in accordance with the SPA, and was derived at arm's length and on a willing buyer, willing seller basis taking into consideration, *inter alia*, prevailing market conditions and the market value of the Property based on the Report.
- b. The Property Sale Price shall be paid as follows:
  - (i) a sum of up to NZ\$10.0 million (the "**Property Sale Deposit**"), to be paid to the Property Seller's solicitors as stakeholder on the date of the SPA; and
  - (ii) a sum of NZ\$142.0 million (plus or minus the adjustments required under the SPA), being the balance of the Property Sale Price to be paid to the Property Seller at completion, which is agreed to be sixty (60) days from the date of the SPA and the BSA (the "**Completion Date**"), in cleared funds.

#### 4.6. Property Sale Deposit

- a. The Property Sale Deposit shall be retained by the stakeholder until the Completion Date or the earlier termination or rescission of the SPA, whereupon the parties must ensure that the stakeholder pays the Property Sale Deposit to the party entitled to it under the SPA.
- b. The Property Seller is entitled to the Property Sale Deposit unless the Property Seller is in default or has breached the SPA and the Property Purchaser has validly terminated the SPA in accordance with its terms, in which case the Property Purchaser is entitled to a refund of the Property Sale Deposit.

#### 4.7. Conditions Precedent

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

### 5. **INFORMATION ON THE PROPOSED BUSINESS DISPOSAL**

#### 5.1. Information on the Business Seller

- a. The Business Seller is a company incorporated in New Zealand and is the registered owner of the Business.
- b. The Business Seller is the lessee of the Property and operates the Property as a hotel under the branding of Stamford Plaza Auckland, and does not carry on any other business.
- c. As at the date of this announcement, the Company directly owns 100% of the entire issued and paid-up share capital of the Business Seller.
- d. On the Completion Date, the Business Seller will remain a subsidiary of the Company as the Proposed Business Disposal involves only the disposal of the Business (as defined below) and Business Assets (as defined below) of the Business Seller.

#### 5.2. Information on the Business and the Business Assets

Under the terms of the BSA, the Business Seller will sell, and the Business Purchaser will acquire:

- a. part of the hotel business conducted by the Business Seller at the Property (the "**Business**"); and
- b. the business assets (the "**Business Assets**") which includes:
  - (i) the goodwill and trading reputation of the Business and includes (without limitation) the benefit of and all the Business Seller's rights and interest in its business contracts, customer and supplier relationships in connection with the Business, and all licenses, approvals, consents and permits issued by the authority in connection with the Business.
  - (ii) all fixed and movable plant, equipment, machinery, tools, vehicles, spare parts, furniture, fixtures and fittings owned by the Business Seller that are leased or on hire purchase;
  - (iii) all raw materials, consumables, stores, promotional and packaging materials, components; and

- (iv) all other property and assets owned or used by the Business Seller exclusively for the Business at the Completion Date.

### 5.3 Information on the Business Purchaser

- a. The Business Purchaser is a company incorporated in New Zealand and is in the business of owning hotel assets. The Business Purchaser is a related entity of the Ultimate Purchaser and the Property Purchaser.
- b. The Business Purchaser is not and will not be related to any of the Company's Directors, controlling shareholders, Chief Executive Officer or their respective associates. As far as the Company is informed, as at the date of this announcement, the Ultimate Purchaser, the Business Purchaser, and their respective directors, do not hold shares in the Company.

### 5.4 Principal Terms of the Proposed Business Disposal

Subject to the terms and conditions of the BSA, the Business Seller must sell and transfer to the Business Purchaser, and the Business Purchaser must purchase and assume from the Business Seller, the Business Assets free of all encumbrances, other than permitted encumbrances, in accordance with the BSA.

### 5.5 Business Sale Price

- a. The Business Sale Price is subject to any adjustments in accordance with the BSA, and was derived at arm's length and on a willing buyer, willing seller basis taking into consideration, *inter alia*, the net tangible asset value of the Business and the Business Assets based on the audited consolidated financial statements of the Group for FY2022.
- b. The Business Sale Price shall be paid to the Business Seller on the Completion Date in cleared funds.

### 5.6 Conditions Precedent

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

## 6. **PROPERTY SALE AND BUSINESS SALE COMPLETION**

6.1 Subject to the Property Seller's and the Property Purchaser's various obligations being fulfilled, completion of the Proposed Property Disposal and the Proposed Business Disposal shall take place on the Completion Date.

6.2 On the Completion Date:

- a. the Property Seller shall give to the Property Purchaser, *inter alia*, vacant possession of the Property on the Completion Date; and
- b. the Business Seller shall give to the Business Purchaser, *inter alia*, title to the Business Assets and possession of those Business Assets physical possession of which can be given.
- c. the Business Seller assigns to the Business Purchaser, with effect from the Completion Date:
  - (i) all of the Business Seller's property and contractual rights in the Business Assets; and

- (ii) the benefit of all rights of the Business Seller (including any warranty rights) against third parties relating to the Business Assets.

## 7. USE OF PROCEEDS

The net sale proceeds of the Proposed Transactions will be utilised for future opportunistic acquisitions and investments, and the paying down of loans to mitigate the impact of rising interest rates to the Company.

## 8. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

8.1 The relative figures for the Proposed Transactions 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.  | 6.1% <sup>(1)</sup>  |
| Rule 1006(b) | Net profits attributable to the assets acquired or disposed of, compared with the group's net profits.   | 36.0% <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>  | 24.9% <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 aggregate net asset value of the Property, the Business and the Business Assets (collectively, the "**Sale Assets**") of S\$48,546,000 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 aggregate net profits attributable to the Sale Assets of S\$18,017,000 and the net profits of the Group of S\$50,061,000 for FY2022.
- c. This figure is based on the Total Sale Price and the Company's market capitalisation of approximately S\$552.3 million. The Company's market capitalisation was computed based on the Company's existing issued and paid-up capital of 1,492,753,122 ordinary shares (excluding treasury shares) ("**Shares**") and the volume weighted average price of S\$0.37 per Share on 7 October 2022, which is the last full market day on which the Shares were traded prior to the date of the SPA and BSA.

- 8.2 As the relative figure in respect of Rule 1006(c) exceeds 20%, the Proposed Transactions constitute 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 Transactions must be made conditional upon approval by shareholders of the Company (the “**Shareholders**”) in a general meeting.
- 8.3 SGX-ST has on 5 October 2022 indicated that the SGX-ST has no objection to the Company's application for waiver for prior approval of the Proposed Transactions (the “**Waiver**”) subject to, *inter alia*, the Company seeking Shareholders' ratification of the Proposed Transactions at an extraordinary general meeting (“**EGM**”) within three (3) months from date of the Waiver. As such, the Proposed Transactions will not be subject to the prior approval of Shareholders. Please refer to the announcement dated 10 October 2022 in relation to the Waiver for further information.

## 9. EXTRAORDINARY GENERAL MEETING AND SHAREHOLDERS' CIRCULAR

Pursuant to the Waiver, the Company will convene an EGM to seek the ratification by Shareholders for the Proposed Transactions. A circular containing further details of the Proposed Transactions, as well as a notice of the EGM, will be despatched to Shareholders in due course.

## 10. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The financial effects of the Proposed Transactions 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 Transactions.

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

### 10.1 Net tangible assets (“NTA”) per share

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

|   | Before the Proposed Transactions | After the Proposed Transactions |
|---|----------------------------------|---------------------------------|
| NTA (S\$'000)                                       | 801,670                          | 885,596                         |
| Number of Shares (excluding treasury shares) ('000) | 1,485,665                        | 1,485,665                       |
| NTA per share (S\$)                                 | 0.54                             | 0.60                            |

## 10.2 Earnings per share (“EPS”)

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

|  | Before the Proposed Transactions | After the Proposed Transactions |
|--|----------------------------------|---------------------------------|
| Net profit attributable to owners of the Company (S\$'000)           | 31,874                           | 96,904                          |
| Weighted average number of Shares (excluding treasury shares) ('000) | 896,071                          | 896,071                         |
| EPS (cents)  | 3.56                             | 10.81                           |

## 11. **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 Transactions.

## 12. **SERVICE CONTRACTS**

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

## 13. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts on the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.



**14. DOCUMENTS FOR INSPECTION**

A copy of the SPA, the Report and the BSA 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.

**15. FURTHER INFORMATION**

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

BY ORDER OF THE BOARD

Lee Li Huang  
Chief Financial Officer and Company Secretary  
10 October 2022