



STAMFORD
LAND CORPORATION LTD

Co. Registration No. 197701615H

RESPONSE TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S REQUEST FOR CLARIFICATION ON THE FOLLOWING:

- 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.**
 - C. GRANT OF WAIVER FROM COMPLIANCE WITH RULE 1014(2) OF THE LISTING MANUAL.**
-

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 announcements both dated 10 October 2022:

- a. in respect of the Proposed Property Disposal of the Property known as Stamford Plaza Auckland, 22-26 Albert Street, Auckland Central 1010, New Zealand and the Proposed Business Disposal of part of the hotel business conducted by SPAK (1996) Limited, the Business Seller at the Property, and the Business Assets (the “**10 October Disposal Announcement**”); and
- b. in respect of the grant of waiver from compliance with Rule 1014(2) of the Listing Manual (the “**10 October Waiver Announcement**”),

(collectively, the 10 October Disposal Announcement and the 10 October Waiver Announcement, the “**10 October Announcements**”).

Unless defined below, capitalised terms used in this announcement shall bear the same meanings as ascribed thereto in the 10 October Announcements.

In this regard, the Company would like to respond to the following further queries raised by the Singapore Exchange Securities Trading Limited on 11 October 2022 (the “**SGX Queries**” and each an “**SGX Query**”), which did not reach the Company until 14 October 2022.

SGX QUERY 1

At paragraph 3.4 of the Company's announcement dated 10 October 2022, it is stated that the Property Sale Price represents an excess of S\$74.4 million over the book value of the Property as at 31 March 2022, and the Group is expected to record a net gain in excess of S\$50.0 million for the Proposed Property Disposal. At paragraph 3.4 of the same, it is stated that the Business Sale Price represents an excess of approximately S\$14.5 million over the book value of the Business and the Business Assets and the Group is expected to record a net gain in excess of S\$10.0 million for the Proposed Business Disposal. Please explain the difference in the figures of S\$74.4 million and S\$50.0 million for the Proposed Property Disposal, as well as S\$14.5 million and S\$10.0 million for the Proposed Business Disposal, and to disclose details and the amounts of any fees incurred for the proposed transactions.

Company's Response to SGX QUERY 1

1. With respect to paragraph 3.3 of the 10 October Disposal Announcement:
 - a. S\$74.4 million represents the excess of the Property Sale Price over the book value of the Property of S\$48,528,000 as at 31 March 2022 (which is disclosed at paragraph 3.1 of the 10 October Disposal Announcement); and
 - b. S\$50.0 million represents the expected net gain on the Proposed Property Disposal estimated based on the book value of the Property as at the date of completion after deducting expenses in connection with the Proposed Property Disposal, which include professional fees, agent commission and tax payable by the Property Seller.
2. With respect to paragraph 3.4 of the 10 October Disposal Announcement:
 - a. S\$14.5 million represents an approximate excess of the Business Sale Price over the book value of the Business and the Business Assets of S\$18,000 as at 31 March 2022 (which is disclosed at paragraph 3.1 of the 10 October Disposal Announcement); and
 - b. S\$10 million represents the expected net gain on the Proposed Business Disposal estimated based on the book value of the Business and Business Assets as at the date of completion, after deducting expenses in connection with the Proposed Business Disposal, which include professional fees, agent commission and tax payable by the Business Seller.
3. Taking into the Company's confidentiality obligations and the commercial sensitivity of the information requested for, the Company will not be disclosing the details of the fees incurred by the Company in connection with the Proposed Transactions, save to say that these fees are paid to third parties not related to the Board or the controlling shareholders.

SGX QUERY 2

Please provide specific details why the Company is unable to seek shareholders prior approval for the Proposed Disposal and confirmation from the Company with details of the relevant timelines in the bidding process why it will not be able to complete the Proposed Disposal if prior shareholders' approval has to be obtained and the difficulties that it will face should it be required to obtain prior shareholder's approval for the Proposed Disposal.

Company's Response to SGX QUERY 2

4. The Company has in paragraph 3 of its 10 October Waiver Announcement set out the reasons why it had sought a waiver to Rule 1014 (2) of the Listing Rules.
5. The Company did not undertake a bidding process. The Ultimate Purchaser, through an expression of interest dated 4 August 2022, offered to acquire the Property. As agreed with the Ultimate Purchaser, the acquisition of the Property was not subject to shareholders approval, and the parties to the transactions had agreed to enter into definitive agreements on or about 28 September 2022.
6. The Company only received a confirmation from the Ultimate Purchaser on 19 September 2022 that they were proceeding with the Proposed Transactions. The Company was keen to proceed with the Proposed Transactions for the reasons set out in paragraph 2 of the 10 October Disposal Announcement. At the time of the application for waiver to the SGX-ST was made, the parties had only up to 28 September 2022 to enter into definitive agreements. Therefore, it was not possible for the Company to obtain prior shareholders' approval in time. The Waiver was granted by the SGX-ST only on 5 October 2022. The execution of the SPA and the BSA therefore eventually took place on 10 October 2022, after the Waiver was granted.

SGX QUERY 3, 4 and 5

Query 3 - Please provide an update on the Company's proposed allocation of net proceeds from its rights issue which was completed on 15 February 2022 ("**Rights Proceeds**") specifically explaining the status in relation to the Company's representation in paragraph 2.2 of its announcement dated 6 January 2022 that "the utilization of Rights Proceeds will take place over the course of the next 24 months, with an estimated 80% of the same to be utilized within the first 12 months" [emphasis added]. To disclose any revised update to the use of proceeds, specific milestones and to provide updated timelines for the use of these proceeds.

Query 4 – Please provide an update on the progress, with specific details, of (a) redevelopment of Stamford Plaza Brisbane and Sir Stamford at Circular Quay where about \$68 to \$73 million was raised in total from the Rights Issue for this purpose; (b) asset enhancement of Stamford Grand Adelaide and/or Stamford Plaza Melbourne where about \$68 to \$73 million in total was raised from the Rights Issue for this purpose; (c) other opportunistic real estate acquisitions where about \$95 million in total was raised from the Rights Issue for this purpose; and (d) the status of completion of the refurbishments for Stamford Grand Adelaide and Stamford Plaza Melbourne where the Company had disclosed in its announcement of 29 December 2021 that "these are expected to commence in the first half of financial year 2022".

Query 5 - Please provide an update on and details of the “opportunistic real estate acquisitions” that the Company has pursued since the announcement of the rights issue (successfully or otherwise) and the Rights Proceeds utilized to-date, as well as those that the Company is pursuing.

Company’s Response to SGX QUERY 3, 4 and 5

Development – Redevelopment of Stamford Plaza Brisbane and Sir Stamford at Circular Quay Refurbishment of Stamford Plaza Melbourne and Stamford Grand Adelaide

7. As mentioned in the Company’s announcement dated 23 August 2022 in relation to the disposal of Sir Stamford at Circular Quay (“**August Divestment Announcement**”), the Rights Proceeds will be re-allocated to other projects set out in the Company’s offer information statement dated 17 January 2022 in relation to Rights Issue.
8. Separately, since February 2022, (i) construction costs in Australia had spiked driven by inflation and supply chain delays, constraints and bottlenecks, and (ii) Australia is experiencing the fourth highest labour cost globally and due to the demand for manpower, construction wages had risen considerably and are expected to continue to rise.
9. Due to the increase in both material and labour cost in the past 6 months, the refurbishment of both Stamford Plaza Melbourne and Stamford Grand Adelaide have been and will continue to be delayed until such time both material and labour cost moderate, which is not expected soon.
10. With respect to Stamford Plaza Brisbane, due to the sensitivities of discussions being undertaken with various third parties connected to the redevelopment, the Company will not be able to make any further disclosures now without prejudicing those discussions.
11. There is no material utilisation of the Rights Proceeds to date in connection with such development and refurbishment as disclosed in the Company’s announcements dated 7 December 2021, 29 December 2021, 3 January 2022 and 6 January 2022 in relation to Rights Issue (collectively, the “**Rights Announcements**”). As at the date of this announcement, save for the divestment of Sir Stamford at Circular Quay and the resulting possible re-allocation of the Rights Proceeds earmarked for Sir Stamford at Circular Quay to the development of Stamford Plaza Brisbane (within the category), which has not been confirmed, the Company has no intention to change its allocation of the Rights Proceeds to the developments and refurbishments other than as disclosed in the Rights Announcements.

Investment Properties – Other Real Estate Acquisitions

12. The Company had in December 2021 participated in a bid on a commercial office property located in London but was not successful. It continues to explore potential acquisitions of commercial properties located in Singapore, London, Tokyo, Sydney, and other major cities.
13. Save for the above disclosures, the Company will not be disclosing the details of the properties that it has explored to date or are currently exploring taking into account its confidentiality obligations, and the commercial sensitivities associated with such engagements.

14. None of the Rights Proceeds have been utilised to date in connection with such real estate acquisition opportunities and the Company has not changed its allocation of the Rights Proceeds to such opportunities as disclosed in the Rights Announcements.

Updated Timeline and Specific Milestones

15. Save for the above, the Company is not able to provide an updated timeline on the use of the Rights Proceeds now. The Company will make further announcements pursuant to Listing Rules 704(30) and 1207(20) when there is any material use or deviation from the stated use of the Rights Proceeds, and in the case of a material deviation, the reason for such deviation.

SGX QUERY 6

Please provide reason(s) why the Company has not disclosed via an announcement on SGXNet if Rights Proceeds has been utilized to-date or an update of the status of/delay in its disclosed plans.

Company's Response to SGX QUERY 6

16. The Company has in the August Divestment Announcement highlighted the need to re-allocate the Rights Proceeds (earmarked for Sir Stamford at Circular Quay) as a result of the disposal of Sir Stamford at Circular Quay and its intention to re-allocate the Rights Proceeds to the other projects set out in the Company's offer information statement in relation to the Rights Issue. The Company is contemplating to re-allocate the Rights Proceeds earmarked for Sir Stamford at Circular Quay to the development of Stamford Plaza Brisbane (within the category). The Company refers to paragraphs 7 to 15 above.
17. The Company will make further announcements pursuant to Listing Rules 704 (30) and 1207 (20) when there is any material use or deviation from the stated use of the Rights Proceeds, and in the case of a material deviation, the reason for such deviation.

SGX QUERY 7

Please provide the Company's proposed allocation of the specific use of proceeds in dollar amounts from the aggregate funds raised of S\$573.7 million in the current financial year, which represents 72% of the group's NAV of S\$802 million as at 31 March 2022. The aggregate amount of funds was raised from its Rights Proceeds amounting to \$238.9 million for the purpose of redeveloping and enhancing assets of its properties and pursue real estate acquisitions, proceeds from the disposal of Sir Stamford at Circular Quay amounting to S\$197.3 million and proceeds from the proposed disposal of Stamford Plaza Auckland amounting to S\$137.5 million. Including the cash reported in the Group's Balance Sheet of S\$139 million as at 30 September 2021, the Company's adjusted amount of cash on hand would amount to S\$713 million or 89% of the Group's NAV of S\$802 million as at 31 March 2022

Company's Response to SGX QUERY 7

18. As at the date of this announcement, the Company has no intention to revise its allocation of the Rights Proceeds, other than as disclosed in the August Divestment Announcement and the intention to re-allocate the Rights Proceeds earmarked for Sir Stamford at Circular Quay to the development of Stamford Plaza Brisbane (within the category). The Company refers to paragraphs 7 to 11 above.
19. With respect to the Company's net cash following its divestment of the Property and Sir Stamford at Circular Quay, the Company is not able to propose an allocation on the specific use of such proceeds in view of the current volatile market conditions, save for the announced plans to utilise such funds to reduce its existing debt liabilities and if the opportunity presents itself, to acquire any real estate investments. Further, the Company will continue to explore further development opportunities in Singapore and Australia.

SGX QUERY 8

Please explain how the Company's proposed disposals of Sir Stamford at Circular Quay and Stamford Plaza Auckland is line with this statement disclosed in the Company's announcement on 6 January 2022 that "the exploration of the proposed diversification of these assets has effectively ceased" ("**Statement**"). To also disclose whether the proposed disposal of Stamford Plaza Auckland was initiated by the Company and if so, reconcile the disposal with the Statement and when the Board was aware of the change in plans for disposals of the Company's assets. To set out the reason(s) why this material information on the change of plans was not disclosed by the Board.

Company's Response to SGX QUERY 8

20. The Statement read in context refers to the Company's exploration of the possibility of the divestment of part of its portfolio of properties under its hospitality business segment and moving to an asset light strategy with respect to its hospitality assets, as referred to in the Company's announcements dated 27 March 2021 and 15 June 2021.
21. Further, in addition to the Statement, the Company had in the same paragraph highlighted that the Company may continue to receive unsolicited indicative offers for its hospitality portfolio from time to time.
22. As mentioned, the proposed disposals of the Sale Assets were not initiated by the Company or the Board. The Company received an expression of interest from the Ultimate Purchaser offering to acquire the Property (and the Business and the Business Assets). The Purchaser has its own plans with respect to the Sale Assets following the completion of the proposed disposals.

BY ORDER OF THE BOARD

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