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Issuer: Stamford Land Corporation Ltd

Security: Stamford Land Corporation Ltd

Meeting details:

Date: 27 July 2018

Time: 10.00 a.m.

Venue: Singapore Chinese Cultural Centre, Multi-purpose Hall (Level 7), 1 Straits Boulevard, Singapore 018906

Company Description

Stamford Land Corporation Ltd, an investment holding company, owns, operates, and manages luxury hotels in Singapore, Australia, and New Zealand. The company operates through Hotel Owning and Management, Property Development, Property Investment, and Trading segments. It owns and operates hotels and resorts under the Sir Stamford Circular Quay, Stamford Plaza Sydney Airport, Stamford Grand Adelaide, Stamford Plaza Adelaide, Stamford Plaza Melbourne, Stamford Plaza Brisbane, and Stamford Plaza Auckland names. The company also invests in, develops, constructs, trades in, and rents real estate properties. In addition, it trades in wallcoverings and interior design products; and offers trustee, travel agency, and management services. The company was formerly known as Hai Sun Hup Group Ltd. Stamford Land Corporation Ltd was founded in 1935 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=H07)

1. With the handing over of 361 units at Macquarie Park Village (“MPV”), the total settlement at MPV reached 535 units. The group expects to complete the hand over of the remaining 177 units in the next financial years (page 3 of the annual report) [emphasis added].

- (i) Can management clarify if the remaining units are all fully sold and are scheduled to be handed over to the buyers by the end of the financial year 31 March 2019 (assuming no material changes during the settlement), or would the handing over extend to future years?**
- (ii) What is the progress of the ongoing sale of the 60 additional units under the Urban Activation Precinct at Melbourne Tower?**
- (iii) Given that there is good visibility to the completion of MPV, can management estimate the return on investment (ROI) from the entire project over the entire lifecycle, including the opportunity costs of the ceasing operations of Stamford Grand North Ryde?**
- (iv) For other developments such as The Stamford Residences (Auckland), what is the ROI (with holding costs considered) given that three units remain unsold?**

2. The “Valuation of investment properties” is a key audit matter (KAM) highlighted by the Independent Auditor in their report on the Audit of the Financial Statements. Key audit matters are those matters that, in the professional judgement of the Independent Auditor, were of most significance in the audit of the financial statements of the current period.

As noted in the KAM, the carrying value of investment properties is S\$127.4 million as at 31 March 2018, including a carrying value of S\$110.78 million for Dynons Plaza.

- (i) Can management elaborate further on the key assumptions used in the valuation of Dynons Plaza?**
- (ii) With a single asset in Perth (being Dynons Plaza), what can the group leverage on as it tries to secure new tenants for Dynons Plaza?**
- (iii) Is the group looking to lease out the building to a single tenant? What are the opportunities to reposition the asset to a multi-tenant lease? Is that an option being considered by the group?**

3. In the Corporate Governance Report, the nominating committee (NC) has stated its deliberations under succession planning for the board and management, as follows (page 32):

Succession planning is an important part of the corporate governance process. The NC seeks to refresh the board membership progressively and in an orderly manner, to avoid losing institutional memory.



Currently, there is an informal succession plan for management put in place by the Chairman. Going forward and at the relevant time, the NC will look into such plan in close consultation with the Chairman.

- (i) Would the NC elaborate further on when it assesses to be the appropriate time to formalise the succession plan for management?**
- (ii) Would the NC be overseeing the implementation of a succession and leadership development plans for the senior management to ensure smooth transition?**
- (iii) In addition, as one of the key terms of reference of the NC is to review the board succession plans for directors, would the NC clarify if there is a formal succession for board directors, including chairman, in place?**

A copy of the questions for the Annual Report for the financial year ended 31 March 2017 and 31 March 2016 could be found here:

https://sias.org.sg/index.php?option=com_qaannualreports&view=qareports&filter_company=

The company's response could be found here: -----