

STAMFORD LAND CORPORATION LTD

SIAS Q&A FOR 40th ANNUAL GENERAL MEETING

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).

- (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?

The Board’s and Management’s response: Of the initial phases, there remains only a few remnant units which are returned to the market for sale due to purchaser’s failure to complete the sale. Of these units, deposits have been duly forfeited.

For the additional 60 units, sales are progressing with 13 out of the 60 units already sold based on the last information received. Sales are progressing steadily. Sales are unpredictable as many factors affect the take up of units.

- (ii) What is the progress of the ongoing sale of the 60 additional units under the Urban Activation Precinct at Melbourne Tower?

The Board’s and Management’s response: Marketing of the remaining 60 units had just commenced in May 2018. As of today, 13 out of 60 have been sold.

- (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?

The Board’s and Management’s response: The Company is not in a position to provide the ROI for its individual investments. Feasibility studies were carried out when considering the viability of projects and investments, before the same are undertaken. Project budgets are monitored closely.

- (iv) For other developments such as The Stamford Residences (Auckland), what is the ROI (with holding costs considered) given that three units remain unsold?

The Board’s and Management’s response: The Company is not in a position to provide the ROI for its individual investments. Feasibility studies were carried out when considering the viability of projects and investments, before the same are undertaken. Project budgets are monitored closely.

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?

The Board’s and Management’s response: The key assumptions may be found at page 118 Note 33(d) of the Annual Report.

- (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?

The Board’s and Management’s response: We don’t quite understand the question. Dynons Plaza is a standalone Grade A office building in the Group’s portfolio of properties, which are largely hotels.

- (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?

The Board’s and Management’s response: All options and possibilities are considered. We are in discussions with various potential tenants either for the occupancy of the whole building or for the lease of part of the buildings. Whichever arrangement that we eventually decide on will be based on the best deal we are able to achieve for 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?

The Board’s and Management’s response: The NC is kept informed and full aware of the succession plan for management. This is an ongoing process.

- (ii) Would the NC be overseeing the implementation of a succession and leadership development plans for the senior management to ensure smooth transition?

The Board’s and Management’s response: NC will always have oversight over succession and leadership development plans.

- (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 formal succession for board directors, including chairman, in place?

The Board’s and Management’s response: The NC has oversight over the succession plans of every position on the Board and the Board Committees. Notwithstanding, the Board is robust, and collectively there is enough expertise and experience on the Board to ensure continuity and to meet any contingencies.