



INSPIRING
GROWTH
NURTURING
VALUE

S I N G H A I Y I G R O U P L T D

Annual Report 2018

C O N T E N T S

03

Corporate
Milestones

04

Our Business
Strategy

05

Our Business
Pipeline

06

Joint Message by
Chairman and Group
Managing Director

11

Corporate
Highlights

12

Board of
Directors

16

Executive
Management

18

Financial
Highlights

19

Operational &
Financial Review

22

Asset Portfolio

34

Corporate Social
Responsibility

36

Corporate
Information

37

Sustainability
Report

45

Corporate
Governance

V I S I O N

To be a premier, well-rounded real estate company with proven expertise in property development, investment and management in our operational geographies.

M I S S I O N

To achieve sustainable growth and create shareholder value through yield-accretive acquisitions, quality property developments, innovative asset enhancement strategies and proactive property management.



Daffodil

Narcissus, commonly known as daffodil, is a genus of spring perennial plants characterised by bright yellow or white flowers of six tepals and a trumpet-shaped corona.

激 带
发 动
潜 发
能 展

INSPIRING GROWTH NURTURING VALUE

THE DAFFODIL {水仙}

Consider the Daffodil – a trumpet-shaped, hardy perennial flower admired for its rich bright hue, impressive beauty and adaptability to a wide spectrum of environments. One of the earliest flowers to blossom in spring time, it is widely associated with the vibrancy of life – a quintessential symbol for new inspiration, timeless vitality and bountiful growth.

The daffodil is also a fitting symbol for SingHaiyi's growth as an organisation.

Since the Group's inception, we have grown our financial might and asset portfolio through strategic investments, positioning ourselves for a vibrant, fruitful future.

SingHaiyi Group Ltd ("**SingHaiyi**" or the "**Group**") is a fast-growing real estate company with a diversified portfolio that is involved in property development, investment and management services. With strategic support from its major shareholders, the Group is led by a competent board and management team which includes esteemed businessmen Mr. Gordon Tang and Mr. Neil Bush who possess astute business acumen, extensive experience and stellar track records in real estate and investments. They have forged long-standing connections in the industry that enable them to leverage on investment opportunities.

Aside from an established track record in residential property development, the Group also holds a diversified portfolio of income-generative assets in the commercial and retail sectors. The Group has expanded its geographical reach and overseas presence to Asia, Australia, US and seeks to augment its market position in Singapore with new acquisitions.

The Group's exposure to various segments of the real estate sector in multiple countries is notably a testament to its well-executed business strategy, designed to generate stable earnings, maintain sustainability and deliver value to shareholders.

For more information on SingHaiyi, please visit: <http://singhaiyi.com/>

激
励
图
强



INSPIRATION.

SingHaiyi's growth story begins from a clear vision: to be a premier, well-rounded real estate company. This vision is the seed from which our integrated strategies have developed over the years. Today, SingHaiyi remains inspired to build on this vision. With good business fundamentals, a high-quality asset portfolio, diversified geographical presence, insightful leadership and proven expertise, SingHaiyi is positioned to blossom and multiply its growth opportunities.

A Flower That Buds Creativity

One of the most known symbolisms of daffodils is inspiration – a constant desire for creation. Long celebrated in art and literature, daffodils are seen in Ancient Egyptian depiction to classical Greco-Roman literature to the modern and avant-garde eras of the visual arts.

CORPORATE MILESTONES

2018

MARCH

- > Listing and quotation of the Rights shares on the SGX-ST
- > Participated in Holland Village Extension dual-envelope concept and price tender under GLS programme

JANUARY

- > Acquired Park West for S\$840.9 million via an en bloc sale
- > Approval in-principle from the SGX-ST for 2-for-1 Rights Issue at S\$0.10 per share to raise S\$143.5 million in proceeds

2017

DECEMBER

- > Bulk sale of Vietnam Town Phase 2 (141 units) for US\$95.3 million
- > Acquired a 3.08% interest in Cromwell Property Group ("**Cromwell**") for A\$59.1 million

NOVEMBER

- > Acquired How Sun Park for S\$81.1 million via an en bloc sale

SEPTEMBER

- > Acquired Sun Rosier for S\$271.0 million via an en bloc sale

AUGUST

- > Grant of TOP by BCA on City Suites

MAY

- > Grant of TOP by BCA on The Vales
- > Transferred to the Mainboard of the SGX-ST

MARCH

- > Completed the disposal of 20.0% equity interest in TripleOne Somerset

JANUARY

- > Fully redeemed its S\$100.0 million notes under the S\$500.0 million Multi-currency Debt Issuance Programme
- > Unveiled design for new Grade A commercial building at 9 Penang Road

2012 – 2016

(KEY EVENTS)

- > Approval from shareholders on Rights Issue and Share Placement up to S\$226.0 million, along with plans to invest in real estate in the US
- > Successfully tendered for land site at Anchorvale Crescent, an EC project in Singapore
- > Established S\$500.0 million Multi-currency Debt Issuance Programme
- > Acquired Tri-County Mall in Cincinnati, Ohio, our first foray into the US real estate industry
- > Acquired Vietnam Town, a commercial condominium project in San Jose
- > Acquired 5 Thomas Mellon Circle for redevelopment in San Francisco

SGX-ST	– Singapore Exchange Securities Trading Limited
GLS	– Government Land Sales
BCA	– Building and Construction Authority
TOP	– Temporary Occupation Permit
EC	– Executive Condominium

OUR BUSINESS STRATEGY

CREATING VALUE SUSTAINABLY

- Building land bank for future development to provide revenue visibility for the next five years
- Leveraging the resources and network of our controlling shareholder for enhanced deal flow
- Optimising our capital structure through strategic partnerships with Haiyi Holdings, our controlling shareholder, and by tapping capital markets
- Diversifying income base and increasing geographic exposure by acquiring a 3.08% stake in Cromwell Property Group

BUILDING A PORTFOLIO OF QUALITY PROPERTY DEVELOPMENTS

- 5 development projects completed since 2013
- 5 development projects in Singapore and US expected to be completed by 2023

OPTIMISING PORTFOLIO THROUGH YIELD-ACCRETIVE ACQUISITIONS AND DIVESTMENTS

- Identifying pockets of opportunities at reasonable prices to ensure attractive returns
- 7 development project acquisitions since 2013
- Divested our stake in TripleOne Somerset for a disposal gain of S\$30.5 million

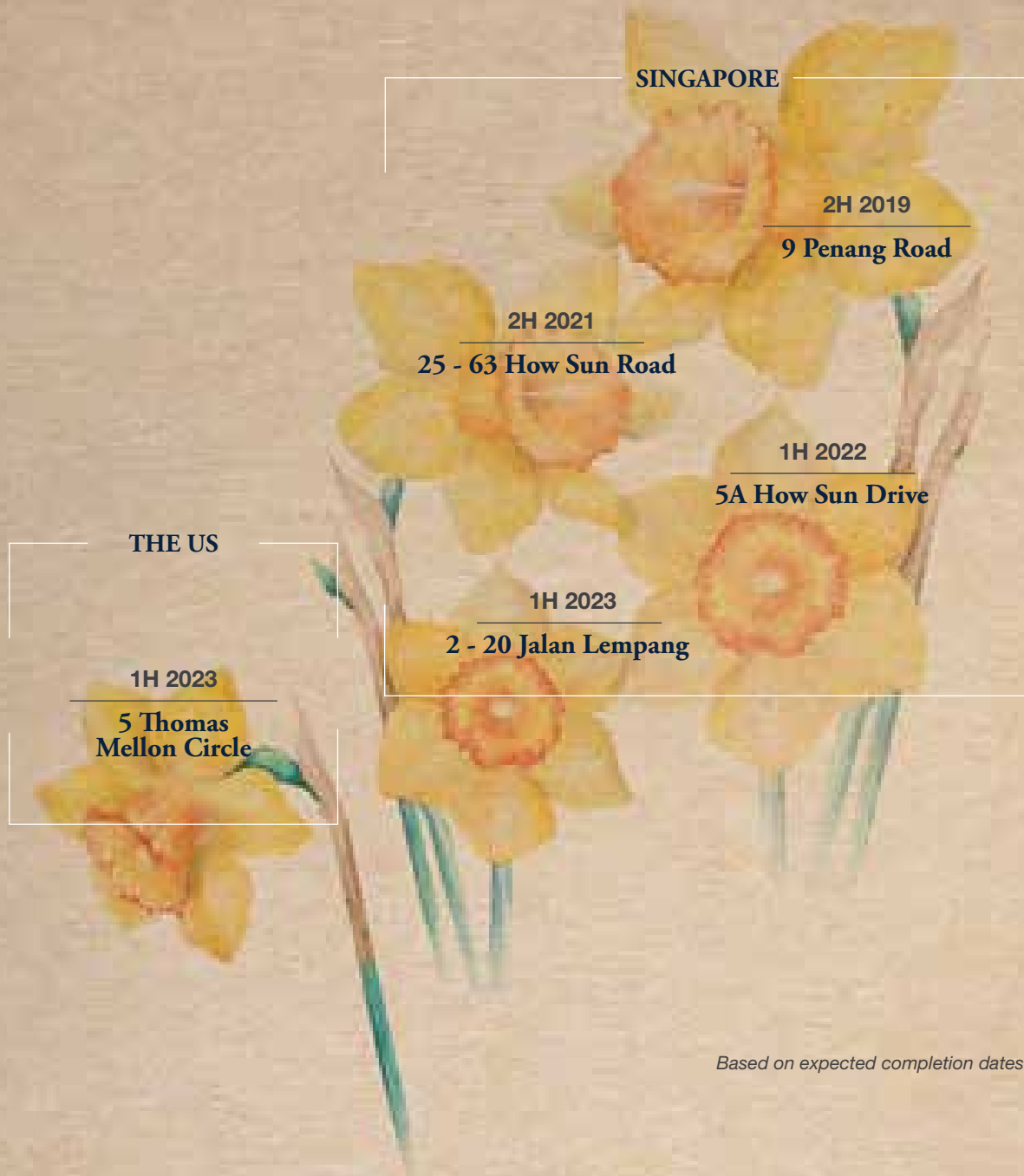


MANAGING OUR PROPERTIES PROACTIVELY

- 9 Penang Road: We are redeveloping and managing the project with a 35.0% project stake
- Tri-County Mall: We are undertaking asset enhancement initiatives to improve shopper footfall
- Malaysia malls: We have a 35.0% stake through the general partner of the ARA Harmony Fund III, with whom we actively engage to manage tenant mix



OUR PROJECTS PIPELINE



Based on expected completion dates

Development Projects

JOINT MESSAGE BY CHAIRMAN AND GROUP MANAGING DIRECTOR

Dear Shareholders,

We are pleased to present the annual report for the financial year ended 31 March 2018 (“FY2018”). As we look back on another eventful year for the Group, it is fitting to take a moment’s pause to see how far we have come as a Group since 2013 when our controlling shareholder and management, Haiyi Holdings, came on board. Over the last five years, we have been relentless in our efforts to develop our potential and capabilities to pave the foundation for our success.

FY2018 thus marks a watershed year in that growth journey as we celebrate the fruits of our labour. Amongst our many achievements, we strengthened our foothold in the Singapore residential segment, expanded our geographical reach, diversified income streams and tapped capital markets. At the same time, we planted new seeds of growth that we believe have laid the foundation for future harvests.

The pinnacle of our achievements during the year was undoubtedly the transfer of the Group from the Catalist board to the Mainboard of the SGX-ST, which came into effect on 26 May 2017. The transfer to the SGX-ST Mainboard stands as a testament to the hard work that we have put in over the years to grow our business through yield-accretive acquisitions, quality property developments and astute investments. The move has also provided the Group with a much stronger platform to tap capital markets, when necessary, to fund our continued expansion.

FINANCIAL PERFORMANCE AND DIVIDEND

On this note, we are pleased to announce stellar results in FY2018 with much improved revenue of S\$458.8 million and net profit attributable to owners of S\$32.3 million, compared to S\$44.2 million and S\$31.1 million respectively in FY2017.

Our topline growth was achieved largely on the back of our completed EC project, The Vales. The Group’s underlying core profits from operations rose more than threefold to S\$46.6 million in FY2018 from S\$15.4 million a year ago despite the absence of a one-off disposal gain of S\$30.5 million from the divestment of our 20.0% interest in TripleOne Somerset. This, we believe, underscores the strength of the Group’s core operations during the year.

As a reward to shareholders, the Board has proposed a final one-tier tax exempt dividend of 0.3 Singapore cent per ordinary share, which translates into a pay-out ratio of 40.0% of the Group’s net profit attributable to owners in FY2018.

PREPARING FOR HARVEST

We had focused on strengthening our fundamentals in property development even when property market conditions were relatively soft over the last few years. Now, against the backdrop of an anticipated recovery in the broader property market, we are well-positioned to tap that upturn.

In Singapore, we obtained TOP for City Suites, a 56-unit private condominium located at Balestier Road, in August 2017. The sales has been more than encouraging since then with more than 85.0% of the units sold. We obtained the Certificate of Statutory Completion on 3 May 2018 and expect to see more revenue contribution from the project in the coming quarters.

Meanwhile, redevelopment work for our Grade A commercial building at 9 Penang Road (formerly known as Park Mall) has been progressing smoothly since October 2016. We are targeting the completion of 9 Penang Road by the end of 2019. This, we believe, will allow us to capture

opportunities arising from the rebound in Singapore’s office market which is experiencing rising rents due to a shrinking amount of newly-developed space¹.

Over in the US, Phase Two of Vietnam Town in San Jose has also been well received by the market after the success of Phase One and we sold the entire Phase Two, which comprised 141 units, for US\$95.3 million in a bulk sale transaction in December 2017. To date, the US\$7.5 million deposit for the sale has been received and the bulk sale is expected to complete by end September 2018.

Supported by its booming tech sector, the San Francisco Bay Area housing market has seen high demand for homes constrained by limited supply, leading to record home prices and fast-paced sales in recent years². Our efforts to redevelop the existing office building at 5 Thomas Mellon Circle at Candlestick Point into a 585-unit waterfront lifestyle residential property is on-going. To date, we have made an application for a site permit and are targeting to complete the project by 2023.

Our plan to transform Tri-County Mall in Cincinnati into a lifestyle hub for F&B, fashion and entertainment brands is underway with the mall currently undergoing asset enhancement works to enhance patron traffic. Due to the enhancement works, we foresee rental income from Tri-County Mall to be lower in the coming quarters.

In Malaysia, ARA Harmony Fund III (“H3”) has divested the office tower of 1 Mont Kiara in Kuala Lumpur in FY2018 which generated a substantial return on investment while continuing to actively manage the remaining five malls in the portfolio, which enjoy an overall occupancy rate of 93.4% as at 31 March 2018.

¹ The Investor, JLL, “Singapore’s office market rebound in full swing”, 7 May 2018

² The Mercury News, “Bay Area home prices continue upward to record heights”, 24 April 2018

SOWING NEW SEEDS OF GROWTH

In the second half of FY2018, we also meaningfully bolstered our land bank with the acquisition of three collective sale sites totalling approximately S\$1.2 billion. In September 2017, we acquired Sun Rosier condominium for S\$271.0 million and in November 2017, we secured the tender for the How Sun Park development with a winning bid of S\$81.1 million. The en bloc acquisition of these two properties were completed in March 2018 and April 2018 respectively. We expect to launch these freehold properties, which are strategically located in close proximity to the Bartley MRT station and several prestigious schools and suburban malls, by the first quarter of 2019. Collectively, we expect to offer an estimated 330-unit freehold condominiums.

Shortly after, we acquired Park West, a 99-year leasehold residential site in Clementi, for S\$840.9 million in January 2018. The site is located in an established residential area along Jalan Lempeng that is in close proximity to the Clementi MRT station, the One-North R&D Park, Singapore's second Central Business District at Jurong Lake, as well as a number of prestigious schools. The Sales Order from the Strata Title Board was successfully secured on 30 April 2018 and we expect the en bloc acquisition to be completed within the next three to six months.

We will also continue to mould SingHaiyi into a diversified and resilient company able to better weather property market fluctuations. With this in mind, we took up a 3.08% stake in Australia-listed Cromwell Property Group ("**Cromwell**"), one of the largest property players in Australia, in December 2017. This investment provides the Group with an additional stable income stream, while allowing us exposure to total assets under management of A\$11.2 billion as at 31 December 2017 across Australia, New Zealand and Europe. In addition, the investment also serves as a beachhead for us to better understand the Australian market while giving us an edge to capitalise on any business opportunity.

We are exceedingly excited as we believe our continued efforts in FY2018 have cultivated fertile grounds for our growth in the future. With our three en bloc acquisition, SingHaiyi has accumulated a strong land bank in Singapore and a clear pipeline of projects both in Singapore and US up to 2023 which will allow us to capitalise on the recovery in the local property sector and an improvement in the operating environment respectively. In the US, the Federal corporate tax rate has been cut from 35.0% to 21.0%, which will give companies a break on taxes and allow them to reinvest and/or remit their net profits in development properties in the US.

Amidst the rising optimism in the upbeat collective sales market and the broader property sector, we remain vigilant and selective in acquiring fairly valued land plots in strategic locations. We also want to ensure that we optimise our capital structure as we expand our business in a sustainable and prudent manner. Underscoring this, the Group undertook a 2-for-1 rights issue in December 2017 that was fully supported by Haiyi Holdings. We raised gross proceeds of S\$143.5 million and plan to utilise the bulk of the proceeds to pursue suitable property investments.

We are pleased to have garnered the support of our controlling shareholder, Haiyi Holdings, whose partnership has been integral to SingHaiyi. Our three property acquisitions and strategic investment in Cromwell are business ventures in collaboration/partnership with Haiyi Holdings and entities controlled by Mr. Gordon Tang and Mrs. Celine Tang. In addition, we can strategically leverage on our controlling shareholder's strong business connections for enhanced business opportunities. This will further entrench SingHaiyi's financial footing and ability to participate in bids for larger scale projects.

FY2018 has been a bountiful year as we

recorded a series of stellar achievements for SingHaiyi. Forging ahead, SingHaiyi is well-positioned for the future, and we are filled with confidence despite the ever-evolving operating environment. The Company will continue to expand its network capabilities to deepen knowledge in overseas markets, diversify investments and expand its portfolio of property developments and acquisitions that yield growth and profitability.

APPRECIATION

As we celebrate yet another rewarding year for SingHaiyi, we would like to take this opportunity to extend our appreciation to the Board and management, as well as the employees who have worked tirelessly in pursuit of growth for the Group. The achievements of SingHaiyi would not have been possible without your commitment, dedication and hard work.

We would also like to express our gratitude to our partners and customers, who have been unwavering in their support of our endeavours.

Lastly, to our shareholders, thank you for walking with us on this incredible growth journey. Your faith and confidence have been instrumental in our success and we will continue to work hard to deliver greater value to all.

Neil Bush
Non-Executive Chairman

Celine Tang
Group Managing Director



JOINT MESSAGE BY CHAIRMAN AND GROUP MANAGING DIRECTOR

各位尊敬的股东：

我们谨代表董事會，很荣幸地向您宣布截至2018年3月31日（“2018财年/本财年”）的年度报告。自2013年，当我们的控股股东海逸集团（“海逸”）和现任管理团队上任以来，在过去五年间，我们一直致力于积极创新，力求为客户提供优质的项目效果，最终实现为市场提供更美好居住环境的愿景。

2018财年标志着集团成长的分水岭。我们巩固了在新加坡住宅市场的地位，并积极地在新加坡以外的市场例如：美国，马来西亚，澳洲等国寻求多元化的商业机会，并拓展业务的地域和领域，以发展并加强公司的资产组合。我们播下了希望的种子，这些种子将为未来的收获打下坚实的基础。

从新团队接手以来的稳健业绩与扩展，造就了我们今年最大的成就之一——集团于2017年5月26日从新交所凯利板转战其主板交易，在新加坡主板交易让集团接触到更广泛的投资者，这将为集团带来更优质的交易，更强的流动性，并带出更高的估值。

财务表现和股息

在此，我们很高兴地宣布，集团在本财年取得了辉煌的业绩。与2017财年集团股东净利润的3110万新元相比，脱售 Tripleone Somerset 20.0%股份得到的一次性收入3050万新元，2018财年股东净利润达3230万新元，净利润增长高达3170万新元。与去年的收入4420万新元相比，收入大幅提高到4.588亿新元，主要得益于集团的执行共管公寓 The Vales 取得临时入伙证所得到的营业收入。

作为对股东们的回报，董事会提议派发每股0.3分新元的年终股息，股息支付率接近集团股东净利润的40.0%。

期待收获

尽管过去几年房地产市场表现相对疲软，我们也一直致力于耕耘并加强团队实力与精神。现在，在更广泛的房地产市场预期复苏的背景下，我们已做好了充分的准备来迎接这一机遇。

在新加坡，我们于2017年8月获得 City Suites 的临时入伙证。这是一个位于马里士他地区的56单位私人公寓。销售量非常可取，超过85.0%的房屋已售出。我们已在2018年5月3日获得了公寓的法定完工证，预期在来临的季度取得更多的营业收入。

与此同时，9 Penang Road（重建前称为“Park Mall”）的重建工作也正在顺利进行，预期将在2019年底完工。由于商用空间供应量下降，新加坡办公楼租金环比上涨。我们将抓住机遇把握需求紧跟市场，期待收获。

在美国加州圣荷塞市的越南城项目跟着第一期的销售的成功，第二期也深受市场欢迎。我们在2017年12月底以9530万美元的价格集体出售了越南城第二期全部的141个单位。迄今为止，已收到750万美元的购房押金，这批集体销售将预计于2018年9月底完成。

在蓬勃发展的科技行业的支持下，旧金山湾区的房地产市场需求旺盛，但近几年供应停滞不前，加上当地较高的收入水平，都意味着新房房价会一直居高不下。我们将致力于在蜡烛台（Candlestick

Point）的5 Thomas Mellon Circle改建成585个单位的五栋楼海滨生活式住宅小区。迄今为止，我们正着手申请工地许可证。

我们计划将位于俄亥俄州辛辛那提市的 Tri-County Mall 改造成一间融合餐饮、时尚和娱乐为一体的休闲购物中心。目前该商场正在进行资产提升工程以吸引更多客户。由于整改，我们预计 Tri-County Mall 的租金收入在未来几个季度将降低。

在马来西亚，ARA Harmony III（“H3”）也在2018财年内脱售了位于吉隆坡1 Mont Kiara 的办公楼，为集团创造了可观的投资回报。H3将继续积极管理旗下的五座购物中心，截止2018年3月31日，五座购物中心占用率达到93.4%。

播种新希望，喜迎丰收

在2018财年的下半年，我们收购了三个集体出售公寓，价格总额约12亿新元，也因此扩大了我们的土地资源储备。在2017年9月，我们以2.71亿新元收购了豪山村公寓（Sun Rosier），并在2017年11月以8109万新元的中标价格获得了豪山园（How Sun Park）。这两项集体收购分别在2018年3月和4月完成。这两片永久地契地块非常靠近巴特礼地铁站和几家著名的学校和郊区购物中心。

2018年1月我们再以8.409亿新元集体收购了靠近金文泰地铁站的99年地契的伟诗园（Park West）项目。该项目临近伟壹科技城以及位于裕廊湖新加坡第二中央商务区和许多著名的学府。我们在2018年4月30日成功获得了屋契委员会的销售批准，预计集体收购将在未来3至6个月内完成。

此外，我们还致力把新海逸塑造成为一个多元化并且有韧性的集团，这将能够更好适应房地产市场的波动。以此为目标，在2017年12月，我们收购了澳洲上市公司，Cromwell Property Group (“Cromwell”)，3.08 %的股权。截止到2017年12月31日，Cromwell的管理资产包括在澳洲、新西兰和欧洲的产业总额达到112亿澳元。此收购为集团提供了额外的稳定收入来源也让我们更好地了解澳洲及其它市场，同时助我们抓住澳洲等市场商机提供了优势。

我们通过三次收购，积累了足够的土地资源来抓住新加坡房地产市场回温所带来的商机，加上在美国房产开发项目直到2023年，这将能带动集团的良好业绩。在美国，公司所得税税率从35.0 %下调到21.0 %，这将减轻了企业的税务负担，提高我们在美国尚未开发项目的盈利空间，从而增加了归属于公司股东的净利润。

在乐观的房地产集体销售市场，我们仍然保持谨慎和有选择性的挑选有潜能的地块。为了确保我们在可持续和审慎的方式扩展业务时优化的资本结构，我们于2017年12月发行了配股 - 每2股配1股，并获得控股股东海逸全力支持。我们筹集了1.435亿新元总收益，计划利用大部分收益进行开发我们集体收购的项目以及其它合适的房地产投资。

我们感激集团的控股股东海逸与我们合作，增强了资金实力，发展项目因此有更大选择空间。海逸也运用他们的商务网络与资讯来提高我们的业务机会。有了他们的支持，新海逸在竞标更大型项目上的能力都获得了提升。

2018年是丰收的一年，我们为海逸缔造了另一个骄人的业绩。尽管新加坡的经营环境一直在不断变化，但海逸仍然充满信心地为迎接未来做好准备。集团将继续扩大市场调研能力，以加深对海外市场的投资知识;分散投资风险并扩大房地产开发和收购的投资组合，从而实现盈利和增长。

我们也籍此机会，感谢集团的董事会，管理层和员工的辛勤奉献，海逸的成就是因为有你们的不懈耕耘和无私付出。我们坚信能够应对挑战，再创佳绩。

我们还要感谢集团的客户，承包商和商业伙伴，感谢他们对我们的信任与支持。我们将不断努力提供最好的居家选择。

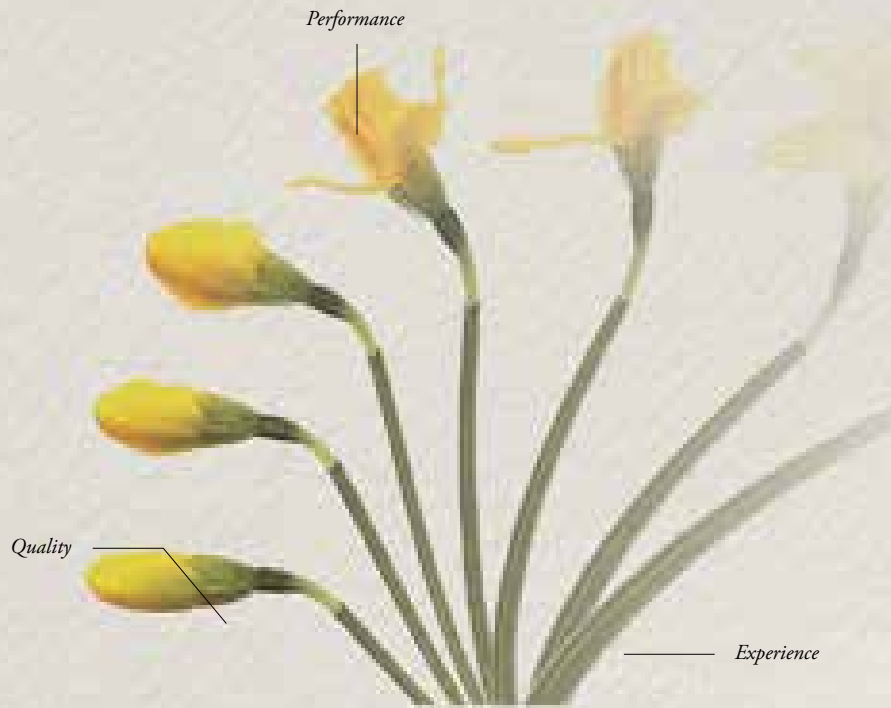
最后，向我们的股东们表示感谢，感谢你们与我们一起走过这意义非凡的成长之旅。你们的信念和信心对我们的成功起到了推动作用，我们将继续努力，更上一层楼，未来财富我们一起携手创造。

Neil Bush
Non-Executive Chairman
尼尔 布什
非执行主席

Celine Tang
Group Managing Director
陈怀丹
集团董事经理



生
机
盎
然



VITALITY.

Reflecting a strong determination to flourish for the long term, SingHaiyi delivered a sterling set of results during the year – a shining affirmation of our astute investment strategies and distinctive asset portfolio. Buoyed by this outstanding performance, we are committed to seek more growth opportunities and enhance shareholder value.

An Adaptable and Resilient Flower

Daffodils thrive in a wide variety of conditions and environments around the world due to their impressive adaptability and hardiness. In the wild or cultivated, they can flourish in meadows, forests, river banks and man-made gardens.

CORPORATE HIGHLIGHTS

A YEAR OF VITALITY

01

STRENGTHENED LANDBANK

- Acquired 3 landbanks valued at S\$1.2 billion
- Clear pipeline of development projects up till 2023
- Among the top 4¹ developers in Singapore in landbank inventory²

02

STRENGTHENED INCOME STABILITY AND MARKET DIVERSIFICATION

- 3.08% strategic stake in Cromwell, one of the biggest property players listed in Australia
- Exposure to Cromwell's total assets under management of A\$11.2 billion as at 31 December 2017 across Australia, New Zealand and Europe

03

STRENGTHENED FINANCIAL FOUNDATION AND CORPORATE STANDING

- Raised gross proceeds of S\$143.5 million through a rights issue
- Bulk sale of the entire Vietnam Town Phase II project for US\$95.3 million before project completion date is a testament to the potential of Vietnam Town as a commercial project
- Transferred to the Mainboard of SGX-ST in May 2017
- Relocated to new office in OUE Downtown

¹ Ranking is in reference to landbank held by the Group in partnership with the entities under its controlling shareholder. Source: The Straits Times, "Oxley, China developer lead Singapore land bank race - for now", 23 January 2018; Ranking is in reference to landbank in terms of number of units held by the Group in partnership with the entities under its controlling shareholder

² Landbank inventory refers to number of units

BOARD OF DIRECTORS



Neil Bush

NEIL BUSH
Non-Executive Chairman

Date first appointed: 22 April 2013
Date last re-elected: 27 July 2017

Mr. Bush is a director of American Pacific International Capital, Inc. (“**APIC**”) and a business partner of Mr. Gordon Tang through the company. Mr. Bush has been involved in energy and international business development for over three decades beginning in 1980 where he worked with Amoco Production Company (now BP) in Denver, Colorado. During the 1980s, Mr. Bush formed two independent oil companies that explored for oil in various states in the United States including Wyoming, Colorado, California and Michigan, as well as in Argentina. For the past 28 years, Mr. Bush has engaged in various international business development activities in China and the Middle East. He has travelled to at least 34 cities in China and has worked with numerous entities on a variety of projects including real estate development and manufacturing businesses.

Mr. Bush is the third of five children of the 41st United States President, Mr. George H.W. Bush, and his wife Barbara. He graduated from Tulane University with a Bachelor’s Degree in International Economics and from the Tulane University Freeman School of Business with a Master’s Degree in Business Administration.

Present Directorships in other listed companies (as at 31 March 2018):

- Hoifu Energy Group Ltd (Deputy Chairman), Stock Exchange of Hong Kong

Past Directorships in listed companies held over the preceding three years:

Nil

**Other major appointments/
Principal commitments:**

- Points of Light (Chairman)
- Barbara Bush Houston Literacy Foundation (Chairman)
- Houston Salvation Army (Board member)
- Bush School of Government and Public Service (Board member)



Celine Tang

CELINE TANG
Group Managing Director

Date first appointed: 14 January 2013
Date last re-elected: 29 July 2013

Mrs. Tang was first appointed as Non-Executive Director and re-designated as Executive Director on 1 February 2013 before being appointed Group Managing Director on 1 December 2013. Since 2003, Mrs. Tang has been serving as the Managing Director of Haiyi Holdings Pte Ltd (“Haiyi”), where she oversees its daily operations and decision-making.

Mrs. Tang has been based in Singapore for more than 20 years and has an extensive understanding of Singapore’s business operating environment. She has served as the Executive Director of Tang Dynasty Pte Ltd since its inception in 1995 and was instrumental in growing the trading and investment company to its scale today. Prior to that, Mrs. Tang was the Assistant Judicial Officer of Shantou Longhu District Court, China. She has been a Director of APIC since 2001.

Mrs. Tang graduated with a Bachelor's Degree in Literature from China People's University for Police Officers (now known as People's Public Security University of China). She is the spouse of Mr. Gordon Tang who is a Non-Executive Director of the Company.

Present Directorships in other listed companies (as at 31 March 2018):

- OKH Global Ltd. (Non-Executive Chairman)

Past Directorships in listed companies held over the preceding three years:

Nil

Other major appointments/principal commitments:

- JuYing Secondary School - Advisory Committee (Member)

MAO JINSHAN, JASON

Managing Director, US Operations

Date first appointed: 22 April 2013

Date last re-elected: 20 July 2015

Mr. Mao Jinshan oversees the Group's development projects and operations in the US. He was Vice President of APIC between 2012 and 2016 and currently

serves as its President. He oversees all aspects of APIC's development projects, including apartment and large-sized shopping centres development.

Mr. Mao embarked on his career as an engineer in Beijing, China in 1984 and entered the investment and finance sector 10 years later as an investment consultant in 1994. A year later, Mr. Mao joined China Everbright Pacific Limited (now known as China Merchant Holdings (Pacific) Ltd), and was subsequently invited to join the board as an Executive Director. In 2004, Mr. Mao joined Haiyi Holdings as General Manager and began his career at APIC began shortly after.

Mr. Mao graduated from Northwestern Polytechnical University, Xi'an, China with a Bachelor's Degree in Engineering and from the University of Lancaster, United Kingdom, with a Master's Degree in Business Administration.

GORDON TANG

Non-Executive Director

Date first appointed: 14 January 2013

Date last re-elected: 28 July 2016

Member: Remuneration Committee

Mr. Tang has been the Chairman of APIC since 2003 and under his leadership, APIC has grown into a significant company with a strong track record in real estate development and investment and management of hotels under the Haiyi brand. Beyond providing strategic business links between China and the US, APIC utilises its unique access to Asian capital and markets to create a portfolio of quality investments and businesses which it brings to the investment community. Leveraging on Mr. Tang's business acumen, APIC transforms business models to keep up with changes in the operating environment while delivering healthy growth and returns.



Mao Jinshan, Jason

Mr. Tang also set up Tang Dynasty Pte Ltd and Haiyi in Singapore in 1995 and 2003 respectively. Their main businesses include international trade, as well as financial and corporate investments. Mr. Tang is the spouse of Mrs. Celine Tang, who is the Group Managing Director of the Company.

An avid windsurfer and competitive sailor, Mr Tang is the owner of Aloha Sea Sports Club, which rents out equipment for water sports and conducts a wide range of water sport courses. All profits generated from the centre are donated for the development of sailing in Singapore. Mr Tang also sits on the Board of Trustees for the International Olympic Academy ("IOA"). The IOA is supervised by Greece's Ministry of Culture and comes under the patronage of the International Olympic Committee.

Present Directorships in other listed companies (as at 31 March 2018):

Nil

Past Directorships in listed companies held over the preceding three years:

Nil

Other major appointments/principal commitments:

- Ephoria of the International Olympic Academy (Board member)
- Teochew Poit Ip Huay Kuan (Honorary Chairman)
- Windsurfing Association of Singapore (Advisor)
- National Olympic Committee of Cambodia (Vice President)
- Cambodia Sailing Federation (President)



BOARD OF DIRECTORS

GN HIANG MENG

Lead Independent

Non-Executive Director

Date first appointed: 1 December 2013

Date last re-elected: 27 July 2017

Chairman: Audit Committee

Member: Nominating Committee and Remuneration Committee

Mr. Gn has more than 30 years of experience in the investment banking and hospitality industries experience. He was a senior banker with the United Overseas Bank Group for 28 years and was the Deputy President of UOL Group prior to his retirement in 2007.

Mr. Gn holds a Bachelor's Degree of Business Administration (Honours) from the National University of Singapore.

Present Directorships in other listed companies (as at 31 March 2018):

- Haw Par Corporation (Non-Executive and Independent Director)
- Centurion Corporation Limited (Non-Executive and Independent Director)
- Koh Brothers Group Limited (Non-Executive and Independent Director)
- TEE International Limited (Non-Executive and Independent Director)

Past Directorships in listed companies held over the preceding three years:

Nil



Gn Hiang Meng



David Hwang Soo Chin

DAVID HWANG SOO CHIN

Independent Non-Executive Director

Date first appointed: 29 July 2013

Date last re-elected: 28 July 2016

Chairman: Remuneration Committee

Member: Audit Committee and Nominating Committee

Mr. Hwang brings with him more than 30 years of management experience in both the manufacturing and property investment/development industries. Over the course of his career, he has held senior management positions and board appointments in various public listed and private companies in Singapore and abroad.

Mr. Hwang graduated from Queensland University in Australia with a Bachelor's Degree in Engineering (Chemical) and a Post-graduate Diploma in Computer Science.

Present Directorships in other listed companies (as at 31 March 2018):

- LCT Holdings Limited (Non-Executive and Independent Director)

Past Directorships in listed companies held over the preceding three years:

Nil

SEE YEN TARN**Independent Non-Executive Director**

Date first appointed: 1 October 2015

Date last re-elected: 28 July 2016

Chairman: Nominating Committee

Member: Audit Committee and

Remuneration Committee

Mr. See brings with him more than 30 years of corporate experience in the areas of audit, tax and investments. He has held senior management positions, including Chief Financial Officer, Executive Director and Deputy Group Managing Director at both listed and unlisted companies in various industries in Singapore and across the region.

He holds a Bachelor's degree in Accountancy from the National University of Singapore and is also a Chartered Accountant (England and Wales).

Present Directorships in other listed companies (as at 31 March 2018):

- CSC Holdings Limited (Executive Director and Group Chief Executive Officer)
- LCT Holdings Limited (Non-Executive and Independent Director)
- Eindec Corporation Limited (Non-Executive and Independent Director)

Past Directorships in listed companies held over the preceding three years:

- Lizhong Wheel Group Ltd



See Yen Tarn



Yang Manlin

YANG MANLIN**Independent Non-Executive Director**

Date first appointed: 1 October 2016

Date last re-elected: 27 July 2017

Ms. Yang was first appointed as Alternate Director to Mr. Yang Dehe, an Independent Non-Executive Director of SingHaiyi, on 1 August 2014, and subsequently appointed as Independent Non-Executive Director of the Group on 1 October 2016. Ms. Yang has several years of experience in the accounting field. She also serves as a Director of Hai Run Pte Ltd, which is the second largest shareholder of the Group.

Present Directorships in other listed companies (as at 31 March 2018):

Nil

Past Directorships in listed companies held over the preceding three years:

Nil

Other major appointments/Principal commitments:

- Guangzhou Wan Xing Real Estate Exploitation Co., Ltd.
(General Manager Assistant)



EXECUTIVE MANAGEMENT

SIM CHEE WAH, GREGORY

Deputy Chief Executive Officer and Chief Financial Officer, Singapore

Mr. Sim has more than 20 years of accounting, finance and management experience. He joined the Group on 4 January 2016 as Chief Financial Officer (“**CFO**”) and was appointed as Deputy Chief Executive Officer (“**CEO**”) on 1 April 2018. As Deputy CEO and CFO, Mr. Sim oversees the operations and execution of the Group’s activities as well as its treasury, finance and investor relations functions.

Mr. Sim was with Far East Organization (“**FEO**”) for almost 10 years. His last appointment was CFO and Head of Investor Relations of FEO Hospitality Asset Management Pte Ltd, which is the REIT manager of the Far East Hospitality Trust, listed on the SGX-ST. Prior to that, Mr. Sim was the Deputy Director of Management Services, overseeing the lease administration, business analysis, corporate finance, financial control and reporting, and yield management of FEO’s extensive portfolio of real estate investment properties in hospitality, residential, commercial and retail, as well as franchised food and restaurant sectors.

Mr. Sim graduated with a Bachelor of Accountancy (Merit) degree from Nanyang Technological University and has been a Chartered Accountant, Singapore since 1999.

MICHAEL CHIA-MIN LIU

Vice President (Project Development), US

Mr. Liu has more than 20 years of experience in various project management roles in real estate development. He brings extensive experience and insight ranging from initial feasibility, entitlement, design, construction, handover to final contract resolution. Mr. Liu was appointed Vice President, Project Development of US Operations in May 2015 to lead all property development efforts in the United States.

Mr. Liu graduated with a Master of Science and a Bachelor of Science degrees in Civil Engineering from the University of California at Berkeley. He also has a Master of Business Administration degree from the University of Texas at Austin. Mr. Liu is a licensed Professional Engineer (Civil) in the State of California.

CHANG SOY LEE, CATHERINE

General Manager (Project Development), Singapore

Ms. Chang has more than 35 years of property development experience, and has been involved in the development of hotel, residential and commercial properties. She is also experienced in project feasibility studies and the assessment of development potential of specific sites.

Ms. Chang has a strong track record in planning and developing projects from

conceptualisation to handover. Prior to property development, she accumulated over 10 years of working experience in the construction industry working as an engineer, in consultancy firms.

She holds a Bachelor’s Degree in Civil Engineering, a Master’s Degree in Science (Engineering), and a Master’s Degree in Business Administration from National University of Singapore, as well as the CFA Charter.

RENEE BELL

General Manager, Tri-County Mall, US

Ms. Bell has more than 15 years of experience in commercial real estate, from accounting, operations, marketing to management, with a variety from strip centres to large enclosed malls. She also has three years of experience of mall management, with a specialty in mall re-development. Ms. Bell has also overseen the development and management of multiple commercial real estate properties while, simultaneously, functioning in the capacity of General Manager for a large commercial complex.

Ms. Bell has attended numerous conferences and continuing education courses in commercial real estate. She holds an Associate of Applied Business degree from Cincinnati State.

大展宏图

Value

Growth

Sustainability



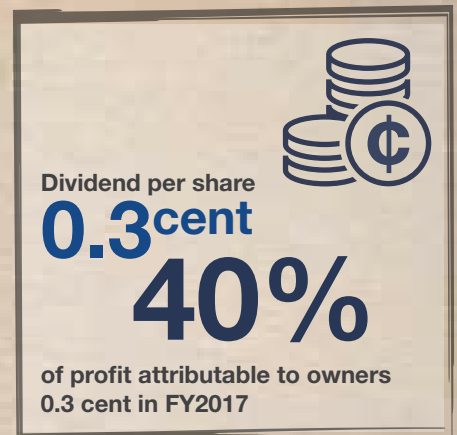
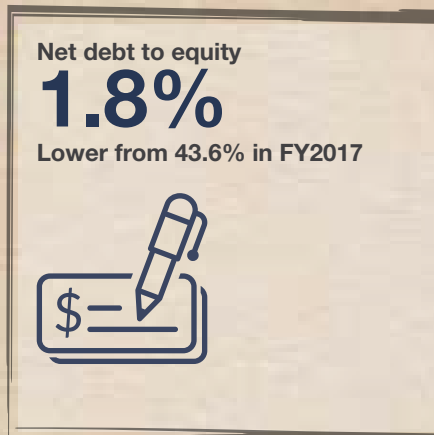
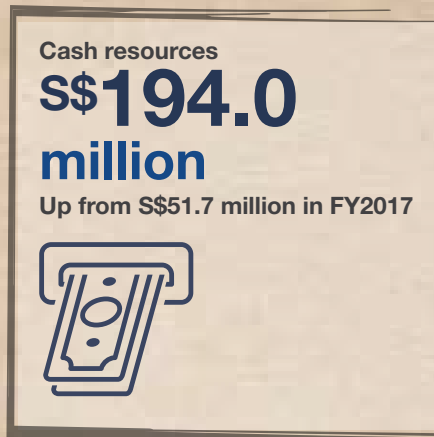
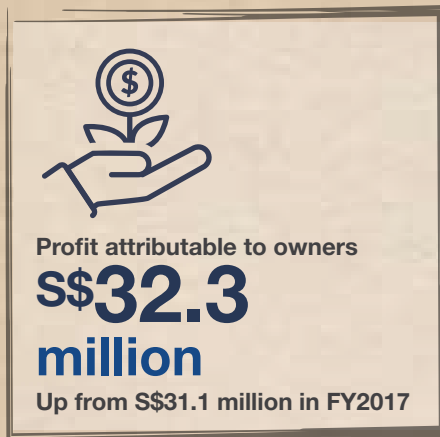
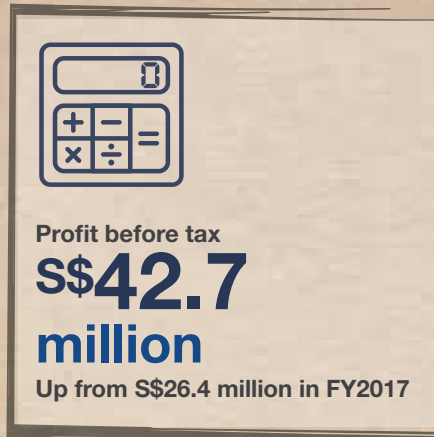
GROWTH.

Akin to breathtakingly beautiful daffodils heralding the arrival of spring time, SingHaiyi is poised for its next phase of growth. Following the strategic acquisitions that further expanded the Group's land bank, the Group is ushering in a bright future with 3 new signature residential developments to enrich its asset portfolio.

A Flower of Prosperity

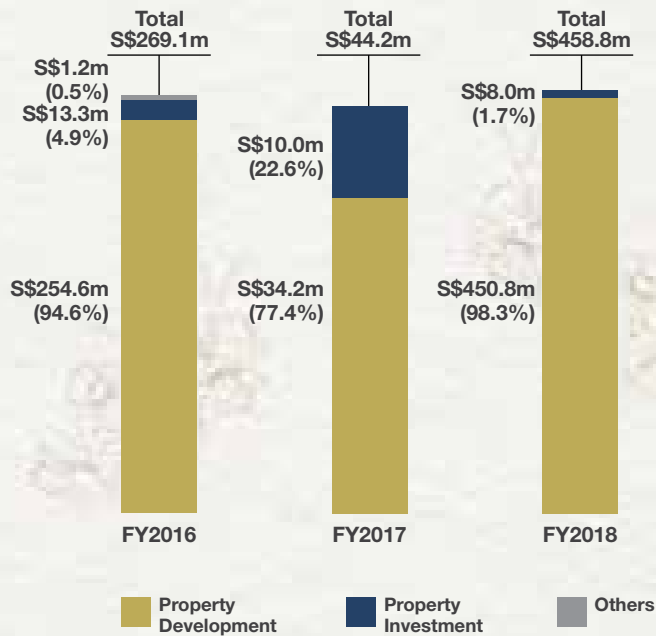
Across cultures, daffodils are viewed with positive associations. In Chinese culture, in particular, they are representative of good fortune, and a gift of daffodils symbolises prosperity and abundance.

FINANCIAL HIGHLIGHTS

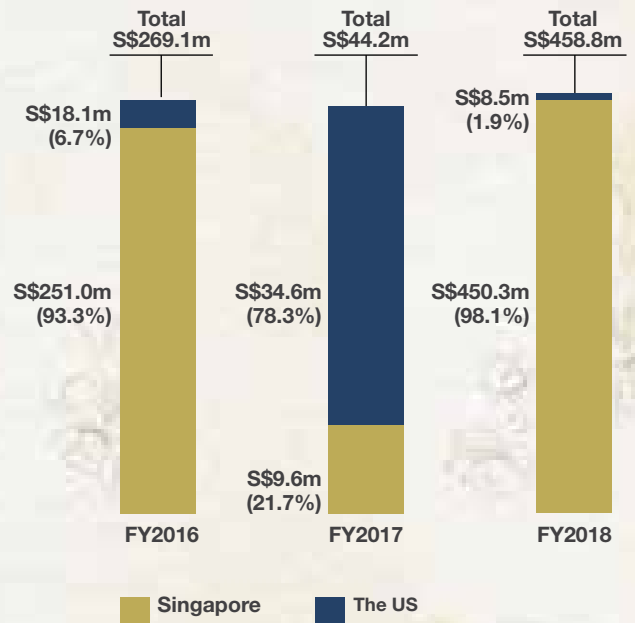


OPERATIONAL & FINANCIAL REVIEW

Revenue by Business Segments



Revenue by Geographical Segments



FINANCIAL REVIEW

FY2018 was a stellar year in which SingHaiyi achieved improvements in both revenue and profitability. The Group recorded a S\$414.6 million year-on-year (“yoy”) increase in revenue to S\$458.8 million in FY2018 which was mainly contributed from the revenue recognised from our completed EC project, The Vales. In comparison, revenue in FY2017 was S\$44.2 million which was mainly from sales of completed units from Vietnam Town.

We recorded a net profit attributable to shareholders of S\$32.3 million in FY2018, an increase of 3.7% from S\$31.1 million in FY2017. Our improved profitability was achieved despite the absence of a one-off disposal gain of S\$30.5 million from divesting our interest in TripleOne

Somerset in FY2017, as well as a share of loss from equity accounted investees in FY2018 that was mainly due to our interest in ARA Harmony Fund III.

On a segmental basis, the Group derived 98.3% of its revenue from property development income and 1.7% from rental income in FY2018 compared to 77.4% and 22.6% respectively in FY2017.

Our property development income rose significantly to S\$450.8 million in FY2018 from S\$34.2 million in FY2017 due to revenue recognised from The Vales. Rental income in FY2018 was S\$8.0 million, a 19.0% yoy decrease from S\$10.0 million in FY2017, due to asset enhancement initiatives (“AEI”) at Tri-County Mall (“TCM”) in the US.

OPERATIONAL & FINANCIAL REVIEW

Our gross profit increased nearly threefold to S\$60.1 million in FY2018, in tandem with the increase in Property Development Income. Meanwhile, gross profit margin fell 35.9% yoy due to the shift in revenue mix as more revenue from property development, which comes with a lower profit margin, was recognised in FY2018.

Selling and marketing expenses declined 35.3% to S\$4.6 million in FY2018, mainly due to lower commission incurred on our development projects and lower advertising and marketing expenses.

Other operating expenses fell 45.2% to S\$12.7 million, due to the decrease in fair value loss on investment properties. The fair value loss was mainly attributed to the lower occupancy rate in TCM due to the mall's ongoing AEI programme.

Correspondingly, our operating profit rose more than threefold to S\$46.6 million in FY2018 on the back of higher revenue and lower overall expenses. This was despite a decline in other income from S\$36.1 million in FY2017 to S\$14.8 million in FY2018, which was mainly attributed to the absence of a one-off gain of S\$30.5 million in relation to the sale of the Group's 20.0% equity interest in Perennial Somerset Investors Pte. Ltd. in FY2017 among other reasons.

Finance income fell 26.5% to S\$1.2 million in FY2018 from S\$1.7 million in FY2017, mainly due to the absence of fair value gain on financial assets at fair value through profit or loss of S\$0.6 million in FY2018.

Share of profits of equity-accounted investees, net of tax, came in at a loss of S\$1.3 million in FY2018 from a gain of S\$14.9 million in FY2017, mainly due to the share of loss from ARA Harmony Fund III, of approximately S\$1.7 million in FY2018, that was attributable to the fair value loss on the portfolio of Malaysia assets, against a share of profits of approximately S\$11.0 million in FY2017.

In FY2018, we recorded a tax expense of S\$2.7 million as compared to a tax credit of S\$4.4 million in FY2017, mainly due to tax expense incurred in relation to our profit from The Vales.

FINANCIAL POSITION

As at 31 March 2018, the Group has cash and cash equivalents of S\$194.0 million, an increase of more than threefold from S\$51.7 million as at 31 March 2017. The improved cash position was due to our operating cash inflow of S\$172.7 million and net cash generated from financing activities of S\$76.7 million.

The net cash generated from operating activities was mainly due to the operating profit of S\$44.4 million, the decrease in development properties of S\$287.1 million, as well as a decrease in trade and other receivables of S\$7.0 million. This was offset by the decrease in trade and other payables of S\$163.9 million.

The net cash generated from financing activities for FY2018 amounted to S\$76.7 million. This was mainly due to the proceeds of bank loan of S\$121.1 million in relation to our development projects and our investment in quoted stapled securities issued by Cromwell, as well as proceeds from the rights issue of S\$143.5 million and proceeds of loan from non-controlling interest of S\$25.1 million. This was offset by repayment of secured bank loans of S\$184.8 million and repayment of loan from the controlling shareholder of the Company of S\$15.0 million.

The positive cash flows from operating and financing activities were offset by cash outflow from investing activities of S\$106.4 million that was mainly due to our investment in financial assets of S\$60.3 million, subscription of quoted stapled securities of Cromwell of S\$61.1 million and the acquisition of investment properties of S\$9.1 million, but this was offset by interest income and dividend income of S\$23.9 million.

Interest in associates fell from S\$71.9 million as at 31 March 2017 to S\$52.3 million as at 31 March 2018, mainly due to dividends received from an associated company.

Available-for-sale financial assets were S\$65.4 million as at 31 March 2018, which relates to our investment in quoted stapled securities of Cromwell.

Development properties saw a decrease of S\$283.0 million from S\$551.5 million as at 31 March 2017 to S\$268.5 million as at 31 March 2018, as project costs of S\$367.8 million were transferred to cost of sales for The Vales upon project completion. This was offset by additional development properties from the en-bloc acquisition of How Sun Park of approximately S\$84.1 million in March 2018.

Financial assets at fair value through profit or loss were S\$58.6 million as at 31 March 2018, which pertains to portfolio of fixed income funds.

Amount due to non-controlling interests increased from S\$15.9 million as at 31 March 2017 to S\$39.9 million as at 31 March 2018, mainly due to the loan of S\$39.9 million from non-controlling interest. The loan was primarily used for payment of the land cost and stamp duties in relation to the en-bloc acquisitions of Sun Rosier, How Sun Park and Park West. This was offset by repayment made to non-controlling interests of S\$14.8 million.

Deferred tax liabilities declined from S\$14.4 million as at 31 March 2017 to S\$6.1 million as at 31 March 2018, mainly attributed to lower fair value of TCM and the reduction in the US corporate tax rate from 35.0% to 21.0% during the year.

Trade and other payables decreased by S\$163.9 million, from S\$196.7 million as at 31 March 2017 to S\$32.8 million as at 31 March 2018, mainly due to the reversal of deferred revenue of S\$418.3 million for The Vales upon project completion. This was offset by project claims and progress billings of approximately S\$246.7 million for The Vales and a non refundable deposit amounting to approximately S\$7.9 million that we collected from the bulk sale of the entire Vietnam Town phase two units.

Loans and borrowings decreased by S\$65.1 million from S\$198.4 million as at 31 March 2017 to S\$133.3 million as at 31 March 2018, mainly due to repayment of secured bank loans of S\$184.8 million. This was offset by the proceeds of bank loan of S\$59.7 million in relation to our investment in quoted stapled securities of Cromwell and the drawdown of land and construction loan of S\$61.4 million for the Group's development projects. In addition, we have fully repaid the loan from our controlling shareholder, Haiyi Holdings Pte. Ltd. in FY2018.

Current tax payable increased from S\$4.0 million as at 31 March 2017 to S\$9.8 million as at 31 March 2018, mainly due to income tax expense incurred in relation to the profit of The Vales.

DIVIDEND

In view of our stellar financial performance in FY2018, we have proposed a final dividend of 0.3 Singapore cent per ordinary share, representing a payout amounting to 40% of FY2018's net attributable profit.

ASSET PORTFOLIO

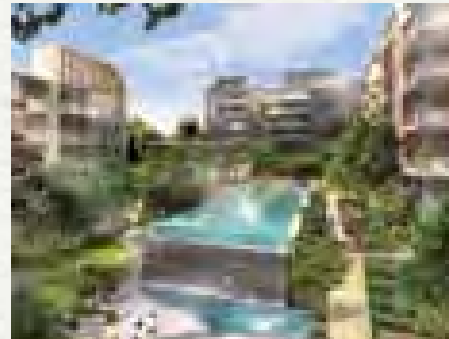


Land Parcel at 5A How Sun Drive

(Formerly known as Sun Rosier)

DEVELOPMENT PROPERTY SINGAPORE { Ongoing }

SingHaiyi successfully tendered for the collective sale of the Sun Rosier condominium site for S\$271.0 million in September 2017. With a gross plot ratio of 1.4, this site will be redeveloped into a freehold condominium. Located at 5A How Sun Drive and nestled amidst a serene private estate enclave, it is surrounded by an ensemble of amenities and easy access to nearby shopping malls, where banks, supermarkets and restaurants are aplenty. It is also just a stone's throw away from Bartley MRT station and in close proximity to elite schools.



<p>TYPE Private Residential (Condominium)</p>	<p>TENURE Freehold</p>	<p>GROSS DEVELOPMENT VALUE ("GDV") ~ S\$448.4 million</p>
<p>LOCATION How Sun Drive, Singapore</p>	<p>UNITS ~ 250</p>	<p>GROSS FLOOR AREA ("GFA") (sq ft) 224,912</p>
<p>ACQUISITION COST S\$271.0 million</p>	<p>EXPECTED COMPLETION 1H 2022</p>	<p>GROSS LAND AREA ("GLA") (sq ft) 146,046</p>
<p>STAKE 50%</p>		



Land Parcel at 25-63 How Sun Road

(Formerly known as How Sun Park)

DEVELOPMENT PROPERTY SINGAPORE

{ Ongoing }

How Sun Park, a freehold condominium site, was successfully acquired for S\$81.1 million by SingHaiyi in November 2017 through an en bloc acquisition. SingHaiyi plans to redevelop the site into a freehold condominium. Located at 25-63 How Sun Road with a gross plot ratio of 1.4, the site is less than six minutes' walk to Bartley MRT station and is in close proximity to reputable schools and international schools. Commuting to nearby shopping malls, banks, supermarkets and restaurants will be a breeze as How Sun Park is surrounded by a multitude of appealing amenities.



TYPE

Private Residential
(Condominium)

LOCATION

How Sun Road,
Singapore

ACQUISITION COST

S\$81.1 million

STAKE

50%

TENURE

Freehold

UNITS

80

EXPECTED COMPLETION

2H 2021

GROSS DEVELOPMENT VALUE ("GDV")

~ S\$159.4 million

GROSS FLOOR AREA ("GFA")

(sq ft)
84,604

GROSS LAND AREA ("GLA")

(sq ft)
54,942

ASSET PORTFOLIO



Land Parcel at 2-20 Jalan Lempeng

(Formerly known as Park West)

DEVELOPMENT PROPERTY SINGAPORE
{ Ongoing }

In January 2018, SingHaiyi successfully tendered for the collective sale of the Park West condominium site for S\$840.9 million. With a gross plot ratio of 2.1, this site will be redeveloped into a brand-new condominium. Located at 2-20 Jalan Lempeng, it is set in a mature estate locale surrounded by a plethora of amenities including supermarkets, banks and popular eating establishments. Park West is also within walking distance to Clementi MRT station and surrounded by prestigious schools.



<p>TYPE Private Residential (Condominium)</p>	<p>TENURE Leasehold from 8 March 1982</p>	<p>GROSS DEVELOPMENT VALUE ("GDV") ~ S\$2.2 billion</p>
<p>LOCATION Jalan Lempeng, Singapore</p>	<p>UNITS ~ 1,500</p>	<p>GROSS FLOOR AREA ("GFA") (sq ft) 1,330,642</p>
<p>ACQUISITION COST S\$840.9 million</p>	<p>EXPECTED COMPLETION 1H 2023</p>	<p>GROSS LAND AREA ("GLA") (sq ft) 633,639</p>
<p>STAKE 50%</p>		



9 Penang Road

DEVELOPMENT PROPERTY SINGAPORE

{ Ongoing }

SingHaiyi, together with our joint venture partners, acquired the property at 9 Penang Road (formerly known as Park Mall) in December 2015, marking our first foray into commercial property redevelopment in Singapore.

Located in close proximity to the Orchard Road commercial and shopping belt and easily accessible from Dhoby Ghaut MRT station, 9 Penang Road will be

transformed into Grade A office buildings comprising two wings and eight levels of office space, as well as one floor of retail space. The property will also feature comprehensive facilities for pedestrians and cyclists including walking and cycling paths around the building, bicycle parking facilities, shower rooms and lockers.



TYPE

Mixed commercial/retail use

LOCATION

9 Penang Road, Singapore

STAKE

35%

COMMITTED EQUITY PARTICIPATION

S\$134.4 million

TOTAL DEVELOPMENT COST

S\$800.0 million

TENURE

Leasehold – extended for 99 years, expiring 7 December 2115

NET LETTABLE AREA (“NLA”) (APPROXIMATE)

Office: 352,000 sq ft / Retail: 15,000 sq ft

NUMBER OF FLOORS

Office: 8 Levels (3rd to 10th floor)

Retail: 1 Level (1st floor)

Carpark: 2 Levels (Basement & 2nd floor)

EXPECTED COMPLETION OF REDEVELOPMENT

2H 2019

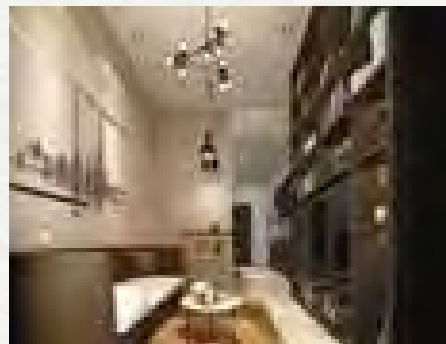
ASSET PORTFOLIO



City Suites

DEVELOPMENT PROPERTY SINGAPORE
{ Completed }

City Suites is a 17-storey private freehold residential project located at Balestier Road, a prime rental area and residential haven surrounded by a multitude of urban amenities and well-connected to transportation infrastructure. Designed with modern sophistication in mind, City Suites offers 56 loft-style apartments, each with full-height glass windows showcasing breathtaking panoramic city skyline views, fully-fitted open kitchens and designer bathrooms.

**TYPE**

Private Residential
(Condominium)

LOCATION

Balestier, Singapore

STAKE

100%

TENURE

Freehold

UNITS

56

COMPLETION

August 2017

**GROSS DEVELOPMENT VALUE
("GDV")**

~ S\$52.6 million

GROSS FLOOR AREA ("GFA")

(sq ft)
31,875



The Vales

DEVELOPMENT PROPERTY SINGAPORE

{ Completed }

The Vales is our second Executive Condominium property development project in Singapore with the Building and Construction Authority Green Mark GoldPlus award. Tucked away at Anchorvale Crescent, The Vales is a lush retreat paradise for families that boasts full and unique features from spa pools and cabana to tennis and jogging facilities. With a number of MRT and LRT stations, expressways and bus interchange in Sengkang New Town in close proximity, The Vales offers great access to major malls and schools in the neighbourhood.



<p>TYPE Private Residential (Executive Condominium)</p>	<p>TENURE Leasehold - 99 years</p>	<p>GROSS DEVELOPMENT VALUE ("GDV") S\$428.0 million</p>
<p>LOCATION Sengkang, Singapore</p>	<p>UNITS 517</p>	<p>GROSS FLOOR AREA ("GFA") (sq ft) 525,709</p>
<p>STAKE 80%</p>	<p>COMPLETION May 2017</p>	

ASSET PORTFOLIO



Pasir Ris One

DEVELOPMENT PROPERTY SINGAPORE
{ Completed }

Pasir Ris One is a condominium-styled public residential development that stands out for its contemporary architectural design and family-friendly amenities. Located at the heart of the town centre, Pasir Ris One is easily accessible by various modes of public transport and is just minutes away from shopping malls and schools in the neighbourhood.



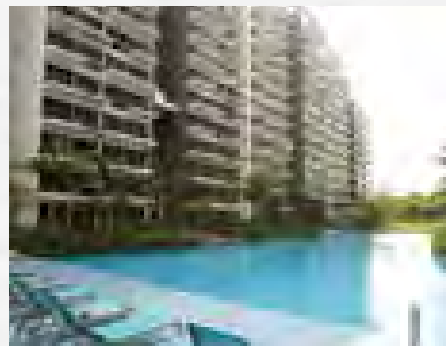
TYPE Public Residential (Design, Build and Sell Scheme)	TENURE Leasehold - 99 years	GROSS DEVELOPMENT VALUE ("GDV") S\$270.4 million
LOCATION Pasir Ris, Singapore	UNITS 447	GROSS FLOOR AREA ("GFA") (sq ft) 441,002
STAKE 80%	COMPLETION May 2015	



Citylife@Tampines

DEVELOPMENT PROPERTY SINGAPORE
{ Completed }

The first luxury-hotel styled Executive Condominium project in Singapore, CityLife@Tampines sold 90% of its units just two days after its launch, and was completely sold out within three months. Just a short distance away from well-known malls and educational institutions in Tampines, CityLife@Tampines not only offers hotel-inspired features such as Home Concierge Service and resort-style landscaping, it is also the recipient of the Building and Construction Authority Green Mark GoldPlus award.



<p>TYPE Private Residential (Executive Condominium)</p>	<p>TENURE Leasehold - 99 years</p>	<p>GROSS DEVELOPMENT VALUE ("GDV") S\$528.4 million</p>
<p>LOCATION Tampines, Singapore</p>	<p>UNITS 514</p>	<p>GROSS FLOOR AREA ("GFA") (sq ft) 625,398</p>
<p>STAKE 24.5%</p>	<p>COMPLETION February 2016</p>	

ASSET PORTFOLIO



Vietnam Town

DEVELOPMENT PROPERTY THE US
{ Completed }

Vietnam Town is SingHaiyi's second real estate venture in the US market. The commercial condominium development project in San Jose, California comprises 256 commercial condominium units across nine blocks and a four-storey parking structure. The project is strategically located in a mixed-use neighbourhood with convenient access to transportation networks, retail and commercial facilities.

Our stake in the project consists of 192 units, of which 51 units have been successfully completed and sold in Phase I in 2017. The remaining units in Phase Two were divested in a bulk sale transaction for US\$95.3 million (S\$128.3 million) in December 2017 with the completion expected to take place by 30 September 2018.



TYPE

Commercial Condominium

LOCATION

San Jose, California

ACQUISITION COST

US\$33.1 million

STAKE

100%

TENURE

Freehold

UNITS

192

GROSS DEVELOPMENT VALUE ("GDV")

US\$122.0 million

GROSS LAND AREA ("GLA")

(sq ft)
853,502



5 Thomas Mellon Circle

DEVELOPMENT PROPERTY THE US

{ Ongoing }

5 Thomas Mellon Circle is our third real estate project in the US market which was acquired from APIC at cost in February 2014 through the exercise of the right of first refusal.

The development is situated at the prestigious Candlestick Point, which is transforming into a prime retail, entertainment and residential neighbourhood area along San Francisco Bay, California. At present, there is an existing office building

on this parcel of waterfront land. SingHaiyi plans to demolish the existing office building to develop a residential condominium with 585 units that will emphasise waterfront living, active lifestyle, convenience and value.

SingHaiyi received project entitlement approval from the San Francisco Planning Commission in December 2016 and is currently in the midst of applying for a site permit.



TYPE

Residential Condominium

LOCATION

San Francisco, California

ACQUISITION COST

US\$24.4 million

STAKE

100%

TENURE

Freehold

EXPECTED COMPLETION

1H 2023

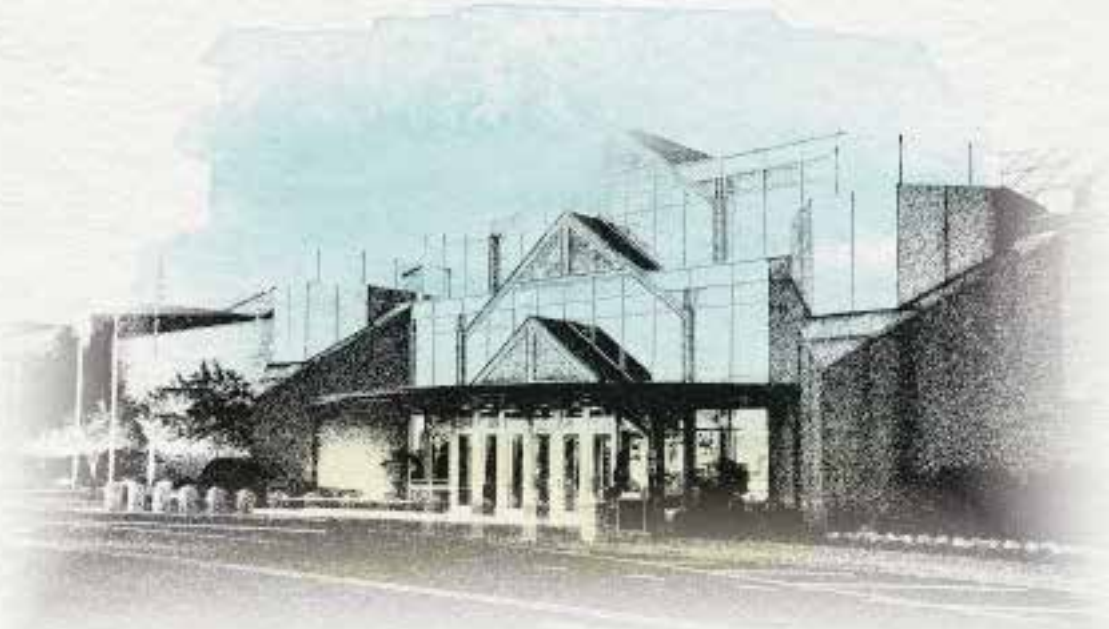
GROSS DEVELOPMENT VALUE ("GDV")

~ US\$420.0 million

GROSS LAND AREA ("GLA")

(sq ft)
~ 204,300

ASSET PORTFOLIO



Tri-County Mall INVESTMENT PROPERTY THE US

One of the most popular shopping destinations in Cincinnati, Ohio, Tri-County Mall marks our first venture into the US real estate market. This debt-free project was acquired in September 2013.

While Tri-County Mall is largely leased by national retailers such as Sears and

Macy's⁽¹⁾, it has also evolved into a lifestyle mall for F&B, fashion and entertainment brands through active asset enhancement initiatives by SingHaiyi to enhance footfall. In addition to the two department stores, popular fashion brands as well as well-known F&B chains and restaurants can also be found at the mall.

**TYPE**

Retail

LOCATION

Cincinnati, Ohio

ACQUISITION COST

US\$45.0 million

STAKE

100%

TENURE

Freehold

CAR PARK LOTS

7,118

TOTAL LAND AREA

(sq ft)

~ 3,314,916

NET LETTABLE AREA ("NLA")

(sq ft)

~ 1,261,502⁽¹⁾

(1) Macy's owns 227,072 sq ft



ARA Harmony Fund III

INVESTMENT PROPERTY FUND MALAYSIA

In 2015, SingHaiyi diversified into the Malaysian retail mall segment by investing a 25% interest in ARA Harmony Fund III, a portfolio of five high quality income-producing commercial properties across prominent locations in Malaysia. Alongside this, we took a 35% stake in ARA Fund Management (Harmony III) Limited, the fund's general partner, allowing us to leverage the established property investment and management track record of ARA Asset Management Limited, and to further expand SingHaiyi's capacity in the real estate fund management sector.

In 2017, ARA Harmony Fund III divested the Mont Kiara Office tower but continues to actively manage the remaining five retail mall assets in the portfolio.

TYPE

Fund

LOCATION

Malaysia – various states

INVESTMENT COST

S\$43.9 million

STAKE

25%

AGGREGATE GROSS FLOOR AREA ("GFA")

(sq ft)

4,222,376

AGGREGATE NET LETTABLE AREA ("NLA")

(sq ft)

2,561,291

OVERALL OCCUPANCY RATE

93.4%

Assets	Location	GFA (sq ft)	NLA (sq ft)	Completion/ Major Renovation (Year)	Land Tenure	Occupancy @ 31 March 2018 (%)
1 Mont Kiara Mall	Kuala Lumpur	385,035	234,170	2009/2014	Freehold	92.4
AEON Mall	Malacca	955,865	623,429	2009/NA	99 years exp. 2095	100.0
Citta Mall	Selangor	651,453	433,476	2011/NA	99 years exp. 2097	80.4
Ipoh Parade	Ipoh	975,016	615,526	1998/2014	999 years exp. 2885	98.2
Klang Parade	Klang	1,255,007	654,690	1995/2014	Freehold	91.9

CORPORATE SOCIAL RESPONSIBILITY

At SingHaiyi, we recognise that our business and actions have an impact on the communities where we operate in. We endeavour to be a responsible corporate citizen and through our community efforts, we hope to contribute to our society so as to improve the lives of others.

UOB HEARTBEAT RUN/WALK 2017

This year, we made a donation to the UOB Heartbeat Run/Walk in support of the less fortunate in our community. More than 14,000 participants took part in the event, which was held simultaneously across the region and raised a total of \$1.42 million for various beneficiaries.

This year, all funds raised will go towards programmes for children at the Autism Association (Singapore)-Eden School, Association for Persons with Special Needs-Chaoyang School, Cerebral palsy Alliance Singapore School and Dyslexia Association of Singapore. We are honoured to partake in this meaningful campaign.

LOVE & GRATITUDE CHARITY CONCERT 2017

It was a walk down memory lane at The Star Theatre on 6 May 2017, as Chyi Yu and her long-time friend Wakin Chau belted out a series of classic oldies at the Love & Gratitude Charity Concert 2017. The concert was held to raise funds for the less privileged at Ren Ci Hospital and Assumption Pathway School ("APS") and we are honoured to be one of the corporate sponsors for this meaningful event.

Ren Ci Hospital is a charity healthcare institution in Singapore that provides affordable medical, nursing and rehabilitative care services for the community, while APS' mission is to provide alternative educational pathways for the less academically inclined students in Singapore through innovative, value-added programmes.

EASTER @ TRI-COUNTY MALL

As part of the Easter festivities, Tri-County Mall's very own Easter Bunny hosted two early photography sessions for children with special needs. Response was overwhelming and the sessions were exceedingly well-received, drawing much positive feedback from parents. We are grateful to be able to do our small part in lifting the spirits of these children during this period of celebration.

SAFETY TOWN PROGRAM

Tri-County Mall was once again the host of the Safety Town program this year. An annual program with a rich 56-year history, the Safety Town program prepares children for pre-school by teaching them the basics of personal safety, road safety, and fire safety. This year, 76 children interacted with the Girl Scouts of Greater Cincinnati, the Springdale Police Department, and the Springdale Fire Department, from whom they picked up safety basics.

The program received positive feedback from parents and our community partners. This is an important community program and we are proud to play a pivotal role in anchoring it. We look forward to hosting the event again next year and we hope to attract more attendees through enhanced advertising efforts.



PRETTY IN PINK

We are proud to play our part in raising awareness for breast cancer, as Tri-County Mall returned this year as an annual sponsor for Mix 94.9's Pretty in Pink event, where the community can nominate Breast Cancer survivors. We contributed gift cards as prizes, which are then purchased from our multiple tenants.

The event generated significant coverage and Tri-County Mall received great mileage in radio broadcasting, cementing the mall's reputation as an active contributor to community events and efforts.

UC HEALTH'S MAMMOGRAM MOBILE UNIT

We are an ardent supporter of UC Health's efforts to bring mammography screenings and other wellness services closer to the community, with Tri-County Mall having supported UC Health's community outreach programme in providing mammograph screenings since 2015. Over the years, we have partnered with UC Health in their relentless efforts to raise awareness on healthcare and wellness issues in the community. Tri-County Mall has been hosting the Mammogram Mobile Unit by providing a safe and convenient location for the unit to be stationed on a recurring basis.

This year marks our fourth year of participation in the program and we are proud of our continued involvement in this meaningful endeavour. Tri-County Mall will continue to play an active role in facilitating more convenient health screenings and serve as a platform for the community's health education efforts.

RESPONSIBILITIES TOWARDS OUR SHAREHOLDERS

In addition to our community efforts, we are also cognisant of our responsibility towards our valued shareholders. With this in mind, we endeavour to provide updates on our corporate and financial developments in a timely and reliable manner.

Current and potential investors in SingHaiyi can access basic information, key developments and the latest updates relating to the Group on our website, as well as historical information, past announcements and annual reports in the dedicated Investor Relations section. As part of our shareholders' communications programme, we work to keep the investor community up to date on corporate developments through regular engagements with analysts.

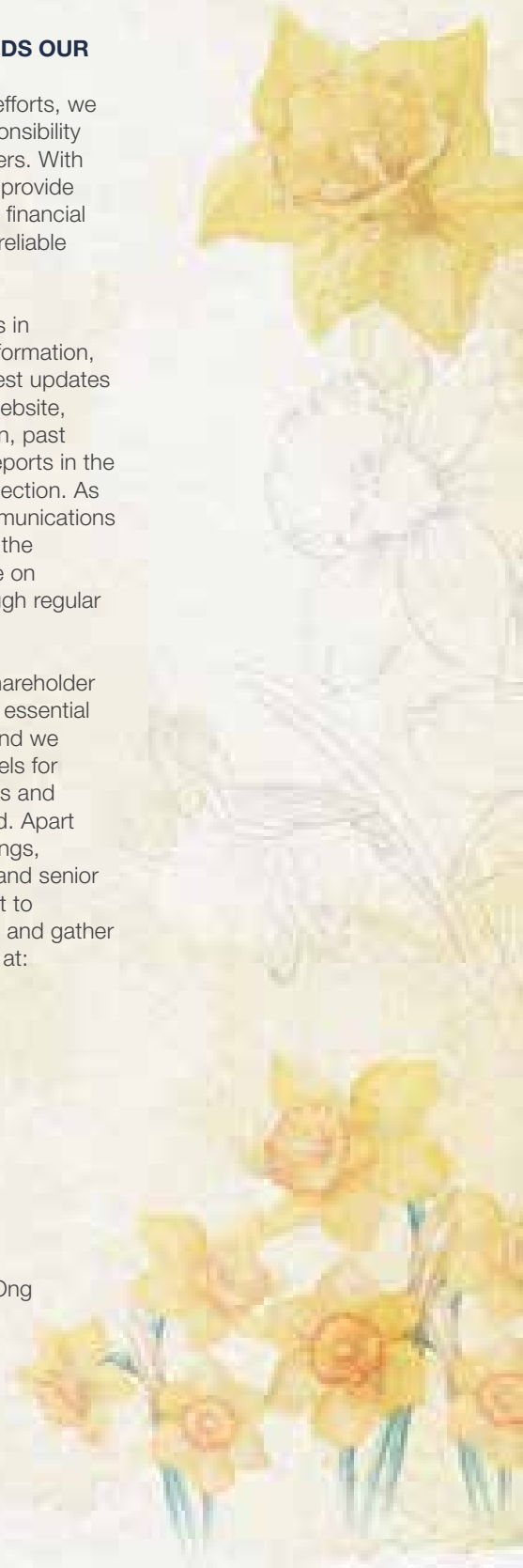
We believe that an effective shareholder communication programme is essential for the growth of the Group, and we aspire to provide viable channels for shareholders to raise questions and have their concerns addressed. Apart from our annual general meetings, where our Board of Directors and senior management team are present to address shareholders' queries and gather feedback, we can be reached at:

SingHaiyi Group Ltd

6 Shenton Way
#45-01 OUE Downtown 1
Singapore 068809
Tel: +65 6533 9023
Fax: +65 6532 7602
Email: info@singhaiyi.com

August Consulting

Contact: Silvia Heng / Zavier Ong
Tel: 65-6733 8873
Email: IR@singhaiyi.com



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive

Celine Tang - Group Managing Director
Mao Jinshan, Jason - Managing Director,
US Operations

Non-Executive

Neil Bush - Chairman, Non-Independent
Gordon Tang - Non-Independent
Gn Hiang Meng - Lead Independent
David Hwang Soo Chin - Independent
See Yen Tarn - Independent
Yang Manlin - Independent

AUDIT COMMITTEE

Gn Hiang Meng - Chairman
David Hwang Soo Chin
See Yen Tarn

NOMINATING COMMITTEE

See Yen Tarn - Chairman
Gn Hiang Meng
David Hwang Soo Chin

REMUNERATION COMMITTEE

David Hwang Soo Chin - Chairman
Gn Hiang Meng
See Yen Tarn
Gordon Tang

COMPANY SECRETARY

Cho Form Po

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

6 Shenton Way #45-01
OUE Downtown 1
Singapore 068809
Tel: 65-6533 9023
Fax: 65-6532 7602
Website: www.singhaiyi.com

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Audit Partner In Charge: Tran Phuoc
Date of Appointment: Since financial year ended
31 March 2015

PRINCIPAL BANKERS

United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited
DBS Bank Limited
Hong Leong Finance Limited
Malayan Banking Berhad

SHARE REGISTRAR

M&C Services Private Limited
112 Robinson Road, #05-01
Singapore 068902

INVESTOR RELATIONS

August Consulting
101 Thomson Road
#30-02 United Square
Singapore 307591
Tel: 65-6733 8873
Email: IR@singhaiyi.com

SUSTAINABILITY REPORT

Year ended 31 March 2018



ABOUT THIS REPORT

SingHaiyi Group Limited (“**The Group**”) is pleased to present its inaugural sustainability report. The report covers the sustainability performance of The Group’s real estate operations in Singapore from 1 April 2017 to 31 March 2018.

As this is our inaugural report, we have focused on the most material aspects of our work, which we have defined as developments in which we have a more than 50% control. In addition, we have decided to focus on our Singapore developments for this report in order to adopt a phased approach of reporting. Therefore, this report covers our three development properties, City Suites, The Vales EC and 9 Penang Road. For human resource related data, we refer to employees who are directly employed by the Group and based in Singapore.

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards (2016) and Singapore Exchange (SGX)’s sustainability reporting listing requirements. The Group values and welcomes any feedback, comments or enquiries regarding this report. Please send your questions or feedback to IR@singhaiyi.com.

SUSTAINABILITY AT THE GROUP

As part of the real estate industry, The Group has been fully aware of the sustainability aspects of our work for some time. Our mission remains to be to “achieve sustainable growth and create shareholder value through yield-accretive acquisitions, quality property developments, innovative asset enhancement strategies and proactive property management”. We believe that forward thinking innovation around

environmental responsibility and ethical behaviour are key contributors to our success.

We take great pride in the quality of our developments, which is why we are working toward achieving the Building and Construction Authority (BCA) Quality Mark (QM) and BCA Construction Quality Assessment System Star rating (CONQUAS Star) for our major developments going forward. Quality Mark goes beyond simply certifying the quality of the developer overall to certifying the quality of the workmanship of each unit of development. Our commitment to going above and beyond extends to the level of eco-efficiency in our developments. This is in line with the changing business environment, locally and globally, that has encouraged us to refine and formalise our approach to sustainability over the last year.

SUSTAINABILITY REPORT

Year ended 31 March 2018



We are pleased with our achievement of the BCA CONQUAS Star rating for City Suites, BCA CONQUAS Star rating and Green Mark Gold Plus for The Vales EC and Green Mark Platinum for 9 Penang Road. We commit to achieving at least a Green Mark Gold Plus for all our new developments. We consider the environmental impact of our buildings in all our discussions, from the beginning of the design phase through to the completion of construction. These considerations include the use of environmentally efficient materials and designs that make the most of natural lighting, heating and cooling. We are also working on integrating Universal Design concepts into our designs in order to improve the user experience of all our customers, including those that are less able.

We can only succeed as an organisation if we have the right talent. Therefore, we place emphasis on investing in our staff's recruitment, training, development and wellbeing. Although we have only an indirect influence over the day to day operations at our development sites, we recognise the importance of choosing the

right partners to work with us. For this reason, we carefully select and monitor our contractors to ensure the highest quality of work and the safest working conditions. We look forward to continue developing our sustainability approach over the coming years and reporting annually on our progress.

BOARD STATEMENT

The Group's first sustainability report is presented by the Board of Directors of SingHaiyi Group Limited (**"the Board"**). Over the last year, we have established a "Sustainability Steering Committee" (SSC), whose aim is to support the Board in steering the direction of sustainability here at the Group. The SSC is supported by a "Sustainability Task Force" (STF) which implements the day to day sustainability activities.

We have played an active role in the development of this report, which includes a materiality assessment that identifies the Environmental, Social and Governance (ESG) factors where we have focused our sustainability efforts as well as content for this report. Following the materiality assessment, we have

overseen the development of performance indicators that will allow us to monitor the effectiveness of our efforts, as well as a set of targets that will direct our future achievements.

This report follows the Singapore Exchange (SGX)'s Listing Rules – Sustainability Reporting Guide. The report also references the Global Reporting Initiative (**"GRI"**) Standards (2016).

STAKEHOLDER ENGAGEMENT

When considering our sustainability direction, we felt it was necessary to consider the concerns and issues of our main stakeholders. Stakeholders are individuals and groups that are affected by our activities and operations and who also have an effect on our activities and operations. Our various stakeholder groups include our shareholders, customers, regulators, suppliers, contractors and employees, with whom we engage with on a regular basis. Stakeholder engagement includes our regular dialogues during our roadshows, AGMs, online and published announcements and project update meetings. Through these interactions, we are also able to pinpoint any concerns our stakeholders have around sustainability.

MATERIALITY

When developing the content of our report, we carefully considered the sphere of our influence. Our main activities involve the design of our buildings and developments as well as the selection of our contractors and other third-party service providers. We have direct control over the recruitment and well-being of our employees as well as compliance to the various rules and regulations that we are subject to as developers. However, the use of energy and water, production of waste and occupational health and safety at our sites are not within our direct control. The ESG factors relevant to us reflect this level of control.

Our report content was identified during a materiality assessment, which was conducted with the assistance of an external consultant in 2017. The materiality assessment began by identifying a universe of factors that may be relevant to us through looking

at our peers as well as considering the key sustainability related risks and opportunities in our industry, our countries of operation and the world as a whole. This universe of factors was then prioritised during an internal stakeholder consultation session and the finalised

material ESG factors were validated by senior management and the Board.

The following 7 material ESG factors were identified for the Group and are covered in detail in this report¹

SUSTAINABILITY FOCUS AREAS	MATERIAL FACTORS
Economic	1 Economic Performance
Eco-efficiency	2 Materials and Design
Talent Management	3 Talent Retention and Development
Good Governance	4 Customer Health & Safety 5 Contractor Assessment 6 Marketing Communications 7 Anti-corruption and Corporate Compliance

¹ Excluding "Economic Performance" which is detailed in pages 18 - 21 of this annual report.

Materials and Design

2017/2018 highlights and 2018/2019 targets

Performance 2017/2018	Target 2018/2019
BCA Green Mark Platinum for 9 Penang Road BCA Green Mark Gold Plus for The Vales EC	Achieve Green Mark Gold Plus as a minimum on all new developments

As developers, the main area where we can enhance our environmental performance lies in the design of our developments and the materials we use. We believe that our successful developments are designed to incorporate eco-efficient features as well as concepts that improve the usability and experience of our end users. These considerations elevate the desirability and liveability of our properties.

One measure of the success of our attempts to incorporate eco-efficiency in our developments is the achievement of the BCA Green Mark. In order to achieve a BCA Green Mark certification, we need to receive a certain score in various areas including energy efficiency, water efficiency and the quality of materials used. We have achieved BCA Green Mark Platinum for 9 Penang Road and BCA Green Mark Gold

Plus for The Vales EC. Going forward, we will aim to achieve at least a BCA Green Mark Gold Plus on all our new developments.

The process of achieving Green Mark begins at the design stage. Our architects, engineers and designers incorporate a number of environmentally friendly features into their design plans.

SUSTAINABILITY REPORT

Year ended 31 March 2018

These plans are then assessed by the BCA. When tendering for a main contractor on the project, the Green Mark score sheet is included into the tender document and we work closely with our partners to ensure the various designs are accurately followed. Finally, the BCA will return to assess the completed development to verify that the committed environmentally friendly features have been incorporated into the development. Some of these features include:

Energy efficiency

- Use of smart lighting to minimise energy consumption from lighting usage while maintaining proper lighting levels
- Use of lifts and escalators with AC variable voltage and VVVF (Variable Voltage Variable Frequency) motor drive and sleep mode features

- Gas water heaters to improve energy efficiency
- High frequency ballasts in the fluorescent luminaries in at least 90% of all applicable areas

Water management

- Use of PUB (Public Utilities Board) WELS (water efficiency labelling scheme)-certified water fittings, private water metres to monitor major water usage system such as irrigation, cooling tower, common area and tenant's usage
- Linking all private meters to the Building Management System (BMS) for leak detection and use of automatic water efficient irrigation system with rain sensor to improve water efficiency

Environmentally friendly materials

- Use of sustainable construction materials and recycled materials such as dry wall partition, tile grouting and adhesives, water proofing systems, playground equipment and road kerbs
- Green cement with approved industrial by-products such as Recycled Concrete Aggregates (RCA) and Washed Copper Slag (WCS) from approved sources
- Use of low Volatile Organic Compound (VOC) paints

At the point of our handover to the new building users, a Building Users' Guide will be issued to the users to educate and inform them of the various green features such as green spaces, electric car charging areas and recycling facilities.

TALENT RETENTION AND DEVELOPMENT

2017/2018 highlights and 2018/2019 targets

Performance 2017/2018	Target 2018/2019
100% of eligible employee received performance appraisals	100% of eligible employees to receive performance appraisals

Our employees are highly skilled and experienced and our success is dependent on the quality of their knowledge and work. We pride ourselves on providing a working environment that nurtures, develops and retains this invaluable talent.

As of 31 March 2018, we have 34 Singapore-based, permanent, full-time employees at the group compared to

33 last year. Some of our staff retention efforts include ensuring a competitive remuneration, bonuses and employee benefits and we regularly review these to ensure alignment with the market. We are careful to ensure that employees know what is expected of them at all times in regards to professional conduct and discipline and our Human Resources (HR) policies, which set out our processes and procedures in all areas including hiring

and termination, are easily available to all staff members through the Employee Handbook.

Training and development

We encourage continuous professional development for all our employees. Our Training Policy, also detailed in the employee handbook, set out the Group's stand in this aspect. Employees are required to attend training courses, as and

when deemed necessary by the Group, and the Group may impose a bond for sponsorship of certain courses, depending on the cost and duration. The training Policy also describes independent learning & development opportunities where employees are encouraged to seek out trainings and workshops that will enhance their skills and knowledge.

Certain employees such as Resident Engineers, Resident Technical Officers and Accountants are required to complete mandatory training each year towards their professional qualification. We support this mandatory training and ensure

employees are given the opportunities they need to achieve them. Employee development is closely monitored with all eligible employees receiving an annual performance appraisal during which learning needs are developed and stretch goals are set. Eligible employees are permanent, full-time staff, excluding non-executive staff.

Diversity and fair employment

We believe that a diverse staff base is stronger due to the different perspectives and opinions it brings. We are careful to follow Ministry of Manpower (MOM) Employment Regulations and Fair

Employment Practices by TAFEP (Tripartite Alliance for Fair and Progressive Employment Practices). We are members of the Tripartite Alliance. We have a Fair Consideration Framework and practise fair employment practices. We ensure that all employment decisions are based on merit and any employees with questions or concerns about discrimination at the workplace are encouraged to bring these issues to the attention of their Supervisor or HR. We have a strict no discrimination policy and any employees found to be engaging in unlawful discrimination shall be liable to disciplinary action, including dismissal.

CUSTOMER HEALTH AND SAFETY

2017/2018 highlights and 2018/2019 targets

Performance 2017/2018	Target 2018/2019
No incidents of non-compliance with health and safety laws and regulations in relation to our completed buildings	Zero incidents of non-compliance with health and safety laws and regulations in relation to our completed buildings

The quality of our developments is extremely important and part of ensuring quality includes ensuring the health and safety of the end users of our buildings. As developers, we have a number of responsibilities in this area. This includes fire safety as well as regulations under BCA.

Fire safety

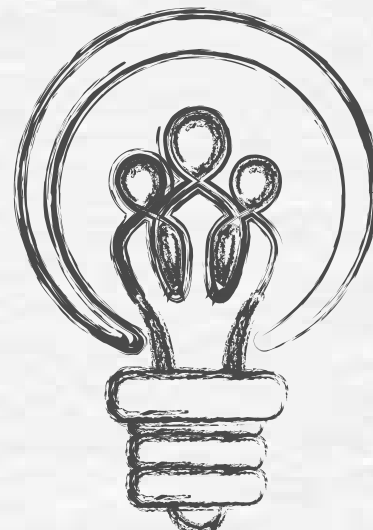
Building fire safety is standard practice and various requirements as per the Fire Safety Act and from the Fire Safety and Shelter Department (FSSD) are built into our plans. Our plans are then submitted and approved by relevant regulators. On completion, a registered inspector is

engaged to check that the approved plans have been followed and will then proceed to sign off.

BCA Regulations

BCA regulations include safeguarding users through assessing safety from falling and installing safety glass, regulation stairways, elevators and escalators. BCA will assess our plans and ask for any amendments to be made and then do a final assessment on completion of the development.

In the last year, there were no incidents of non-compliance with health and safety laws and regulations.



SUSTAINABILITY REPORT

Year ended 31 March 2018

CONTRACTOR ASSESSMENT

2017/2018 highlights and 2018/2019 targets

Performance 2017/2018	Target 2018/2019
100% of relevant suppliers assessed via our Contractor Pre-Qualification exercise	100% of relevant suppliers assessed via our Contractor Pre-Qualification exercise

As developers, we rely on contractors to carry out the construction work on our developments according to our plans. How we select our contractors as well as how we work with them is paramount to our success. We carefully monitor our contractors from the point of tender, all the way through to completion of the work.

Tender and assessment process

When sending out a tender of work, we include the various needs, qualifications certifications and experience that are expected from our contractors. We include the BCA Green Mark score sheet as well as specific health and safety regulations that the contractors must adhere to. When selecting the contractor, we conduct a Contractor Pre-Qualification Exercise. This assesses contractors on:

- Track record and quality performance
- Safety performance Workplace Safety and Health ("WSH") based on MOM regulations
- Awards (e.g. BCA Construction Excellence Award, BCA Green Mark Award, BCA Green and Gracious Builder Award)
- Financial Performance

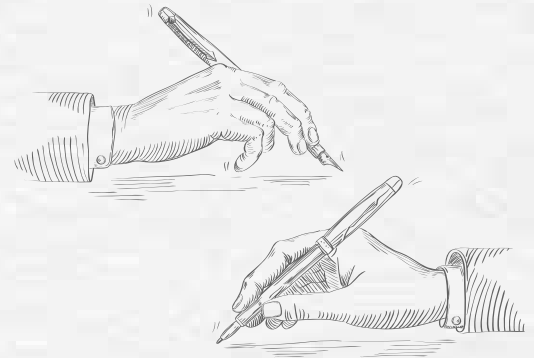
During the contract

We begin the contract by ensuring clarity around our customised set of requests and a list of preferred subcontractors and suppliers is provided to the main contractor. Terms and conditions of contracts with main contractors highlight compliance with applicable laws and regulations.

We insist on quarterly safety audits by an external partner, which is beyond the statutory requirement of biannual audits. This includes the submission of internal audit of WSH practices for main contractors which are in compliance with the following:

- Workplace Safety and Health Act
- Workplace Safety and Health Regulations (2009)
- Singapore Standards and Codes of Practice
- T&Cs for Workplace Safety and Health Auditing Organisations - OSHD (Occupational Safety and Health Division), MOM

Regular meetings with main contractors are held to discuss progress as well



as concerns, safety and energy and water conservation efforts amongst others. Finally, there is an end of project assessment before a final sign off of the project.

If any delays occur, the main contractor is subject to a set of fines, therefore, it is in their best interest to ensure no incidents of non-compliance with any regulations in regards to, but not exclusive of, environmental laws, workplace health and safety and labour regulations. Over the last year, there were no incidents of non-compliance on our sites that resulted in a stop work order.

MARKETING COMMUNICATIONS

2017/2018 highlights and 2018/2019 targets

Performance 2017/2018

No incidents of non-compliance in regards to marketing regulations resulting in a delay of sales launch

Target 2018/2019

Zero incidents of non-compliance in regards to marketing regulations resulting in a delay of sales launch

How we market our developments once they are completed determines the sale of our units. Ethical and responsible marketing is not just a regulatory requirement, but an objective for the Group. Ensuring that our marketing is clear, accurate and avoids misleading future customers is achieved by following our marketing policies.

Marketing Communications such as property listings and show flats are governed by the following:

- Singapore Code of Advertising Practice
- Personal Data Protection Act (PDPA)
- Housing Developers (Control and Licensing) Act
- Housing Developers Rules
- Residential Property Act
- Urban Redevelopment Authority (URA) Guidelines
- BCA Guidelines

Particularly strict regulations surround the setting up of our show flats, where we follow Housing Development Board rules and receive approval from them before launch. Any incidents of non-compliance

with any marketing regulation can lead to a delay in the sales launch of a new development. We are pleased that there were no such delays over the last 12 months.



SUSTAINABILITY REPORT

Year ended 31 March 2018

ANTI-CORRUPTION AND CORPORATE COMPLIANCE

2017/2018 highlights and 2018/2019 targets

Performance 2017/2018	Target 2018/2019
No confirmed incidents of corruption	Zero confirmed incidents of corruption
No significant incidents of non-compliance with relevant laws and regulations	Zero significant incidents of non-compliance with relevant laws and regulations

Sales of our completed units can sometimes leave us vulnerable to corruption risk and we are subject to laws and regulations from organisations such as SGX, the Monetary Authority of Singapore (MAS) and others. Complying with laws and regulations that apply to us ensures our good corporate conduct and avoids costly fines, delays and reputational damage.

We have a number of policies and practices in place that ensure the Group and its employees are aware of the various regulations so as to reduce the risk of non-compliance. These policies include:

- Code of Ethics
- Employee Conduct Policy (Outside Employment)
- Whistle-blowing policy

- Personal Use of Social Media
- Computer Usage Policy
- Entertainment & Gift-Giving Policy
- Grievance-Handling Policy
- PDPA Policy

These policies are all available in our Employee Handbook which is available to all employees. Relevant employees also receive regular briefings and updates to further ensure compliance and they are required to complete a conflict of interest self-declaration.



In regards to anti-corruption, the Group have in place a SOP to prevent corruption in the procurement process. In regards to anti-money laundering policy, cash is not acceptable and all transactions must go through a lawyer. Banks will conduct various assessments and the Group cannot accept payment until the various checks are completed in accordance with the relevant rules and regulations. We also adhere to the URA's list of restricted purchasers.

CORPORATE GOVERNANCE REPORT

Note:

The questions listed out in this column are extracted from the Singapore Exchange Limited's Disclosure Guide on Compliance with the Code of Corporate Governance 2012. The response to each question is set out in bold after the question.

General:

(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.

The Company has complied with most of the principles and guidelines of the Code. Where there are specific deviations, these are set out within this report.

(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?

The reasons for the specific deviations are also set out within this report.

SingHaiyi Group Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance. Good corporate governance establishes and maintains an ethical environment and enhances the interests of all shareholders. This report describes the Company's corporate governance practices during the financial year ended 31 March 2018 ("**FY2018**") with specific reference to the principles of the Code of Corporate Governance 2012 (the "**Code**"). The Company is pleased to report that it has complied in all material aspects with the principles and guidelines set out in the Code. Deviations from the Code, if any, are explained under the respective sections.

Outlined below are the policies, processes and practices adopted by the Group in compliance with the principles and spirit of the Code.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Primary Functions of the Board

The primary role of the Board of Directors (the "**Board**") is to lead and control the Company's operations and affairs and to protect and enhance the long-term shareholder value. The Board is collectively responsible for the setting of the overall strategy and the success of the Company. Currently, the Company is headed by an effective Board comprising a majority of Non-Executive Directors. The Board is supported by three Board Committees, namely the Audit Committee ("**AC**"), Remuneration Committee ("**RC**") and Nominating Committee ("**NC**"). Each Board Committee is governed by clear terms of reference setting out the duties and authorities which have been approved by the Board.

The principal roles and responsibilities of the Board include:

- Providing entrepreneurial leadership, setting strategic objectives and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
- Establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- Identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation;
- Setting the Company's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met;
- Considering sustainability issues (including environmental, social and governance factors) as part of the Company's overall strategy;
- Supervising the management of the business and affairs of the Group;
- Reviewing the financial performance of the Group;
- Approving the nominations of board directors and appointment of key personnel;
- Approving development budgets, major funding proposals, investment and divestment proposals, including material capital compliance;
- Assuming responsibility for corporate governance; and
- Reviewing Management performance.

Each member of the Board has a fiduciary duty to discharge his or her duties and responsibilities in the best interests of the Company at all times.

CORPORATE GOVERNANCE REPORT

Guideline 1.5

What are the types of material transactions which require approval from the Board?

Please refer to the section under “Board Approval”.

Board Approval

The Company has adopted internal guidelines that require Board approval for investments, divestments and bank borrowings. The Company has adopted a framework of delegated authorisation, as set out in its limit of authority (“**LOA**”). The LOA defines the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditures. The LOA also contains a schedule of matters specifically reserved by the Board for approval. These include approval of annual business plans, operating budgets, statutory accounts, declaration of interim, special and final dividends, and material transactions, namely, major acquisitions, joint ventures, strategic alliances, investment proposals, establishment of banking facilities and corporate restructuring.

Board Processes

The Board conducts meetings on a quarterly basis. Ad hoc meetings are also convened when circumstances warrant. For FY2018, the Board met four times. The report on the Directors’ attendance for Board and Board Committees meetings is set out on hereunder. Directors who are unable to attend Board or Board Committees meetings may convey their views to the Chairman or the Company Secretary. The Company’s Constitution provide for participation in meetings via telephone and/or video conference where Directors are unable to be physically present at such meetings. During FY2018, certain Directors participated in Board and Board Committees meetings via telephone conference. Where required, Directors may raise questions and seek clarification through discussion forums with Management in respect of significant matters passed via circular resolutions. To facilitate a more effective check on Management, Non-Executive Directors would meet amongst themselves without the presence of Management prior to the start of each Board meeting, where necessary.

Directors’ Attendance for Board and Board Committees Meetings

Name of Director	Number of meetings attended in FY2018			
	Board	AC	NC	RC
Neil Bush	4	-	-	-
Gordon Tang	2	-	-	0
Celine Tang	4	-	-	-
Mao Jinshan	4	-	-	-
Gn Hiang Meng	4	4	1	1
David Hwang Soo Chin	4	4	1	1
See Yen Tarn	4	3	1	1
Yang Manlin	4	-	-	-
Number of meetings held in FY2018	4	4	1	1

CORPORATE GOVERNANCE REPORT

Guideline 1.6

(a) Are new directors given formal training? If not, please explain why.

Yes. Please refer to the section under “Board Orientation and Training”.

(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?

The types of information and training provided are set out in the section under “Board Orientation and Training”.

Guideline 2.1

Does the Company comply with the guidelines on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.

Yes. Please refer to the section under “Board Independence”.

Board Orientation and Training

The Company conducts an orientation programme for newly appointed Directors to familiarise them with the businesses, operations and financial performance of the Group. They are also briefed on the corporate governance practices, including board processes, policies on disclosure of interests in securities, prohibitions in dealing with the Company’s securities and restrictions on disclosure of price-sensitive information.

All new Directors appointed on the Board, if any, will also be provided with a formal letter of appointment setting out the director’s duties and obligations.

Directors are at liberty to request for further explanations, briefings or informal discussions on any aspect of the Group’s operations or business matters from Management.

The Board is updated regularly on corporate governance, risk management, and key changes in the relevant regulatory requirements and financial reporting standards by the Management, Auditors and Company Secretary. Relevant news releases issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Accounting and Corporate Regulatory Authority and the Monetary Authority of Singapore are also circulated to the Board.

To keep pace with the fast-changing laws, regulations and commercial risks, Directors have an on-going budget to receive further relevant training of their choice in connection with their duties as directors. They are also given unrestricted access to professionals for consultations as and when they deem it necessary at the expense of the Company.

The Board was continuously briefed and updated on directors’ duties and responsibilities and corporate governance matters, so as to enable them to discharge their duties effectively as a Board and where applicable, as Board Committee members.

Directors may also attend other appropriate courses, conferences and seminars, at the Company’s expense. These include programmes organised by the Singapore Institute of Directors (“**SID**”), Singapore Exchange Limited and Auditors. During the year, Directors attended in-house briefings on sustainability reporting conducted by its Sustainability Consultant and changes to the Financial Reporting Standards by its Auditors.

No new directors were appointed during the year under review.

The NC is responsible for reviewing and recommending training programmes for the Board.

Principle 2: Board Composition and Guidance

Board Independence

When there are changes to the Board, the NC will take into account the appropriateness of the board size and composition. The Board presently comprises eight (8) directors. All members of the Board, except for the Group Managing Director and Managing Director of the US Operations, are Non-Executive Directors. Four (4) of the Directors are Independent Non-Executive Directors.

There is a strong and independent element on the Board with Independent Non-Executive Directors making up half of the Board and no individual or small group of individuals should be allowed to dominate the Board’s decision making.

CORPORATE GOVERNANCE REPORT

Guideline 2.3

(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.

No.

(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.

Not applicable.

Guideline 2.4

Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him as independent?

No.

Guideline 2.6

(a) What is the Board's policy with regard to diversity in identifying director nominees?

Please refer to the section under "Board Composition and Size".

(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data when appropriate.

Please refer to the section under "Board Composition and Size".

(c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?

Please refer to the section under "Board Composition and Size".

The independence of each of the Directors has been assessed by the Board (after taking into account the NC's views) in accordance with the requirements of the Code for assessing independence. Under the Code, an Independent Non-Executive Director is one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

The integrity and professionalism of the Directors have enabled and facilitated them to discharge their responsibilities with due care and diligence. Through active participation during Board meetings, the Directors constructively and judiciously challenge the proposals and assumptions of Management. The Directors will review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

The Company does not have any Independent Non-Executive Directors who have served the Board beyond nine years from the date of his or her appointment as a Director of the Company.

Board Composition and Size

The composition of the Board is reviewed annually. The Board is also taking steps to ensure that the Board has sufficient Independent Non-Executive Directors to comply with the recommendations of the Code. The Board is of the opinion that its current size is appropriate, taking into account the nature and scope of the Company's businesses, for effective decision making. The Board currently includes two female Directors who have served for different tenures. The members of the Board have the core competencies, such as accounting or finance, business or management experience, industry knowledge, corporate actions and strategic planning experience required for the Board to be effective in all aspects of its roles. The objective judgement of the Independent and Non-Executive Directors on corporate affairs and their collective experiences and contributions are invaluable to the Company.

The Board members comprise businessmen and professionals with financial background and business/management experience, all of whom as a group, provides the Board with the necessary experience and expertise to direct and lead the Group:

Neil Bush	-	Non-Executive Chairman
Gordon Tang	-	Non-Executive Director
Celine Tang	-	Group Managing Director
Mao Jinshan	-	Managing Director of the US Operations
Gn Hiang Meng	-	Lead Independent Non-Executive Director
David Hwang Soo Chin	-	Independent Non-Executive Director
See Yen Tarn	-	Independent Non-Executive Director
Yang Manlin	-	Independent Non-Executive Director

Key information on the Directors' particulars and background can be found in the "Board of Directors" section of the Annual Report. The Notice of Annual General Meeting sets out the directors proposed for re-election at the Annual General Meeting ("**AGM**").

CORPORATE GOVERNANCE REPORT

Principle 3: Chairman and Group Managing Director

The Board is chaired by Mr. Neil Bush, Non-Executive Chairman, in consultation with Management, sets the agenda for Board meetings and ensures that they are held regularly and whenever necessary. Mrs. Celine Tang, Group Managing Director (“**GMD**”) is assisted by Mr. Gregory Sim Chee Wah, Deputy Chief Executive Officer and Chief Financial Officer (“**Deputy CEO & CFO**”) and Mr. Mao Jinshan, Managing Director of the US Operations, actively manage the day-to-day running of the operations and also ensure information flow between Management and the Board.

There is a clear separation of responsibilities between the Non-Executive Chairman and the GMD, so as to maintain an appropriate balance of power and authority. The Chairman and the GMD are not related to each other.

The Chairman leads the Board to ensure its effectiveness on all aspects of the Board’s role and promotes high standards of corporate governance and ensures that Non-Executive Directors are able to speak freely and contribute effectively. The Chairman plays a significant leadership role by providing clear oversight, advice and guidance to the GMD, Deputy CEO & CFO, Managing Director and Management in his drive to transform the Group. At Board meetings, he ensures that adequate time is available for discussion of all agenda items especially strategic issues, promotes a culture of openness and debate at the Board, and facilitates effective contribution of Non-Executive directors.

He ensures the quality, quantity and timeliness of information flow between the Board and Management and that the Board has sufficient opportunities for interaction with Management through meetings, both formal and informal, telephone calls as well as by electronic mail. The Chairman also monitors the translation of the Board’s decisions and directions into executive action. The Chairman maintains effective communication with shareholders and also engages with a wide range of other stakeholders.

A healthy exchange of ideas and views between the Board and Management through regular meetings and updates enhances the management of the Company. This, together with a clear separation of roles between the Chairman and, the GMD, increases accountability and greater capacity of the Board for independent decision making.

Mr. Gn Hiang Meng (“**Mr. Gn**”) is the Lead Independent Non-Executive Director (“**Lead ID**”), he serves as a sounding board for the Chairman and also as an intermediary between the Non-Executive Directors and the Chairman. Due to the seniority and extensive experience of Mr. Gn, the Board is of the view that he is qualified to perform the role of the Lead ID. The Lead ID is available to the shareholders of the Company should they have concerns which cannot be resolved through the normal channel of the Non-Executive Chairman, the GMD or the Deputy CEO & CFO or for which such contact is inappropriate. The Lead ID may call for meetings of Independent Non-Executive Directors from time to time without the presence of other directors and provide feedback to the Chairman after such meetings. In FY2018, the Independent Non-Executive Directors had met separately without the presence of Management.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

Principle 4: Board membership

The Composition and Role of NC

The NC currently comprises three Independent Non-Executive Directors, namely Mr. See Yen Tarn (Chairman), Mr. David Hwang Soo Chin and Mr. Gn Hiang Meng (Lead ID). The NC met once in FY2018.

The NC is regulated by a set of written Terms of Reference and its key functions include:

- To review the structure, size and composition of the Board and to make recommendations to the Board with regards to any adjustment to the structure and size that are deemed necessary;
- To make recommendations to the Board on all Board appointments and re-appointments, having regard to each individual director's contribution and performance;
- To determine the criteria for identifying candidates and to review nominations for new appointments, including but not limited to the factors of integrity, expertise, reputation and standing in the market;
- To review and to determine on an annual basis the independence of each Independent Non-Executive director;
- To determine/propose the objective performance criteria for the Board's approval and to review the Board's performance in terms of the performance criteria;
- To conduct a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board, particularly when a director serves on multiple boards; and
- To make recommendations to the Board on candidates it considers appropriate for appointment

Re-nomination of Directors

The NC reviews and evaluates nomination of Directors for appointment to the Board, evaluating the performance of the Directors and the Board as a whole and its Board Committees, assessing the independence of the Directors, reviewing the training and professional development programs for the Board and reviewing the retirement and re-election of Directors.

The NC reviews the Directors who are due to retire in accordance with the Company's Constitution and make relevant recommendation on their re-election or re-appointment. All Directors are subject to re-election at regular intervals of at least once every three years.

The NC determines on an annual basis whether or not a director is independent, taking into account the Code's guidance on what constitutes an "independent" director, and the existence of relationships or circumstance which would deem a director to be not independent. A Director who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment with a view to the best interest of the Company, is considered to be independent.

The Company does not have any Alternate Director on the Board.

CORPORATE GOVERNANCE REPORT

Guideline 4.4

- (a) What is the maximum number of listed company board representations that the Company has prescribed for its directors?

What are the reasons for this number? There is no maximum number prescribed.

- (b) If a maximum number has not been determined, what are the reasons?

Please refer to the explanation in the section under “Directors’ Time Commitment”.

- (c) What are the specific considerations in considering the capacity of Directors?

Please refer to the section under “Directors’ Time Commitment”.

Guideline 5.1

- (a) What was the process upon which the Board reached the conclusion on its performance for the financial year?

Please refer to the section under “Board Evaluation Process and Individual Director Evaluation Criteria”

- (b) Has the Board met its performance objectives?

The Board has met its performance objectives and the Board and its Board Committees are operating effectively.

Criteria and Process for Nomination and Selection of New Directors

In its search and selection process, the NC reviews the composition of the Board including the mix of expertise, skills and attributes of existing Directors, so as to identify needed and/or desired competencies to supplement the existing Board. In doing so, where necessary or appropriate, the NC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates. The NC then meets the shortlisted potential candidates before recommending the most suitable candidate to the Board for appointment as Director.

Directors’ Time Commitment

The NC takes into account the competing time commitments faced by Directors with multiple board representations and/or other principal commitments when considering the re-nomination of Directors for re-election. Directors must ensure that they are able to give sufficient time and attention to the affairs of the Company, which is also evident in their level of attendance and participation at Board and Committee Meetings, and as part of its review process, the NC decides whether or not a director is able to do so and whether he has been adequately carrying out his duties as a director of the Company. The NC believes that setting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive.

Principle 5: Board Performance

Board Evaluation Process and Individual Director Evaluation Criteria

The NC assesses the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board. A formal appraisal process to assess the effectiveness of the Board and Board Committees has been implemented. The Board performance evaluation process includes a questionnaire designed to assess the performance of the Board and enhance the overall effectiveness of Directors. The performance assessment forms were completed by each Director. The Company Secretary compiles Directors’ responses to the questionnaire into a consolidated report. The report is discussed at an NC meeting and is also shared with the entire Board. In evaluating each Director’s performance and that of the Board and the Board Committees, the NC considers, inter alia, the Directors’ attendance, contribution and participation at Board and Board Committees meetings, Directors’ individual evaluations and the overall effectiveness of the Board in steering and overseeing the conduct of the Company’s businesses.

The Directors have opportunities for continuing education in a number of areas including directors’ duties, corporate governance, financial reporting, insider trading, the Companies Act, Listing Rules, real estate industry-related matters and other relevant areas to enhance their performance as Board and Board Committees members.

CORPORATE GOVERNANCE REPORT

Guideline 6.1

What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?

Please refer to the section under “Complete and Timely Information and Access to Management” and the section under “Accountability of the Board and Management” in Principle 10.

Guideline 9.6

(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria?

Please refer to the section under “Remuneration of Directors and Key Management Personnel (“KMP”)”.

Principle 6: Access to Information

Complete and Timely Information and Access to Management

The Board is furnished with detailed information concerning the Group from time to time, to enable the Board to fulfil its responsibilities and to be fully cognizant of the decisions and actions of the Group’s executive management. All the Directors have unrestricted access to the Group’s records and information. Board papers are prepared for each meeting of the Board and include sufficient information from Management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings. The Independent Non-Executive Directors have access to all levels of senior executives in the Group and are encouraged to speak to other employees to seek additional information if they so require.

Company Secretary

The Board has separate and independent access to the Company Secretary and to other senior management executives of the Company and of the Group at all times in carrying out its duties. The Company Secretary provides the Board with regular updates on the requirements of the Companies Act and all other rules and regulations of the Listing Manual of the SGX-ST.

The Company Secretary attends all formal Board meetings and meetings of the Board Committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary was also involved in discussing and reviewing the announcements of the quarterly and full-year results for release to SGX-ST. Minutes of all Board and Board Committees meetings are circulated to the Board and Board Committees as appropriate. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Independent Professional Advice

Should the Directors, whether as a group or individually, need independent professional advice, the Company will, upon direction by the Board, appoint a professional advisor selected by the group or the individual to render the advice.

Principle 7: Procedures for Developing Remuneration Policies

The Composition and Role of RC

The RC comprises four members, namely Mr. David Hwang Soo Chin (Chairman), Mr. See Yen Tarn, Mr. Gn Hiang Meng (all of whom are independent) and Mr. Gordon Tang. All the member of the RC are Non-Executive Directors. The RC met once in FY2018.

The principal functions of the RC are to inter alia:

- recommend to the Board a general framework of remuneration for Board members and also for KMP; and
- to review and determine the specific remuneration packages and terms of employment for each of the Executive Directors and KMP, including termination clauses, to ensure it is fair and reasonable.

CORPORATE GOVERNANCE REPORT

Guideline 9.6

(b) Where were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?

Please refer to the section under “Remuneration of Directors and Key Management Personnel (“KMP”)” and “Disclosure of Remuneration”.

Remuneration components are determined by the individual’s performance, the performance of the Group and industry practices.

(c) all these performance conditions met? If not, what were the reasons?

The variable components of the remuneration for the Executive Directors and KMP were awarded for FY2018 pursuant to the RC’s review of the individual’s performance, the performance of the Group and industry practices.

Guideline 9.2

Has the Company disclosed each director’s and the CEO’s remuneration as well as a breakdown (in percentage or dollar terms) into based/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

No. Please refer to the section under “Disclosure of Remuneration” for the Company’s reasons for non-disclosure of Directors’ and the CEO’s remuneration.

The RC sets compensation to ensure that the Company is competitive and can attract, retain and motivate Directors and KMP of the required experience and expertise to run the Company successfully. In setting remuneration packages for Directors and KMP, the remuneration and other conditions within the industry and in comparable companies are taken into consideration. While structured to attract and retain highly qualified people, the overall goal is to encourage sustained value-oriented management. The RC also aims to be fair and avoids rewarding poor performance.

Principle 8: Level and Mix of Remuneration

Remuneration of Directors and Key Management Personnel (“KMP”)

Fees payable to the Independent and Non-Executive Directors are proposed at the AGM as a lump sum. The lump sum which represents the aggregated fees of the Directors, is subject to the approval of shareholders of the Company at its forthcoming AGM. The amount for each Director will take into account the level of responsibilities held. The compensation framework is made up of fixed pay and incentives. The Company links Executive Directors and KMP’s remuneration to the Group’s performance. Individual performance is based on performance assessment, competencies and potential of the individuals. The remuneration of Directors takes into account their level of contribution and respective responsibilities, including attendance, time and effort at Board meetings and Board Committees meetings.

The Company has adopted a remuneration policy for staff comprising a fixed component (in the form of a base salary) and a variable component, which is in the form of a variable bonus that is linked to the Company’s and the individual’s performance. Another element of the variable component is the grant of share options to staff under the Scheme (as defined below) that is designed to motivate staff towards strategic business objectives and for staff retention.

The Company has not implemented any clawback provision for the service contracts of Executive Directors and its KMP to allow the Company to reclaim incentive components of remuneration from them in exceptional events such as material violation of risk limits, misstatement of financial results, misconduct or fraud.

The RC also functions as the Administrative Committee of the SingHaiyi Share Option Scheme 2013 (the “**Scheme**”), the adoption of which was approved by the shareholders of the Company in the extraordinary general meeting held on 29 July 2013. Please refer to page 122 of this annual report for details of the Scheme.

During FY2018, there were no share options granted to the employees, directors and the controlling shareholders of the Company or their associates, or the parent company’s directors or employees. No employee had received 5% or more of the total number of options available under the Scheme. In addition, no options had been granted under a discount.

Principle 9: Disclosure on Remuneration

Disclosure of Remuneration

The compensation packages for employees including the GMD, Executive Director and KMP comprised fixed component (in the form of a base salary and fixed allowances), a variable component (which would normally include year-end and variable bonuses), where applicable taking into account amongst other factors, the individual’s performance, the performance of the Group and industry practices.

CORPORATE GOVERNANCE REPORT

No termination, retirement or post-employment benefits were granted to any Director or KMP of the Company during FY2018.

Remuneration of Directors for FY2018

Name of Director	Directors' Fee %	Salary %	Bonus %	Others %	Total Remuneration %
<i>Below S\$250,000</i>					
Neil Bush	100%	-	-	-	100%
Gordon Tang	100%	-	-	-	100%
Celine Tang	-	83%	7%	10%	100%
Gn Hiang Meng	100%	-	-	-	100%
David Hwang Soo Chin	100%	-	-	-	100%
See Yen Tarn	100%	-	-	-	100%
Yang Manlin	100%	-	-	-	100%
<i>S\$250,000 - S\$499,999</i>					
Mao Jinshan	-	86%	14%	-	100%

Guideline 9.3

(a) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or in more detail, as well as breakdown (in percentage or dollar terms) into based/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

No. Please refer to the section under "Remuneration of KMPs for FY2018" for the Company's reasons for non-disclosure of KMPs' remuneration.

(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the GMD or CEO)

No. Please refer to the section under "Remuneration of KMPs for FY2018" for the Company's reasons for non-disclosure of KMPs' remuneration.

After careful deliberation, the Board is of the view that full disclosure of the specific remuneration of each individual director is not in the best interests of the Company or its shareholders and has decided to disclose remuneration in the bands of S\$250,000 with further breakdown. In arriving at this decision, the Board took into consideration, *inter alia*, the confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates in, and the negative impact such disclosure may have on the Group.

Remuneration of KMPs for FY2018

Remuneration Bands	Number of KMP (who are not also Directors or the GMD or CEO)
Below S\$250,000	1
S\$250,000 to S\$499,999	2
S\$500,000 to S\$749,999	1
S\$750,000 to S\$999,999	-

The Company only has 4 KMP (who are not directors or the GMD or CEO). After careful deliberation, the Company has decided not to disclose the name and remuneration of its top four KMP as well as in aggregate the total remuneration paid to its top four KMP, as the disadvantages to the Group's business interests would far outweigh the benefits of such disclosure, in view of the confidentiality of and commercial sensitivity attached to executive remuneration matters.

CORPORATE GOVERNANCE REPORT

Guideline 9.4

Is there any employee who is an immediate family member of a director or the GMD, and whose remuneration exceeds S\$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the GMD.

No.

Guideline 11.3

(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board' view on the adequacy and effectiveness of the Company's internal controls and risk management systems.

Please refer to the section under "Risk Management and Internal Controls".

(b) In respect of the past 12 months has the Board received assurance from the GMD and the Deputy CEO that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operation and finances; (ii) the Company's risk management and internal control system are effective? If not, how does the Board assure itself of points (i) and (ii) above?

Please refer to the section under "Accountability of the Board and Management" in Principle 10 and section under "Risk Management and Internal Controls".

Remuneration of Directors' Immediate Family Members for FY2018

The Company does not have any employee who is an immediate family member of a Director or the GMD, whose remuneration exceeds S\$50,000 during FY2018.

Principle 10: Accountability

Accountability of the Board and Management

The Board is responsible for presenting a balanced and understandable assessment of the Group's performance, position and prospects to its shareholders, the public and the regulators. Management is accountable to the Board and provides the Board with quarterly and full-year results, which are then reviewed and approved by the Board for release to the SGX-ST. Management also currently provides the Board with appropriately detailed management accounts of the Company's performance, position and prospects on a quarterly basis.

Results for the first three quarters are released to shareholders within 45 days of the end of each quarter whilst full-year results are released within 60 days from the financial year end. For the quarterly financial statements, the Board provides a statement of negative assurance to shareholders, in line with the Listing Rules. For the financial year under review, the GMD and Executive Director have provided assurance to the Board on the integrity of the financial statements for the Group as set out on page 68 of this Report. In presenting our quarterly and full-year financial results to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Group's performance, position and prospects.

The Board also reviews legislation and regulatory compliance reports from Management to ensure that the Group complies with relevant statutory reporting requirements.

Principle 11: Risk Management and Internal Controls

The Board determines the Group's levels of risk tolerance and risk policies. The Group has in place a set of internal controls which sets out approval limits for expenditure, investments and divestments and cheque signatory arrangements. Approval sub-limits are also provided at management and committee levels to facilitate operational efficiency.

The Board believes that the system of internal controls maintained by the management that was in place throughout the financial year under review and up to the date of this report, provides reasonable, but not absolute, assurance against material financial misstatements or losses, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, and the identification and containment of business risks.

Based on the internal controls maintained by the Group, works performed by the internal and external auditors, review done by the management, various Board Committees and the Board, the Board with the concurrence of the AC, is satisfied that the Group's risk management systems and internal controls are adequate and effective in addressing financial, operational, compliance and IT risks as at 31 March 2018.

CORPORATE GOVERNANCE REPORT

The Board recognises the importance of maintaining a system of internal control processes to safeguard shareholders' interest and the Group's business and assets. The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities. The annual conduct of audits by the internal auditor assesses the effectiveness of the Group's internal control procedures and provides reasonable assurance to the AC and Management that the Group's risk management, controls and governance processes are adequate and effective.

The Company has an Enterprise Risk Management Framework in place for the Group. In view of the size and operations of the Company, the Company does not have a separate board risk management committee. The AC and Management will continually assess the adequacy and effectiveness of the risk management framework and processes.

The Company has in place a whistle-blowing policy which encourages employees and outside parties such as vendors, clients, contractors and other stakeholders raise concerns, in confidence, about possible irregularities to the whistle-blowing committee. It aims to provide an avenue for employees and outside parties to raise concerns and offer reassurance that they will be protected from reprisals or victimization for whistle-blowing in good faith within the limits of the law.

The AC oversees the administration of the Whistle Blowing Policy. Periodic reports will be submitted to the AC stating the number and the complaints received, the results of the investigations, follow-up actions and unresolved complaints. The AC has the responsibility to ensure that there is proper maintenance, regular review and relevant updates of the policy. Revisions, amendments and alterations to the Whistle Blowing Policy are subject to the approval of the AC and the Board prior to implementation. Changes will be notified when they are implemented. There were no reported incidents during FY2018. Report can be lodged via email at acm@singhaiyi.com. This policy has been published on the Company's website.

For FY2018, the GMD and Deputy CEO & CFO have provided written confirmation to the Board that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and (b) the Company's risk management, compliance and internal control systems are effective. This certification covers the Company and subsidiaries which are under the Company's management control. In line with the Listing Rules, the Board provides a negative assurance statement to shareholders in respect of the interim financial statements, which is supported by a negative assurance statement from the GMD and Deputy CEO & CFO, and which is in turn supported by a negative assurance confirmation from the various key business and operating/functional heads within the Group that nothing has come to their attention that would render the quarterly and year-end financial results to be false or misleading.

Further details on the Group's risk management philosophy and approach in respect to the financial and business risks can be found on pages 125 to 136 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Principle 12: Audit Committee

The Composition and Role of the AC

The AC consists of three Independent Non-Executive Directors, namely Mr. Gn Hiang Meng (Chairman), Mr. David Hwang Soo Chin and Mr. See Yen Tarn. All members of the AC have many years of experience in senior management positions. The members of the AC including the AC Chairman have recent and relevant accounting knowledge or related financial management expertise and experience to discharge the AC's duties and responsibilities. None of the AC members were previous partners or directors of the Company's external auditors, KPMG LLP and the Company's internal auditor, Ernst & Young Advisory Pte. Ltd. ("**E&Y**"), within the last twelve months or hold any financial interest in KPMG LLP and E&Y. The Board is of the view that the AC members are members of the AC have many years of experience in senior management positions. The Board is of the view that the AC members are appropriately qualified to discharge their responsibilities. The AC met four times in FY2018.

The principal functions of the AC include, *inter-alia*:

- To review with the external auditors the audit plans, including the nature and scope of the audit before the commencement of each audit, the evaluation of the Company's system of internal controls, the audit reports and management letters issued by the external auditors and Management's response to the letters;
- To review the nature and extent of non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors, seek to balance the maintenance of objectivity and value for money;
- To make recommendations to the Board on the appointment, re-appointment and removal of external auditors, and to approve the remuneration and terms of engagement of the external auditors;
- To review the significant financial reports so as to ensure the integrity of the financial statements of the Company and focus in particular on the changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit and compliance with financial reporting standards, and to review results announcements prior to submission to the Board for approval for release to the SGX-ST;
- To review the independence of the external auditors annually;
- To review the adequacy of internal audits in respect of cost, scope and performance;
- To ensure, at least annually, the adequacy and the effectiveness of the internal audit function;
- To review interested person transactions in accordance with the requirements of Chapter 9 of the Listing Rules; and
- To undertake such other functions, duties, reviews and projects as may be requested by the Board or as may be required by statute or the Listing Rules.

During the year, the results of the AC's review are reported to the Board.

The AC has full access to the internal and external auditors without the presence of the Management of the Company. The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management of the Company and full discretion to invite any Director or Management of the Company to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

It may also examine any other aspects of the Company's affair, as it deems necessary where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations.

CORPORATE GOVERNANCE REPORT

Guideline 12.6

(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.

Please refer to the section under “External Auditors”.

(b) If the external auditors have supplied a substantial amount of non-audit services to the Company, please state the bases for the Audit Committee’s view on the independence of the external auditors.

Please refer to the section under “External Auditors”.

External Auditors

The external auditors, KPMG LLP, provide periodic updates to the AC members on changes to the accounting standards to enable AC members to keep abreast of such changes and its corresponding impact on the financial statements, if any, and these are discussed at the AC meetings. The AC only met with the external auditors in AC meetings approving the quarterly/year-end results during the year.

The AC has authority to meet with the external auditors during the financial year under review, without the presence of the Company’s Management. The AC has met the external auditors and with the internal auditors without the presence of Management during FY2018.

The AC, from time to time, considers the appropriateness of continuing with the existing external auditors or appointment of new external auditors and factors taken into consideration include performance of the auditors, the technical competence of the audit team and the audit firm, ability to communicate issues and concerns to the AC, ability to meet deadlines and ability to work with Management while maintaining independence and objectivity. The Board and the AC consider it is appropriate to continue with the incumbent auditors.

The Group’s external auditors, KPMG LLP, is an accounting firm registered with ACRA. The AC is satisfied that KPMG LLP and the audit engagement partner assigned to the audit have adequate resources and experience to meet its audit obligations. In this connection, the Company has complied with Listing Rules 712 and 715.

The AC has reviewed and is satisfied that the independence and objectivity of the external auditors has not been compromised by the provision of non-audit services. The amount of audit and non-audit fees paid/payable to the external auditors in respect of FY2018 amounted to S\$272,000 and S\$76,000 respectively. Accordingly, the AC has recommended to the Board the nomination of the external auditors, KPMG LLP, for re-appointment at the forthcoming AGM to be held on 26 July 2018.

The details of the remuneration of the auditors of the Company during FY2018 are as follows:

	FY2018 (S\$'000)	FY2017 (S\$'000)
Auditors’ remuneration paid/payable to:		
- Auditors of the Company	272	260
- Other auditors	98	76
Other fee paid/payable to:		
- Auditors of the Company	76	90

In carrying out its duties, the AC is guided by the Guidebook for Audit Committees in Singapore.

CORPORATE GOVERNANCE REPORT

Interested Person Transactions

The Company has established procedures to monitor and review Interested Person Transactions (“**IPTs**”), including ensuring compliance with the provisions of the Listing Manual related to IPTs. The AC and the Board review the IPTs on a quarterly basis. Any IPTs requiring disclosure are found in the Annual Report. The Company has not obtained a general mandate from shareholders for interested person transactions.

The transactions with interested person under Rule 905 & 906 of the Listing Manual of the SGX-ST are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
American Pacific International Capital Inc. (“ APIC ”) ⁽¹⁾	S\$402,000 ⁽²⁾	-
Interest paid/payable to APIC	S\$2,306,000 ⁽³⁾	-
OKH Holdings Pte. Ltd. (“ OKH ”) ⁽⁴⁾	S\$8,872,000 ⁽⁵⁾	-

Note:

- ⁽¹⁾ APIC is an entity controlled by the controlling shareholders of the Company, Mr. Gordon Tang and Mrs. Celine Tang.
- ⁽²⁾ This amount represents the consultancy fees to APIC.
- ⁽³⁾ This amount represents the total interest paid/ payable to APIC for the provision of loan to a wholly-owned subsidiary of the Company.
- ⁽⁴⁾ OKH is a wholly-owned subsidiary of OKH Global Ltd, which is 44.3% held by Haiyi, the controlling shareholder of the Company.
- ⁽⁵⁾ This amount represents the acquisition cost of 5 units of properties located at 701 Sim Drive and the monthly rental received/receivables from OKH.

CORPORATE GOVERNANCE REPORT

The transactions with interested person under Rule 916 (2) of the Listing Manual of the SGX-ST are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Huajiang International Corporation Pte. Ltd. ("HICPL") ⁽¹⁾	S\$17,643,000 ⁽²⁾	-
Huajiang Properties II Pte.Ltd. ("HPIL") ⁽¹⁾	S\$13,631,000 ⁽³⁾	-
Haiyi Wealth Pte. Ltd. ("HWPL") ⁽¹⁾	S\$13,111,000 ⁽⁴⁾	-

Note:

- ⁽¹⁾ HICPL, HPIL and HWPL are entities controlled by Mr. Gordon Tang and Mrs. Celine Tang, who collectively own Haiyi, the controlling shareholder of the Company.
- ⁽²⁾ This amount represents the equity participation and shareholders' loan in respect of the joint venture entered into by SingHaiyi Properties Pte. Ltd. ("SPPL"), a wholly owned subsidiary of the Company and HICPL for the enbloc acquisition of Sun Rosier. SPPL and HICPL each took up a 50% equity interest in the joint venture. Please refer to the Company's announcement dated 21 September 2017 for further details.
- ⁽³⁾ This amount represents the equity participation and shareholders' loan in respect of the joint venture entered into by Corporate Bridge Pte. Ltd. ("CBPL"), a wholly owned subsidiary of the Company and HPIL for the enbloc acquisition of How Sun Park. CBPL and HPIL each took up a 50% equity interest in the joint venture. Please refer to the Company's announcement dated 28 November 2017 for further details.
- ⁽⁴⁾ This amount represents the equity participation and shareholders' loan in respect of the joint venture entered into by SingHaiyi Land Pte. Ltd. ("SLPL"), a wholly owned subsidiary of the Company and HWPL for the enbloc acquisition of Park West. SLPL and HWPL each took up a 50% equity interest in the joint venture. Please refer to the Company's announcement dated 11 January 2018 for further details.

Guideline 13.1

Does the Company have an internal audit function? If not, please explain why.

Please refer to the section under "Role and Responsibilities of Internal Auditor".

Principle 13: Internal Audit**Role and Responsibilities of Internal Auditor**

The internal audit function of the Company has been outsourced to an independent accounting and auditing firm, E&Y. The AC has reviewed and confirmed that E&Y is a suitable professional service firm to meet the Company's internal audit obligations, having regard to the adequacy of resources and experience of the firm and the assigned engagement partner, number and experience of supervisory and professional staff assigned to internal audits. The Internal Auditors are guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

CORPORATE GOVERNANCE REPORT

The internal auditors report to the AC Chairman on internal audit matters. Internal auditors' performance and remuneration are reviewed by the AC. The internal audit plan is approved by the AC and the results of the audit findings are submitted to the AC for its review in its meeting. The internal auditors conducted an annual review in accordance with their audit plans, the effectiveness of the Company's material internal controls, including financial, operational, compliance controls, information technology ("IT") controls and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements were reported to the AC. The AC, together with the Board, has also reviewed the effectiveness of the actions taken by management on the recommendations made by the internal and external auditors in this respect. The Board and the AC are of the view that the internal audit is adequately resourced and has the appropriate standing within the Group.

C. COMMUNICATION WITH SHAREHOLDERS

Principle 14: Shareholders Rights

Principle 16: Conduct of Shareholder Meetings

Shareholders are given the opportunity to communicate their views and encouraged to raise pertinent questions to the Board members and to vote at shareholders' meetings. The respective Chairmen of the AC, NC and RC, as well as the external auditors are also present at shareholders' meetings to address relevant questions raised by the Shareholders. Shareholders and potential investors are encouraged to visit the Company's website at www.singhaiyi.com for information on the Company.

The Constitution of the Company currently allows a shareholder of the Company to appoint up to two proxies to attend and vote in his stead at general meetings, and shareholders who are a "relevant intermediary" (as defined under Section 181 of the Companies Act) may also appoint multiple proxies pursuant to the Companies Act. The Company encourages shareholder participation at general meetings. Information on shareholder meeting is disseminated through notice in the annual reports or circular sent to shareholders. The notices are also released through SGXNET and published in The Business Times, as well as posted on the Company's website.

All resolutions put to every shareholders' meeting of the Company are voted separately unless the resolutions are interdependent and linked so as to form one significant proposal. Voting at shareholders' meeting held in FY2018 was conducted by poll voting. All polls are conducted in the presence of independent scrutineers. At all such shareholders' meetings, the Company had in place the relevant administrative procedures to facilitate poll voting in the event that shareholders demand for resolutions to be voted upon by poll. The power to demand a poll by shareholders is, in any case, conferred under the Company's Constitution, which in turn, is consistent with the statutory position under the Companies Act. Votes cast, for or against, and the respective percentages on each resolution are tallied and instantaneously announced at the meeting and announced via SGXNET on the same day of the meeting.

The minutes of general meetings are prepared with the names of the Directors, KMP, external auditors and consultants (if any) who have attended the meetings as well as details of proceedings including questions and answers session, where relevant. The minutes are available to shareholders upon their request.

CORPORATE GOVERNANCE REPORT

Guideline 15.4

(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?

Please refer to the section under “Communication with Shareholders”.

(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs the role?

Please refer to the section under “Communication with Shareholders”.

(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?

Please refer to the section under “Communication with Shareholders”.

Principle 15: Communication with Shareholders

The Company endeavours to communicate regularly, effectively and fairly with its shareholders.

Financial results and material information are communicated to shareholders on a timely basis. Communication is made through:

- Annual reports that are prepared and issued to all shareholders;
- Announcements via the SGXNET;
- Press releases on major developments;
- The Company’s website at www.singhaiyi.com from which shareholders can access information about the Group; and
- Notices of and explanatory memoranda for Annual General Meetings and Extraordinary General Meetings.

The Company holds briefings with analysts and the media to coincide with the release of the Group’s full year results. Media presentation slides are also released via the SGXNET and made available on the Company’s website. In addition, the Company takes an active role in investor relations by participating in roadshows.

Shareholders are also encouraged to contact or write to the Company’s investor relations as follows:

Contact: Silvia Heng/Zavier Ong
Tel: +65 6733 8873
Email: IR@singhaiyi.com

The Company does not have a fixed dividend policy at present as it is currently in its growth phase. The form, frequency and amount of dividends declared will depend on the Company’s earnings, general financial and business condition, results of operations, projected capital requirements for business growth, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

In respect of FY2018, the Company had recommended a final dividend of S\$0.003 per ordinary share which is subjected to Shareholders’ approval at the forthcoming AGM.

D. DEALINGS IN COMPANY’S SECURITIES

The Company has issued guidelines on dealing in the Company’s securities. This point to the existence of insider trading laws and the rules and regulations with regard to dealings in the Company’s securities by its Directors and officers. The Company sends out memoranda and e-mails to its Directors and officers to remind them that the Directors, key executives of the Group and their connected persons are prohibited from dealing in the Company’s shares two weeks before the announcement of the Company’s quarterly results and one month before the announcement of the Company’s full-year results and ending on the date of announcement of the relevant results.

In addition, the Company also discourages the Directors and officers from dealing in the Company’s securities on short-term considerations.

Directors are required to report to the Company Secretary whenever they deal in the Company’s shares and the latter or the Company will make the necessary announcements in accordance with the requirements of the SGX-ST’s Listing Rules and the Securities and Futures Act, Chapter 289.

CORPORATE GOVERNANCE REPORT

E. CODE OF CONDUCTS

The Company has an Employee Code of Conduct that sets the standards and ethical conduct expected of employees. The Employee Code of Conduct provides guidance on issues such as conflict of interest, the Company's stance against fraud and bribery, and safeguarding of Company's assets, proprietary information and intellectual property. Employees are required to observe and maintain high standards of integrity, as well as compliance with laws and regulations, and company policies. The Company has in place practices covering data protection and workplace health and safety, and clear guidelines on how to handle workplace harassment and grievances. The Employee Code of Conduct, policies and guidelines are printed and given to all employees.

F. MATERIAL CONTRACTS

Save for the IPTs as disclosed above, there were no material contracts entered into between the Company or any of its subsidiaries with any Director or controlling shareholder in FY2018.

G. USE OF PROCEEDS

a. Rights Issue in July 2013

The Company had on 2 August 2013 completed the issuance of 12,867,569,621 new Shares pursuant to a Rights Issue in July 2013. It was intended that the gross proceeds of S\$193.01 million be utilised to pursue the property investment in the US.

	S\$ million
Proceeds from Rights Issue	193.01

Use of proceeds in accordance with the intended use stated in circular dated 13 June 2013:

1. Professional fees and related expenses of the Rights Issue	0.35
2. Payment of bid price of US\$45.0 million for acquisition of Tri-County Mall ("TCM")	56.57
3. Payment for the acquisition of 5 Thomas Mellon ("5TM") for US\$24.4 million	30.41
4. Partial payment of secured debt of US\$29.8 million in relation to acquisition of Vietnam Town ("VT")	8.59
5. Capital expenditure on TCM	7.68
6. Development costs on 5TM	9.67
7. Transaction costs in relation to TCM	1.95
8. Transaction costs in relation to VT	0.99
9. Transaction costs in relation to 5TM	0.57
10. General working capital ⁽¹⁾	8.42
Balance of net proceeds as at date of this report	<u><u>67.81</u></u>

b. Rights Issue in March 2018

The company had on 14 March 2018 completed the issuance of 1,435,148,925 new Shares pursuant to a Rights issue in January 2018. It was intended that the gross proceeds of S\$143.51 million be utilised to pursue property investments thru either direct acquisition of real estate or the acquisition of vehicles holding the real estate and for general corporate and working capital purposes.

	S\$ million
Proceeds from Rights Issue	143.51

Use of proceeds in accordance with the intended use stated in Offer Information Statement dated 19 February 2018:

1. Professional fees and related expenses of the Rights Issue	0.32
2. Partial payment for the acquisition of Sun Rosier	27.10
3. General working capital ⁽¹⁾	1.25
Balance of net proceeds as at date of this report	<u><u>114.84</u></u>

⁽¹⁾ General working capital consists of professional fees, financing costs and administrative expenses



FINANCIAL
CONTENTS

65

Directors'
Statement

69

Independent
Auditors'
Report

74

Statements of
Financial Position

75

Consolidated
Statement of Profit
or Loss

76

Consolidated
Statement of
Comprehensive
Income

77

Consolidated
Statement of
Changes In Equity

79

Consolidated
Statement of
Cash Flows

81

Notes to the
Financial Statements

DIRECTORS' STATEMENT

Year ended 31 March 2018

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2018.

In our opinion:

- (a) the financial statements set out on pages 74 to 143 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Mr. Neil Bush
 Mr. Gordon Tang
 Mrs. Celine Tang
 Mr. Mao Jinshan
 Mr. Gn Hiang Meng
 Mr. David Hwang Soo Chin
 Mr. See Yen Tarn
 Ms. Yang Manlin

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of financial year	Holdings at end of financial year
Neil Bush ⁽¹⁾		
- ordinary shares		
- deemed interests	220,000,000	220,000,000
Gordon Tang ⁽²⁾		
- ordinary shares		
- deemed interests	1,832,364,081	2,880,713,367

DIRECTORS' STATEMENT (CONT'D)

Year ended 31 March 2018

Name of director and corporation in which interests are held	Holdings at beginning of financial year	Holdings at end of financial year
Celine Tang ⁽³⁾		
- ordinary shares		
- deemed interests	1,612,364,081	2,779,213,367
Mao Jinshan		
- ordinary shares		
- interests held	4,075,600	4,075,600
Gn Hiang Meng		
- ordinary shares		
- interests held	–	750,000
David Hwang Soo Chin		
- ordinary shares		
- interests held	500,000	1,500,000
Yang Manlin ⁽⁴⁾		
- ordinary shares		
- deemed interests	237,000,000	237,000,000

⁽¹⁾ Mr. Neil Bush and his spouse are ultimate shareholders of New Palace Developments Limited (“NPDL”). NPDL is, or its directors are accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of Mr. Neil Bush. NPDL owns 30% in Acquire Wealth Limited (“AWL”) and accordingly, Mr. Neil Bush through NPDL is deemed to have an interest in the shares which AWL is interested in by virtue of Section 7 of the Act.

⁽²⁾ Mr. Gordon Tang has a controlling interest in Haiyi Holdings Pte Ltd (“Haiyi”). He is therefore deemed to have interest in the shares which Haiyi is interested in by virtue of Section 7 of the Act. In addition, he owns 70% interest in AWL and accordingly he is also deemed to have interest in the shares which AWL is interested in by virtue of Section 7 of the Act.

⁽³⁾ Mrs. Celine Tang is entitled to exercise or control the exercise of not less than 20% of the votes attached to the shares held by her in Haiyi. She is therefore deemed to have interest in the shares which Haiyi is interested in by virtue of Section 7 of the Act. In addition, Senz Holdings Limited (“Senz”) is a shareholder of SingHaiyi Group Ltd, and she is a director of Senz, and accordingly she is also deemed to have interest in the shares which Senz is interested in by virtue of Section 7 of the Act.

⁽⁴⁾ Ms. Yang Manlin has a controlling interest in Hai Run Pte. Ltd. She is a director of Hai Run Pte. Ltd. and is deemed to have interest in the shares held by Hai Run Pte. Ltd. by virtue of Section 7 of the Act.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations, either at the beginning or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2018.

Except as disclosed under the ‘Share options’ section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT (CONT'D)

Year ended 31 March 2018

SHARE OPTIONS

In 2014, the Company established a share option scheme known as the SingHaiyi Share Option Scheme 2013 (the "2013 Share Option Scheme").

Key information regarding the 2013 Share Option Scheme are set out below:

- the exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price in respect of options granted at the time of grant;
- the aggregate number of shares over which the Company may grant options on any date shall not exceed 15% of the total shares of the Company (excluding treasury shares) on the day preceding that date; and
- the aggregate number of shares comprised in options to be available to the Company and its subsidiaries' employees and non-executive directors shall not exceed 20% of the total number of shares comprised in options which may be granted.

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this statement are:

Mr. Gn Hiang Meng (Chairman)
Mr. David Hwang Soo Chin
Mr. See Yen Tarn

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held 4 meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

DIRECTORS' STATEMENT (CONT'D)

Year ended 31 March 2018

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee has undertaken a review of the nature and extent of non-audit services provided by the auditors. In the opinion of the Audit Committee, these services would not affect the independence of the auditors.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing the auditors for the Company, subsidiaries and significant associated companies, the Company has complied with Rules 712 and 715 of the SGX Listing Manual.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Celine Tang
Director

Mao Jinshan
Director

24 May 2018

INDEPENDENT AUDITORS' REPORT

Members of the Company
SingHaiyi Group Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SingHaiyi Group Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2018, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 74 to 143.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Members of the Company
SingHaiyi Group Ltd.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties (\$99,157,000) (Refer to Note 5 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As at 31 March 2018, the Group has a portfolio of investment properties comprising commercial properties in Singapore and shopping mall in the United States. These investment properties are measured at fair values based on independent external valuation.</p> <p>The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuation is sensitive to the key assumptions relating to discount rates, rent growth rates and terminal capitalisation rates. A change in the assumptions can have a significant impact on the valuation.</p>	<p><i>Our response</i></p> <p>We assessed the qualifications and competence of the external valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.</p> <p>We held discussions with the valuers to understand their valuation method and basis of valuation by comparing them with methodologies applied by other valuers.</p> <p>Where applicable, we evaluated the reasonableness of the estimated selling prices implied in valuation reports by comparing them with recent transacted prices of comparable properties in the vicinity.</p> <p>We also tested key inputs such as rental income used in the valuation to actual rental income and assessed discount rates and terminal capitalisation rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. We enquired with management on their development plan to ascertain if the assumptions used in the valuation are appropriate.</p> <p><i>Our findings</i></p> <p>We found no matter of concern regarding the competence, capability and objectivity of the external valuers.</p> <p>The valuation methodologies are in line with generally accepted market practices and the key assumptions are within range of market data.</p>

INDEPENDENT AUDITORS' REPORT (CONT'D)

Members of the Company
SingHaiyi Group Ltd.

Valuation of development properties (\$268,452,000) (Refer to Note 11 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As at 31 March 2018, the Group has development properties in Singapore and the United States. These development properties are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price, less estimated costs of completion and selling expenses.</p> <p>The determination of the estimated net realisable value of these development properties is dependent upon the Group's judgement over its estimates of projection of demand and future selling prices of these development properties, and costs to complete the development. Changes to these estimates can have a significant impact to the financial statements.</p>	<p><i>Our response</i></p> <p>We assessed the Group's processes for setting and monitoring selling prices and cost budgets.</p> <p>We assessed the Group's estimated selling prices of the development properties by comparing them to the units that have been sold and the recently transacted prices of comparable properties located in the same vicinity. We have also read industry reports on industry outlook and considered their potential impact on management's estimates.</p> <p>We reviewed the estimated development costs by making enquiries with management and comparing the estimation to the historical cost incurred and the approved budget.</p> <p><i>Our findings</i></p> <p>We found that the management assessment of the estimated selling prices, development costs of the development properties and allowance for diminution in value to be balanced.</p>

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Shareholders Information, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Shareholders Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action in accordance with SSAs.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Members of the Company
SingHaiyi Group Ltd.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Members of the Company
SingHaiyi Group Ltd.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Tran Phuoc.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
24 May 2018

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2018

	Note	Group		Company	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Non-current assets					
Property, plant and equipment	4	1,806	5,880	734	218
Investment properties	5	99,157	100,842	–	–
Subsidiaries	6	–	–	186,892	189,004
Associates and joint ventures	7	126,977	142,598	–	–
Amounts due from subsidiaries	8	–	–	128,661	159,821
Available-for-sale financial assets	9	65,420	–	65,420	–
Deferred tax assets	10	–	1,922	–	–
		<u>293,360</u>	<u>251,242</u>	<u>381,707</u>	<u>349,043</u>
Current assets					
Development properties	11	268,452	551,534	–	–
Trade and other receivables	12	108,615	114,320	4,365	9,332
Amounts due from subsidiaries	8	–	–	59,044	78,009
Financial assets at fair value through profit or loss	13	58,601	6,758	58,601	6,758
Cash and cash equivalents	14	194,029	51,701	161,378	2,356
		<u>629,697</u>	<u>724,313</u>	<u>283,388</u>	<u>96,455</u>
Total assets		<u>923,057</u>	<u>975,555</u>	<u>665,095</u>	<u>445,498</u>
Non-current liabilities					
Loans and borrowings	15	64,125	8,911	9	36
Loan from non-controlling interests	17	39,916	15,885	–	–
Deferred tax liabilities	10	6,147	14,425	–	–
		<u>110,188</u>	<u>39,221</u>	<u>9</u>	<u>36</u>
Current liabilities					
Trade and other payables	18	32,774	196,672	1,573	1,668
Loans and borrowings	15	69,224	189,451	59,720	25,821
Loan from controlling shareholder of the Company	19	–	15,000	–	15,000
Loan from a related company	16	32,964	37,714	–	–
Current tax payable		9,753	3,972	–	–
		<u>144,715</u>	<u>442,809</u>	<u>61,293</u>	<u>42,489</u>
Total liabilities		<u>254,903</u>	<u>482,030</u>	<u>61,302</u>	<u>42,525</u>
Equity attributable to owners of the Company					
Share capital	20	526,433	382,918	526,433	382,918
Retained earnings		122,098	98,441	66,353	14,639
Reserves	20	6,550	8,485	11,007	5,416
		<u>655,081</u>	<u>489,844</u>	<u>603,793</u>	<u>402,973</u>
Non-controlling interests	21	13,073	3,681	–	–
Total equity		<u>668,154</u>	<u>493,525</u>	<u>603,793</u>	<u>402,973</u>
Total equity and liabilities		<u>923,057</u>	<u>975,555</u>	<u>665,095</u>	<u>445,498</u>

The accompanying notes from an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2018

	Note	2018 \$'000	2017 \$'000
Revenue	22	458,838	44,189
Cost of sales		(398,775)	(22,516)
Gross profit		60,063	21,673
Other income	23	14,786	36,068
Selling and marketing expenses		(4,632)	(7,163)
Administrative expenses		(10,858)	(11,924)
Other operating expenses		(12,746)	(23,240)
Results from operating activities		46,613	15,414
Finance income	24	1,217	1,655
Finance costs	25	(3,816)	(5,587)
Net finance costs		(2,599)	(3,932)
Share of results of equity-accounted investees, net of tax		(1,312)	14,883
Profit before tax		42,702	26,365
Tax (expense)/credit	26	(2,740)	4,406
Profit for the year	27	39,962	30,771
Profit attributable to:			
Owners of the Company		32,268	31,111
Non-controlling interests	21	7,694	(340)
Profit for the year		39,962	30,771
Earnings per share	29		
Basic and diluted earnings per share (cents)		1.097	1.084

The accompanying notes from an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2018

	2018	2017
	\$'000	\$'000
Profit for the year	39,962	30,771
Other comprehensive income:		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Share of currency translation differences of equity-accounted investees	3,806	(5,206)
Change in fair value of available-for-sale financial assets	5,891	–
Currency translation differences relating to foreign operations	(10,890)	6,720
Other comprehensive income for the year, net of income tax	(1,193)	1,514
Total comprehensive income for the year	38,769	32,285
Total comprehensive income attributable to:		
Owners of the Company	31,075	32,625
Non-controlling interests	7,694	(340)
Total comprehensive income for the year	38,769	32,285

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2018

	Note	Attributable to owners of the Company					Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Capital reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000		
At 1 April 2016		382,272	5,416	1,555	73,071	462,314	5,564	467,878
Total comprehensive income for the year								
Profit/(loss) for the year		-	-	-	31,111	31,111	(340)	30,771
Other comprehensive income								
Share of currency translation differences of equity-accounted investees		-	-	(5,206)	-	(5,206)	-	(5,206)
Currency translation differences relating to foreign operations		-	-	6,720	-	6,720	-	6,720
Total other comprehensive income		-	-	1,514	-	1,514	-	1,514
Total comprehensive income for the year		-	-	1,514	31,111	32,625	(340)	32,285
Transactions with owners, recorded directly in equity								
Share options exercised	20	646	-	-	-	646	-	646
Dividends declared	20	-	-	-	(5,741)	(5,741)	(1,543)	(7,284)
Total transactions with owners		646	-	-	(5,741)	(5,095)	(1,543)	(6,638)
At 31 March 2017		382,918	5,416	3,069	98,441	489,844	3,681	493,525

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 31 March 2018

	Note	Attributable to owners of the Company							Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Capital reserve \$'000	Translation reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000			
At 1 April 2017		382,918	5,416	3,069	-	98,441	489,844	3,681	493,525	
Total comprehensive income for the year		-	-	-	-	32,268	32,268	7,694	39,962	
Other comprehensive income										
Share of currency translation differences of equity-accounted investees		-	-	3,806	-	-	3,806	-	3,806	
Change in fair value of available-for-sale financial assets		-	-	-	5,891	-	5,891	-	5,891	
Currency translation differences relating to foreign operations		-	-	(10,890)	-	-	(10,890)	-	(10,890)	
Total other comprehensive income		-	-	(7,084)	5,891	-	(1,193)	-	(1,193)	
Total comprehensive income for the year		-	-	(7,084)	5,891	32,268	31,075	7,694	38,769	
Transactions with owners, recorded directly in equity										
Issue of shares pursuant to rights issue	20	143,515	(300)	-	-	-	143,215	-	143,215	
Acquisition of non-controlling interests without a change in control	6	-	(442)	-	-	-	(442)	1,425	983	
Capital contribution from non-controlling interest		-	-	-	-	-	-	4,500	4,500	
Dividends declared	20	-	-	-	-	(8,611)	(8,611)	(4,227)	(12,838)	
Total transactions with owners		143,515	(742)	-	-	(8,611)	134,162	1,698	135,860	
At 31 March 2018		526,433	4,674	(4,015)	5,891	122,098	655,081	13,073	668,154	

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2018

	2018	2017
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	42,702	26,365
Adjustments for:		
Changes in fair value of financial assets at fair value through profit or loss	1,644	(567)
Changes in fair value of investment properties	11,730	22,282
Depreciation of property, plant and equipment	351	323
Gain on disposal of associated company and other investments	–	(30,450)
Gain on disposal of financial assets at fair value through profit and loss	(1)	(686)
Interest and dividend income	(1,217)	(1,088)
Interest expense	2,172	5,587
Investment income	(1,526)	(1,438)
Loss on disposal of property, plant and equipment	7	–
Net unrealised foreign exchange gain	(296)	(434)
Share of loss/(profits) of equity-accounted investees, net of tax	1,312	(14,883)
Write back of allowance for diminution in value of development properties	(12,458)	–
	<u>44,420</u>	<u>5,011</u>
Changes in:		
Development properties	287,062	(132,392)
Trade and other receivables	6,986	35,765
Trade and other payables	(163,898)	125,604
Cash generated from operations	<u>174,570</u>	<u>33,988</u>
Tax paid	(1,909)	(4,283)
Net cash generated from operating activities	<u>172,661</u>	<u>29,705</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(785)	(763)
Acquisition of investment properties	(9,059)	–
Capital expenditure on investment properties	(1,475)	(2,447)
Interest and dividend income received	23,936	3,282
Proceed from disposal of property, plant and equipment	16	–
Investment in a joint venture	(4,604)	(16,785)
Investment in available-for-sale financial assets	(61,072)	–
Investment in financial assets at fair value through profit or loss	(60,342)	–
Investment income received	245	609
Net proceeds from disposal of investment in financial assets at fair value through profit or loss	6,759	140,261
Net proceeds from disposal of investment in associate and other investment	–	5,000
Net cash (used in)/generated from investing activities	<u>(106,381)</u>	<u>129,157</u>

The accompanying notes from an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Year ended 31 March 2018

	Note	2018 \$'000	2017 \$'000
Cash flows from financing activities			
Acquisition of non-controlling interests		(80)	–
Capital contribution from non-controlling interests		4,500	–
Dividends paid to non-controlling interests		(4,227)	(1,543)
Dividends paid to owners of the Company		(8,611)	(5,741)
Interest paid		(1,984)	(7,130)
Proceeds from bank loans		121,124	66,748
Proceeds from issue of shares under share options		–	646
Proceeds from issue of shares under rights issue		143,515	–
Proceeds from/(Repayment of) loan from non-controlling interests		25,094	(10,758)
Payment of transaction costs in relation to rights issue		(300)	–
(Repayment of)/Proceeds from loan from a related company		(2,622)	37,714
(Repayment of)/Proceeds from loan from controlling shareholder of the Company		(15,000)	15,000
Repayment of bank loans		(184,758)	(166,827)
Redemption of medium term notes		–	(100,000)
Repayment from associated company		–	23,400
Net cash generated from/(used in) financing activities		<u>76,651</u>	<u>(148,491)</u>
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		142,931	10,371
Cash and cash equivalents at beginning of the year		51,701	40,988
Effect of exchange rate fluctuations on cash held		(603)	342
Cash and cash equivalents at end of the year	14	<u><u>194,029</u></u>	<u><u>51,701</u></u>

The accompanying notes from an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 May 2018.

1 DOMICILE AND ACTIVITIES

SingHaiyi Group Ltd (the “Company”) is incorporated in Singapore and has its registered office at 6 Shenton Way, #45-01 OUE Downtown 1, Singapore 068809.

The financial statements of the Group as at and for the year ended 31 March 2018 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in equity-accounted investees.

The principal activities of the Group and the Company are those relating to property developers and owners, property managers and investment holding. The Company also acts as a holding company and provides management services to its subsidiaries, equity-accounted investees and external parties.

The immediate and ultimate holding company is Haiyi Holdings Pte Ltd, a company incorporated in Singapore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The Group’s financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“FRS”).

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 5 Determination of the fair values of investment properties
- Note 6 & 8 Measurement of recoverable amounts of investments in and amounts due from subsidiaries
- Note 10 Utilisation of tax losses
- Note 11 Allowance for diminution in value of development properties
- Note 26 Estimation of current and deferred tax

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 Investment properties
- Note 9 Available-for-sale financial assets
- Note 13 Financial assets at fair value through profit or loss

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

Revised standards

The Group has applied the following amendments for the first time for the annual period beginning on 1 April 2017:

- *Disclosure Initiative (Amendments to FRS 7);*
- *Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 12); and*
- *Clarification of the scope of FRS 112 (Improvements to FRSs 2016).*

Other than the amendments to FRS 7, the adoption of these amendments did not have any impact on the current or prior period and is not likely to affect future periods.

Disclosure Initiative (Amendment to FRS 7)

From 1 April 2017, as a result of the amendments to FRS 7, the Group has provided additional disclosure in relation to the changes in liabilities arising from financial activities for the year ended 31 March 2018. Comparative information has not been presented (see note 15).

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Investments in associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Investments in associates and joint ventures (equity-accounted investees) (cont'd)

Investments in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss, except for the differences which are recognised in other comprehensive income ("OCI") arising on the translation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

Foreign operations (cont'd)

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risk and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables, and financial assets at fair value through profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, amounts due from subsidiaries and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Loans and receivables (cont'd)

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise equity and debt securities that otherwise would have been classified as available-for-sale financial assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments (see note 3.2), are recognised in OCI and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, loan from non-controlling interests, trade and other payables, loan from controlling shareholder of the Company and loan from a related company.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest and gains and losses related to the financial liability component are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are initially measured at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has an useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

- Leasehold buildings over remaining lease terms of 51 years
- Leasehold improvements 3 to 19 years
- Furniture and fittings 5 years
- Office equipment 5 years
- Computers 3 to 5 years
- Motor vehicles 5 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss. When the property is sold, the related amount in the revaluation reserve is transferred to retained earnings.

3.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Investment property (cont'd)

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and carrying amount of the item) is recognised in profit or loss.

Property that is being constructed for future use as investment property is accounted for at fair value.

3.6 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes land acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities.

Borrowing costs that are directly attributable to the acquisition and development property are capitalised as part of the cost of the development property during the period of development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Properties under development, sales of which are recognised using percentage of completion method

The aggregated costs incurred together with attributable profits and net of progress billings are presented as development properties in the statement of financial position. If progress billings exceed costs incurred plus recognised profits, the balance is presented as deferred income.

Other properties under development

The aggregated costs incurred are presented as development properties while progress billings are presented separately as deferred income in the statement of financial position.

3.7 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

Non-derivative financial assets (cont'd)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amount are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in OCI.

Associates and joint ventures

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 7. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than development properties, investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

Non-financial assets (cont'd)

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employee is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

3.10 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether the additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income and fair value gains on financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise interest expense on borrowings and fair value losses on financial assets at fair value through profit or loss. Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to borrowings acquired specifically for the construction or development of properties. The actual borrowing costs incurred during the period are capitalised in the cost of the properties under development.

3.12 Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred or services rendered to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Sale of development properties

For properties under development for sale that fall under Design, Build and Sell Scheme ("DBSS") and Executive Condominium ("EC") in Singapore, revenue is recognised upon the transfer of control and significant risks and rewards of ownership of the property to the buyers. This generally coincides with the point in time the development unit is delivered to the buyer. No revenue is recognised when there is significant uncertainty as to the collectability of consideration due or the possible return of units sold.

For overseas development projects, the Group will recognise revenue and profit upon the transfer of control and significant risks and rewards of ownership, which generally coincides with the point in time when the development units are delivered to the buyers. No revenue is recognised when there is significant uncertainty as to the collectability of consideration due or the possible return of units sold.

Revenue from sales of other properties under development is recognised by reference to the stage of completion using the percentage of completion method when the Group determines that (a) control and the significant risks and rewards of ownership of the work-in-progress transfer to the buyer in its current state as construction progresses, (b) the sales price is fixed and collectible, (c) the percentage of completion can be measured reliably, (d) there is no significant uncertainty as to the ability of the Group to complete the development, and (e) costs incurred or to be incurred can be measured reliably.

The percentage of completion is measured by reference to the work performed, based on the stage of completion certified by quantity surveyors. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction works.

Rendering of services

Revenue from rendering of services is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grants will be received and the Group will comply with all the attached conditions.

Government grants receivables are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

3.14 Inter-company interest-free loans

In the Company's financial statements, interest-free loans to subsidiaries are stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investment in subsidiaries in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest income in profit or loss over the expected repayment period.

Interest-free loans, where settlement is neither planned nor likely to occur in the foreseeable future, are in substance, part of the Company's net investment in the entities and are stated at cost less accumulated impairment losses.

Such balances are eliminated in full in the Group's consolidated financial statements.

3.15 Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

3.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and corporate expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and investment properties.

NOTES TO THE FINANCIAL STATEMENTS

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings \$'000	Leasehold improvements \$'000	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Motor vehicles \$'000	Total \$'000
Cost							
At 1 April 2016	4,926	980	99	26	106	535	6,672
Additions	–	219	81	425	6	32	763
Translation differences	–	20	–	–	–	–	20
At 31 March 2017	4,926	1,219	180	451	112	567	7,455
Additions	–	606	83	48	23	25	785
Disposal	–	–	–	–	–	(31)	(31)
Reclassification to investment properties	(4,926)	–	–	–	–	–	(4,926)
Translation differences	–	(43)	(5)	(27)	–	(11)	(86)
At 31 March 2018	–	1,782	258	472	135	550	3,197
Accumulated depreciation							
At 1 April 2016	336	521	92	18	54	231	1,252
Depreciation charge for the year	87	116	35	12	34	39	323
At 31 March 2017	423	637	127	30	88	270	1,575
Depreciation charge for the year	87	112	30	21	15	86	351
Disposal	–	–	–	–	–	(8)	(8)
Reclassification to investment properties	(510)	–	–	–	–	–	(510)
Translation differences	–	(9)	(2)	(1)	–	(5)	(17)
At 31 March 2018	–	740	155	50	103	343	1,391
Carrying amounts							
At 1 April 2016	4,590	459	7	8	52	304	5,420
At 31 March 2017	4,503	582	53	421	24	297	5,880
At 31 March 2018	–	1,042	103	422	32	207	1,806

NOTES TO THE FINANCIAL STATEMENTS

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold Improve- ments \$'000	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Motor vehicles \$'000	Total \$'000
Company						
Cost						
At 1 April 2016	–	23	11	77	390	501
Additions	–	5	–	5	–	10
At 31 March 2017	–	28	11	82	390	511
Additions	524	83	18	23	–	648
At 31 March 2018	524	111	29	105	390	1,159
Accumulated depreciation						
At 1 April 2016	–	16	5	38	164	223
Depreciation charge for the year	–	5	2	24	39	70
At 31 March 2017	–	21	7	62	203	293
Depreciation charge for the year	68	10	3	13	38	132
At 31 March 2018	68	31	10	75	241	425
Carrying amounts						
At 1 April 2016	–	7	6	39	226	278
At 31 March 2017	–	7	4	20	187	218
At 31 March 2018	456	80	19	30	149	734

At 31 March 2018, motor vehicles of the Group and the Company with carrying amounts of \$149,000 (2017: \$187,000) are held under finance lease (note 15).

During the year, the leasehold buildings of the Group were transferred to investment properties, because after the Group has relocated to its new premises, it was decided that the buildings would be leased to third parties.

NOTES TO THE FINANCIAL STATEMENTS

5 INVESTMENT PROPERTIES

	Group	
	2018	2017
	\$'000	\$'000
Investment properties at fair value	99,157	100,842

The details of the Group's investment properties as at 31 March 2018 were:

Description	Site area (sq. ft)	Tenure
Tri-County Mall, a two-storey shopping mall with an open car park at 11700 Princeton Pike, Cincinnati, Ohio, USA	3,314,916	Freehold
5 home office units, No. 883 North Bridge Road, Southbank, Singapore 198785	6,028	99 years commencing from 27 January 2006 to 26 January 2105
10 factory units, 81 Ubi Avenue 4, #02-19 to #02-28, UB. One, Singapore 408830	13,853	60 years commencing from 31 December 2008 to 30 December 2068
1 office unit, No.8 Eu Tong Sen Street #23-81, The Central, Singapore 059818	1,216	99 years commencing from 21 January 2001 to 20 January 2100
5 factory units, #02-02, #02-04 to #02-07,701 Sims Drive LHK Building Singapore, 387383	14,736	Freehold

The investment properties comprise a shopping mall, several office and factory units that are leased to non-related parties under operating leases. Generally, the leases contain an initial non-cancellable period of 1 to 10 years. Subsequent renewals are negotiated with the lessee. During the year, contingent rents, representing income based on certain sales achieved by tenants, recognised in profit or loss amounted to \$1,333,000 (2017: \$2,150,000).

Security

At 31 March 2018, investment properties of the Group with carrying amounts of \$17,305,000 (2017: \$14,530,000) are pledged as security to secure credit facilities (note 15).

NOTES TO THE FINANCIAL STATEMENTS

5 INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value

(i) Fair value hierarchy

The fair values of investment properties were determined by external, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. The independent valuers provide the fair value of the Group's investment properties portfolio annually. Valuations are made based on the properties' highest-and-best use using direct market comparison method and discounted cash flows method.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

(ii) Level 3 fair value

The reconciliation of Level 3 fair values movement is as follows:

	Group	
	2018	2017
	\$'000	\$'000
At beginning of the year	100,842	116,960
Acquisition of investment properties	9,059	–
Capital expenditure on investment properties	1,475	2,447
Reclassification from property, plant and equipment	4,416	–
Changes in fair value	(11,730)	(22,282)
Currency translation differences	(4,905)	3,717
At end of the year	<u>99,157</u>	<u>100,842</u>

Valuation technique and significant unobservable inputs

In the absence of a price per square foot for similar buildings with comparable lease terms in an active market, the valuations are prepared by considering the estimated rental value of the property (i.e. the income approach). A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

NOTES TO THE FINANCIAL STATEMENTS

5 INVESTMENT PROPERTIES (CONT'D)

Valuation technique and significant unobservable inputs (cont'd)

The following table shows the Group's valuation technique used in measuring the fair values of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	Unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows approach	Rent growth rate	3.2% to 7.3% (2017:1.1% to 4.2%)	Increase in rent growth rate and price per square foot would result in higher fair value measurement. Conversely, increase in both discount and terminal capitalisation rates in isolation would result in lower fair value measurement.
	Discount rate	12.0% (2017:11.0%)	
	Terminal capitalisation rate	11.5% (2017:10.0%)	
Market comparable approach	Price per square foot	\$543 to \$2,549 (2017: \$584 to \$2,549)	

6 SUBSIDIARIES

	Company	
	2018 \$'000	2017 \$'000
Equity investment, at cost	149,302	149,222
Less: Allowance for impairment loss of investments	(1,000)	(1,000)
	148,302	148,222
Amount due from a subsidiary	38,590	40,782
	186,892	189,004

The amount due from a subsidiary is unsecured, interest-free and is treated as a long-term source of additional capital. In substance, it represents addition to the Company's net investment in the subsidiary.

Impairment of investment in and allowance for doubtful receivables on amount due from subsidiaries

The Company assesses at each report date whether there is any objective evidence that the investment in and amount due from a subsidiary is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the industry performance, technology changes, operational and financing cash flow. Management will also consider the financial conditions and business prospects of the subsidiaries.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on the forecasted performance of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

6 SUBSIDIARIES (CONT'D)

Details of the subsidiaries at the end of the financial year end are as follows:

Company name	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group	
			2018 %	2017 %
Anchorvale Residences Pte Ltd	Real estate development	Singapore	80	80
Charlton Residences Pte Ltd	Real estate development	Singapore	80	80
Corporate Residence Pte Ltd	Real estate development	Singapore	100	90
Ocean Landing LLC*	Real estate development	USA	100	100
Sing-Haiyi Crystal Pte Ltd	Real estate development	Singapore	50	–
Sing-Haiyi Gold Pte Ltd	Real estate development	Singapore	50	–
SingHaiyi Huajiang Amber Pte Ltd	Real estate development	Singapore	50	–
SingHaiyi Huajiang Sun Pte Ltd	Real estate development	Singapore	50	–
SingXpress Kaylim Pte Ltd	Real estate development	Singapore	80	80
Vietnam Town Property LLC*	Real estate development	USA	100	100
Angel Investment Management Pte Ltd	Properties holding	Singapore	100	100
SXL Model Productions Pte Ltd	Properties holding	Singapore	100	100
SingHaiyi Capital Pte Ltd	Properties investment	Singapore	100	100
Tri-County Mall LLC*	Properties investment	USA	100	100
SingHaiyi Development Pte Ltd	Property development advisory services	Singapore	100	100
Asset Century International Limited*	Investment holding	British Virgin Islands	100	100
Corporate Bridge International Pte Ltd	Investment holding	Singapore	100	100
Corporate Bridge Pte Ltd	Investment holding	Singapore	100	100
Golden Gulf Enterprises Limited*	Investment holding	British Virgin Islands	100	100
Phoenix 99 Pte Ltd	Investment holding	Singapore	100	100
Phoenix Real Estate Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Huajiang Investment Pte Ltd	Investment holding	Singapore	50	–
SingHaiyi Investments Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Land Pte Ltd (previously known as SingHaiyi TripleOne Pte Ltd)	Investment holding	Singapore	100	100
SingHaiyi Properties Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Realtors Pte Ltd	Investment holding	Singapore	100	100
Sing-Haiyi Realty Pte Ltd	Investment holding	Singapore	100	–
Sing-Haiyi Treasure Pte Ltd	Investment holding	Singapore	50	–
SingHaiyi Travel Holdings Pte Ltd	Investment holding	Singapore	100	100
SingXpress Land (Pasir Ris) Pte Ltd	Investment holding	Singapore	100	100
SingXpress Property Development Pte Ltd	Investment holding	Singapore	81.6	81.6

KPMG LLP are the auditors of all Singapore-incorporated subsidiaries

* Not required to be audited under the laws of the place of incorporation.

NOTES TO THE FINANCIAL STATEMENTS

6 SUBSIDIARIES (CONT'D)

Acquisition of non-controlling interests

In May 2017, the Group acquired the remaining 10% interest in Corporate Residence Pte Ltd for a cash consideration of \$80,000. The net liabilities of Corporate Residence Pte Ltd on the date of the acquisition was \$14,250,000. The Group recognised an increase in non-controlling interests ("NCI") of \$1,425,000 and a decrease in capital reserve and equity attributable to owners of the Company of \$442,000, as follows:

	2018 \$'000
Carrying amount of NCI acquired (\$14,250,000 x 10%)	(1,425)
Waiver of shareholder's loan extended by NCI	1,063
Consideration paid to NCI	(80)
Decrease in equity attributable to owners of the Company	(442)

7 ASSOCIATES AND JOINT VENTURES

	Group	
	2018 \$'000	2017 \$'000
Interest in associates	52,329	71,928
Interest in joint ventures	74,648	70,670
	126,977	142,598

(a) Associates

Details of significant associates are as follows:

Name	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group	
			2018 %	2017 %
ARA Harmony Fund III ⁽¹⁾	Real estate investment	Cayman Islands	25	25
Tampines EC Pte Ltd ⁽²⁾	Real estate development	Singapore	24.48	24.48

⁽¹⁾ Audited by KPMG LLP

⁽²⁾ Audited by Moore Stephens LLP

NOTES TO THE FINANCIAL STATEMENTS

7 ASSOCIATES AND JOINT VENTURES (CONT'D)

(a) Associates (cont'd)

The following summarises the financial information of each of the Group's associates based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	ARA Harmony Fund III \$'000	Tampines EC Pte Ltd \$'000	Total \$'000
2018			
Revenue	43,631	4,718	
(Loss)/Profit for the year/Total comprehensive income	<u>(6,610)</u>	<u>1,004</u>	
Non-current assets	89,568	–	
Current assets	539,006	9,816	
Non-current liabilities	(405,718)	–	
Current liabilities	<u>(18,656)</u>	<u>(5,552)</u>	
Net assets	<u>204,200</u>	<u>4,264</u>	
Group's interest in net assets of investee at beginning of the year	51,090	20,838	71,928
Capital distribution during the year	(2,194)	–	(2,194)
Dividends received during the year	–	(19,860)	(19,860)
Group's share of:			
- (loss)/profit for the year/total comprehensive income	(1,652)	301	(1,351)
- currency translation differences	3,806	–	3,806
Carrying amount of interest in investee at end of the year	<u>51,050</u>	<u>1,279</u>	<u>52,329</u>

NOTES TO THE FINANCIAL STATEMENTS

7 ASSOCIATES AND JOINT VENTURES (CONT'D)

(a) Associates (cont'd)

	Perennial Somerset Investors Pte Ltd \$'000	ARA Harmony Fund III \$'000	Tampines EC Pte Ltd \$'000	Total \$'000
2017				
Revenue	40,425	47,694	36,144	
Profit for the year/Total comprehensive income	<u>1,340</u>	<u>43,891</u>	<u>3,038</u>	
Non-current assets	–	597,648	–	
Current assets	–	21,770	90,826	
Non-current liabilities	–	(350,400)	–	
Current liabilities	–	(64,659)	(21,366)	
Net assets	<u>–</u>	<u>204,359</u>	<u>69,460</u>	
Group's interest in net assets of investee at beginning of the year	20,505	47,516	19,927	87,948
Disposal of investment	(20,773)	–	–	(20,773)
Capital distribution during the year	–	(2,193)	–	(2,193)
Group's share of:				
- profit for the year/total comprehensive income	268	10,973	911	12,152
- currency translation differences	–	(5,206)	–	(5,206)
Carrying amount of interest in investee at end of the year	<u>–</u>	<u>51,090</u>	<u>20,838</u>	<u>71,928</u>

In year 2017, the Group disposed of its investment in Perennial Somerset Investors Pte Ltd at a gain of \$30,450,000.

(b) Joint ventures

	Group	
	2018 \$'000	2017 \$'000
Unquoted shares in joint ventures, at cost	17,500	17,500
Share of post-acquisition reserve	3,898	4,524
	<u>21,398</u>	<u>22,024</u>
Amount due from a joint venture	53,250	48,646
	<u>74,648</u>	<u>70,670</u>

The amount due from a joint venture is unsecured, interest-free and is treated as a long-term source of additional capital. In substance, it represents addition to the Group's net investment in the joint venture.

NOTES TO THE FINANCIAL STATEMENTS

7 ASSOCIATES AND JOINT VENTURES (CONT'D)

(b) Joint ventures (cont'd)

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Effective equity interest held by the Group	
		2018 %	2017 %
ARA Fund Management (Harmony III) Limited ("AFM")*	Cayman Island	35	35
Park Mall Investment Limited ("PMIL")*	British Virgin Islands	35	35

* Not required to be audited under the laws of the place of incorporation.

AFM and PMIL are unlisted joint arrangements in which the Group has joint control via investors' agreement, and are the Company's strategic partners, principally engaged in property investment and development. Accordingly, the Company has classified its investments as joint ventures.

AFM and PMIL are structured as separate vehicles and the Group has a residual interest in the net assets.

The following table summarises the financial information of joint ventures, based on their financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	AFM \$'000	PMIL \$'000	Total \$'000
2018			
Revenue	2,456	–	
Profit/(Loss) for the year/Total comprehensive income ⁽¹⁾	866	(754)	
Non-current assets	–	598,604	
Current assets ⁽²⁾	1,060	7,143	
Non-current liabilities ⁽³⁾	–	(526,785)	
Current liabilities	(134)	(18,749)	
Net assets	926	60,213	
Group's interest in net assets of investee at beginning of the year	686	21,338	22,024
Dividends received during the year	(665)	–	(665)
Share of total comprehensive income	303	(264)	39
Carrying amount of interest in investee at end of the year	324	21,074	21,398
Includes the following:			
⁽¹⁾ Income tax credit	–	(220)	
⁽²⁾ Cash and cash equivalents	466	6,338	
⁽³⁾ Non-current financial liabilities (excluding trade and other payables, and provisions)	–	(526,785)	

NOTES TO THE FINANCIAL STATEMENTS

7 ASSOCIATES AND JOINT VENTURES (CONT'D)

(b) Joint ventures (cont'd)

	AFM \$'000	PMIL \$'000	Total \$'000
2017			
Revenue	2,510	10,213	
Profit for the year/Total comprehensive income ⁽¹⁾	<u>1,191</u>	<u>6,613</u>	
Non-current assets	–	556,863	
Current assets ⁽²⁾	2,088	13,306	
Non-current liabilities ⁽³⁾	–	(499,231)	
Current liabilities	(128)	(9,972)	
Net assets	<u>1,960</u>	<u>60,966</u>	
Group's interest in net assets of investee at beginning of the year	269	19,024	19,293
Share of total comprehensive income	417	2,314	2,731
Carrying amount of interest in investee at end of the year	<u>686</u>	<u>21,338</u>	<u>22,024</u>
Includes the following:			
⁽¹⁾ Income tax expense	–	331	
⁽²⁾ Cash and cash equivalents	1,637	11,520	
⁽³⁾ Non-current financial liabilities (excluding trade and other payables, and provisions)	–	(499,231)	

In accordance with the agreement under which PMIL was established, the Group agreed to make additional contributions in proportion to their interests for the purpose of redevelopment of the property acquired, up to a maximum amount of \$63,611,000 (2017: \$68,215,000). This is inclusive of the Group's share of PMIL's commitment. The commitment has not been recognised in the Group's consolidated financial statements.

There were no contingent liabilities as at 31 March 2018.

8 AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2018 \$'000	2017 \$'000
Non-current		
Loans to subsidiaries	128,661	173,171
Less: Allowance for impairment loss of loans	–	(13,350)
	<u>128,661</u>	<u>159,821</u>
Current		
Loans to subsidiaries	70,935	87,178
Less: Allowance for impairment loss of loans	(11,891)	(9,169)
	<u>59,044</u>	<u>78,009</u>

Non-current amounts due from subsidiaries are unsecured and bear interests ranging from 5.25% – 6.50% (2017: 5.25% – 6.50%) per annum. The amounts are not expected to be repaid within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

8 AMOUNTS DUE FROM SUBSIDIARIES (CONT'D)

Current amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

Allowance for doubtful receivables on amounts due from subsidiaries

The Company evaluates whether there is any objective evidence that receivables are impaired, and determines the amount of impairment loss as a result of the inability of the subsidiaries to make required payments. The Company determines the estimates based on the financial health of the subsidiaries, ageing of the receivables balance and credit-worthiness. If the financial condition of the subsidiaries were to deteriorate, an impairment for doubtful receivables may be required.

The Company's exposure to credit risk and impairment loss related to amounts due from subsidiaries are disclosed in note 32.

9 AVAILABLE-FOR-SALE FINANCIAL ASSETS

The available-for-sale financial assets represent the Group's investment in equity securities.

Measurement of fair values

The fair values of available-for-sale financial assets are determined by references to their quoted closing bid prices in an active market at the measurement date.

The Group's and the Company's exposure to credit risk related to available-for-sale financial assets is disclosed in note 32.

10 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets/(liabilities) are attributable to the following:

	Balance at beginning of the year \$'000	Currency translation difference \$'000	Recognised in profit or loss (note 26) \$'000	Balance at end of the year \$'000
Group				
2018				
Investment properties	(14,425)	656	7,622	(6,147)
Tax losses	1,922	–	(1,922)	–
	<u>(12,503)</u>	<u>656</u>	<u>5,700</u>	<u>(6,147)</u>
2017				
Investment properties	(20,206)	(698)	6,479	(14,425)
Tax losses	1,162	–	760	1,922
	<u>(19,044)</u>	<u>(698)</u>	<u>7,239</u>	<u>(12,503)</u>

NOTES TO THE FINANCIAL STATEMENTS

10 DEFERRED TAX ASSETS AND LIABILITIES (CONTD')

Presented as follows:

	Group	
	2018 \$'000	2017 \$'000
Deferred tax assets	–	1,922
Deferred tax liabilities	(6,147)	(14,425)
	(6,147)	(12,503)

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Tax losses	24,916	22,092	–	–

Tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of tax losses, other than as disclosed in the preceding paragraph, because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

The Group did not recognise deferred tax liabilities relating to unremitted accumulated earnings in foreign subsidiaries amounting to \$3,616,000 (2017: \$2,937,000) as the Group is able to control the timing of the reversal of this temporary difference and it is not probable that these earnings will be repatriated in the foreseeable future.

11 DEVELOPMENT PROPERTIES

	Group	
	2018 \$'000	2017 \$'000
Properties under development		
- Costs incurred	143,364	552,492
- Allowance for diminution in value	–	(14,400)
	143,364	538,092
Completed properties	127,030	13,442
- Allowance for diminution in value	(1,942)	–
	125,088	13,442
Total development properties	268,452	551,534
Finance costs capitalised during the year	956	4,454

Finance costs that relate to loans borrowed specifically to fund the development of the properties were capitalised during the development period.

NOTES TO THE FINANCIAL STATEMENTS

11 DEVELOPMENT PROPERTIES (CONT'D)

As at 31 March 2018, development properties of the Group with carrying amounts of \$117,045,000 (2017: \$400,062,000) are pledged as security to secured credit facilities (note 15).

The change in allowance for diminution in value in respect of development properties during the year is as follows:

	Group	
	2018	2017
	\$'000	\$'000
At 1 April	14,400	14,400
Write back of allowance during the year	(12,458)	–
At 31 March	1,942	14,400

The development properties are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price, less estimated costs of completion and selling expenses. The determination of the estimated net realisable value of the development properties is dependent upon the Group's judgement over its estimates of projection of demand and future selling prices of the development properties, and costs to complete the development. Based on the above assessment, the Group has estimated an allowance for diminution in value of a development property amounting to \$1,941,740 (2017: \$14,400,000) as at 31 March 2018.

Details of development properties held by the Group are as follows:

Location	Tenure	Land area (Sq. ft)	Gross floor area (Sq. ft)	Percentage of completion	Interest held by the Group
Completed projects					
235 Balestier Road, Singapore	Freehold	11,384	31,875	100%	100%
Pasir Ris Central/ Pasir Ris Drive 1, Singapore	99 year leasehold	176,400	441,000	100%	80%
Anchorvale Crescent, Singapore	99 year leasehold	175,236	525,709	100%	80%
Story Road, Santa Clara County, California, USA (Phase 1)	Freehold	410,766	160,878	100%	100%
Story Road, Santa Clara County, California, USA (Phase 2)	Freehold	442,736	223,990	100%	100%
Projects under development					
5 Thomas Mellon Circle, San Francisco, California, USA	Freehold	204,300	–	Planned development	100%
How Sun Park, Singapore	Freehold	54,942	84,611	Planned development	50%

NOTES TO THE FINANCIAL STATEMENTS

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Trade receivables	541	5,301	199	10
Less: impairment loss	(33)	(18)	–	–
	508	5,283	199	10
Accrued receivables	42,208	775	1,687	–
Other receivables	2,364	106,218	2,184	9,219
Deposits	28,389	189	205	80
	73,469	112,465	4,275	9,309
Prepaid expenses	35,146	1,855	90	23
	108,615	114,320	4,365	9,332

Included in deposit of the Group is a deposit of \$28,100,000 (2017: Nil) paid for acquisition of two new development sites. The acquisition of one of the development sites has been completed subsequent to the year end. The acquisition of the other development site is still pending completion.

Included in prepaid expenses of the Group is a stamp duty of \$33,400,000 (2017: Nil) paid for the acquisition of new development sites as mentioned in preceding paragraph.

Accrued receivables represent the remaining balance of sales consideration to be billed for the development project for which revenue was fully recognised.

Included in other receivables of the Group and Company as at 31 March 2017 was an amount of \$9,191,000 relating to sales proceeds from the disposal of financial assets at fair value through profit or loss. The amount was collected during the current financial year.

Included in other receivables of the Group as at 31 March 2017 was an amount of \$94,625,000 relating to remaining sale proceeds from the disposal of the Group's investment in an associate, Perennial Somerset Investors Pte Ltd, and other investment. The amount was collected during the current financial year.

The Group's and the Company's exposure to credit risk and foreign currency risk related to trade and other receivables is disclosed in note 32.

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

These financial assets comprise equity and debt securities that have been designated at fair value through profit or loss because they are managed on a fair value basis and their performance is actively managed.

The financial assets are pledged as securities to secure credit facilities (note 15).

Measurement of fair values

The fair values of financial assets at fair value through profit or loss are determined by references to their quoted closing bid prices in an active market at the measurement date.

The Group's and the Company's exposure to credit risk and foreign currency risk related to financial assets at fair values through profit or loss is disclosed in note 32.

NOTES TO THE FINANCIAL STATEMENTS

14 CASH AND CASH EQUIVALENTS

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Amount held under "Project Account Rules – 1997 Ed" withdrawals from which are restricted to payments for expenditure incurred on projects	15,533	10,556	–	–
Short term bank deposits	161,229	579	159,939	46
Cash at banks and in hand	17,267	40,566	1,439	2,310
Cash and cash equivalents	<u>194,029</u>	<u>51,701</u>	<u>161,378</u>	<u>2,356</u>

The Group's and the Company's short term deposits bear interest at rates ranging from 0.44% to 1.32% (2017: 0.48% to 0.70%) per annum during the year. Interest rates are repriced at intervals of between one week to one month.

The Group's and the Company's exposures to credit risk, interest rate risk and foreign currency risk related to cash and cash equivalents are disclosed in note 32.

15 LOANS AND BORROWINGS

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Secured				
Bank loans	133,313	198,284	59,693	25,779
Finance lease liabilities	36	78	36	78
	<u>133,349</u>	<u>198,362</u>	<u>59,729</u>	<u>25,857</u>
Repayable:				
Within 1 year	<u>69,224</u>	<u>189,451</u>	<u>59,720</u>	<u>25,821</u>
After 1 year but within 5 years	59,035	2,653	9	36
After 5 years	5,090	6,258	–	–
	<u>64,125</u>	<u>8,911</u>	<u>9</u>	<u>36</u>
	<u>133,349</u>	<u>198,362</u>	<u>59,729</u>	<u>25,857</u>

The bank loans are secured by:

- the borrowing subsidiaries' motor vehicles, investment properties and development properties (notes 4, 5 and 11);
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of leasehold buildings, investment properties and development properties;
- corporate guarantees by the Company;
- a charge over financial assets at fair value through profit or loss with an amount of \$58,601,000 (2017: \$6,758,000); and
- a charge over available-for-sale financial assets with an amount of \$65,420,000 (2017:Nil).

The effective interest rates of the bank loans for the Group and the Company are 2.47% (2017: 2.10%) and 2.40% (2017: 1.50%) per annum respectively.

The Group's and the Company's exposures to liquidity risk, interest rate risk and foreign currency risk related to loans and borrowings are disclosed in note 32.

NOTES TO THE FINANCIAL STATEMENTS

15 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities						Equity				Total \$'000
	Loans and borrowings \$'000	Loan from controlling shareholder Company \$'000	Loan from non-controlling interests \$'000	Loan from a related company \$'000	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Non-controlling interests \$'000			
Balance at 1 April 2017	198,362	15,000	15,885	37,714	382,918	8,485	98,441	3,681		760,486	
Changes from financing cash flows											
Acquisition of non-controlling interests	-	-	(1,063)	-	-	(442)	-	1,425		(80)	
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	4,500		4,500	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(4,227)		(4,227)	
Dividends paid to owners of the Company	-	-	-	-	-	-	(8,611)	-		(8,611)	
Interest paid	(1,261)	(15)	-	(708)	-	-	-	-		(1,984)	
Proceeds from bank loans	121,124	-	-	-	-	-	-	-		121,124	
Proceeds from issue of shares under rights issue	-	-	-	-	143,515	-	-	-		143,515	
Proceeds from loan from non-controlling interests	-	-	25,094	-	-	-	-	-		25,094	
Payment of transaction costs in relation to rights issue	-	-	-	-	-	(300)	-	-		(300)	
Repayment of loan from a related company	-	-	-	(2,622)	-	-	-	-		(2,622)	
Repayment of loan from controlling shareholder of the Company	-	(15,000)	-	-	-	-	-	-		(15,000)	
Repayment of bank loans	(184,758)	-	-	-	-	-	-	-		(184,758)	
Total changes from financing cash flows	(64,895)	(15,015)	24,031	(3,330)	143,515	(742)	(8,611)	1,698		76,651	
The effect of changes in foreign exchange rates	(1,379)	-	-	(2,316)	-	(7,084)	-	-		(10,779)	
Change in fair value of available-for-sale financial assets	-	-	-	-	-	5,891	-	-		5,891	
Other changes											
Liability-related											
Interest expense	1,261	15	-	896	-	-	-	-		2,172	
Total liability-related other changes	1,261	15	-	896	-	-	-	-		2,172	
Total equity-related other changes	-	-	-	-	-	-	32,268	7,694		39,962	
Balance at 31 March 2018	133,349	-	39,916	32,964	526,433	6,550	122,098	13,073		874,383	

NOTES TO THE FINANCIAL STATEMENTS

16 LOAN FROM A RELATED COMPANY

The loan from a related company is unsecured with an effective interest rate of 6.37% (2017: 6.15%) per annum. The loan is due on 11 July 2018.

The Group's exposure to liquidity risk and interest rate risk related to loan from a related company is disclosed in note 32.

17 LOAN FROM NON-CONTROLLING INTERESTS

The loan from non-controlling interests is interest-free and quasi-equity in nature. It forms part of the non-controlling interests' net investment in the subsidiaries where settlement of the amount is neither planned nor likely to occur in the foreseeable future and is stated at cost.

The Group's exposure to liquidity risk related to loan from non-controlling interests is disclosed in note 32.

18 TRADE AND OTHER PAYABLES

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Trade payables	10,869	29,292	257	282
Other payables	1,220	1,260	44	184
Deferred income	17,295	159,554	–	–
Accrued expenses	3,355	5,571	1,272	1,202
Accrued real estate taxes	35	995	–	–
	<u>32,774</u>	<u>196,672</u>	<u>1,573</u>	<u>1,668</u>

Deferred income relates to billing in advance of work completed.

The Group's and the Company's exposures to liquidity risk related to trade and other payables are disclosed in note 32.

19 LOAN FROM CONTROLLING SHAREHOLDER OF THE COMPANY

In 2017, the loan from controlling shareholder of the Company was unsecured with an effective interest rate of 5.25% per annum and repayable on demand. The Company had repaid the loan during the financial year.

The Group's exposure to liquidity risk related to loan from controlling shareholder of the Company is disclosed in note 32.

NOTES TO THE FINANCIAL STATEMENTS

20 SHARE CAPITAL AND RESERVES

Ordinary shares

	2018		2017	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Company				
At beginning of the year	2,870,987	382,918	2,863,779	382,272
Issue of shares pursuant to rights issue	1,435,149	143,515	–	–
Exercise of share options	–	–	7,208	646
At end of the year	<u>4,306,136</u>	<u>526,433</u>	<u>2,870,987</u>	<u>382,918</u>

All shares rank equally with regard to the Company's residual assets. All issued shares are fully paid with no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

In current financial year, pursuant to the rights issue announced on 19 February 2018, the Company issued 1,435,148,925 ordinary shares at a price of \$0.10 per share, amounting to \$143,514,893.

In the last financial year, 7,207,938 ordinary shares were issued as a result of the exercise of share options. Options were exercised at an average price of \$0.0896 per option.

Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

	Group/Company	
	2018 \$'000	2017 \$'000
For the year ended 31 March		
Paid by the Company to owners of the Company \$0.003 per qualifying ordinary share (2017: \$0.002)	8,611	5,741

After the reporting date, the following final tax exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for:

	Group/Company	
	2018 \$'000	2017 \$'000
\$0.003 per qualifying ordinary share (2017: \$0.003)	12,961	8,611

NOTES TO THE FINANCIAL STATEMENTS

20 SHARE CAPITAL AND RESERVES (CONT'D)

Reserves

The reserves of the Group and the Company comprise the following:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Capital reserve	4,674	5,416	5,116	5,416
Translation reserve	(4,015)	3,069	–	–
Fair value reserve	5,891	–	5,891	–
At 31 March	<u>6,550</u>	<u>8,485</u>	<u>11,007</u>	<u>5,416</u>

Capital reserve

The capital reserve comprises the equity component of convertible bonds, the cumulative value of services received for the issuance of share option, transaction costs relating to the issuance of shares and rights issue and the cost of the Company's shares held by the Group as treasury shares.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

Capital management

The Group's primary objective in capital management is to maintain a sound capital base so as to maintain investor, creditor and market confidence, and to continue to maintain the future development and growth of the business.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. For this purpose, the Group defines "capital" as including all components of equity and non-controlling interests. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares or other financial instruments.

The Group monitors capital using a net debt equity ratio, which is defined as net debts divided by total capital employed.

	Group	
	2018 \$'000	2017 \$'000
Gross borrowings	206,229	251,076
Cash and cash equivalents	(194,029)	(51,701)
Net debts	<u>12,200</u>	<u>199,375</u>

NOTES TO THE FINANCIAL STATEMENTS

20 SHARE CAPITAL AND RESERVES (CONT'D)

Capital management (cont'd)

The Group's gross borrowings consist of loans and borrowings, loan from non-controlling interests, loan from controlling shareholder of the Company and loan from a related company.

	Group	
	2018 \$'000	2017 \$'000
Total capital employed	668,154	493,525
Net debts equity ratio	0.02	0.40

No changes were made to the above objectives, policies and processes during the years ended 31 March 2018 and 2017.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

21 NON-CONTROLLING INTERESTS ("NCI")

The following subsidiaries have material NCI:

Name	Principal place of business/Country of incorporation	Ownership interests held by NCI	
		2018 %	2017 %
Anchorvale Residences Pte Ltd	Singapore	20	20
Charlton Residences Pte Ltd	Singapore	20	20
Corporate Residence Pte Ltd	Singapore	–	10
Sing-Haiyi Crystal Pte Ltd	Singapore	50	–
Sing-Haiyi Gold Pte Ltd	Singapore	50	–
SingHaiyi Huajiang Sun Pte Ltd	Singapore	50	–
SingHaiyi Huajiang Amber Pte Ltd	Singapore	50	–
SingHaiyi Huajiang Investment Pte Ltd	Singapore	50	–
Sing-Haiyi Treasure Pte Ltd	Singapore	50	–
SingXpress Kaylim Pte Ltd	Singapore	20	20
SingXpress Property Development Pte Ltd	Singapore	18.4	18.4

NOTES TO THE FINANCIAL STATEMENTS

21 NON-CONTROLLING INTERESTS ("NCI") (CONT'D)

The following summarises the financial information of each of the Group's subsidiaries based on their respective financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	Anchorvale Residences Pte Ltd		Corporate Residence Pte Ltd		SingXpress Kaylim Pte Ltd		SingHaiyi Huajiang Sun Pte Ltd		Sing-Haiyi Gold Pte Ltd		SingHaiyi Huajiang Amber Pte Ltd		Other individually immaterial subsidiaries		Total \$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2018															
Revenue	418,303	-	4,930	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) and total comprehensive income	38,407	-	168	-	(3)	(1)	(3)	(1)	(3)	(3)	(3)	(3)	(3)	(78)	(78)
Profit/(Loss) and total comprehensive income attributable to NCI	7,681	-	34	-	(2)	(1)	(2)	(1)	(1)	(2)	(2)	(2)	(2)	(16)	7,694
Non-current assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	978
Current assets	47,698	-	14,600	-	35,348	26,348	35,348	35,348	26,348	84,250	84,250	84,250	84,250	1,005	1,005
Non-current liabilities	(2,689)	-	-	-	(32,287)	(22,318)	(32,287)	(32,287)	(22,318)	(81,910)	(81,910)	(81,910)	(81,910)	-	-
Current liabilities	(15,032)	-	(3,677)	-	(65)	(31)	(65)	(65)	(31)	(343)	(343)	(343)	(343)	(80)	(80)
Net assets	29,977	-	10,923	-	2,996	3,999	2,996	2,996	3,999	1,997	1,997	1,997	1,997	1,903	1,903
Net assets attributable to NCI	5,995	-	2,185	-	1,498	2,000	1,498	1,498	2,000	999	999	999	999	396	13,073
Cash flows from operating activities	213,868	-	3,540	-	(35,277)	-	(35,277)	(35,277)	-	(83,802)	(83,802)	(83,802)	(83,802)	(15)	(15)
Cash flows from investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from financing activities (dividends to NCI: \$4,227,000)	(212,527)	-	(3,198)	-	35,287	-	35,287	35,287	-	83,910	83,910	83,910	83,910	-	-
Net increase in cash and cash equivalents	1,341	-	342	-	10	-	10	10	-	108	108	108	108	(15)	(15)
2017															
Revenue	-	-	6,076	-	-	-	-	-	-	-	-	-	-	-	-
(Loss)/Profit and total comprehensive income	(3,675)	570	391	570	-	-	-	-	-	-	-	-	-	1,373	1,373
(Loss)/Profit and total comprehensive income attributable to NCI	(735)	57	78	57	-	-	-	-	-	-	-	-	-	260	(340)
Non-current assets	1,922	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current assets	380,858	34,329	18,017	34,329	18,017	-	-	-	-	-	-	-	-	22,332	22,332
Non-current liabilities	(220,196)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current liabilities	(171,013)	(48,521)	(4,199)	(48,521)	(4,199)	-	-	-	-	-	-	-	-	(557)	(557)
Net (liabilities)/assets	(8,429)	(14,192)	13,818	(14,192)	13,818	-	-	-	-	-	-	-	-	21,775	21,775
Net (liabilities)/assets attributable to NCI	(1,686)	(1,419)	2,763	(1,419)	2,763	-	-	-	-	-	-	-	-	4,023	3,681
Cash flows from operating activities	16,124	(10,007)	37,327	(10,007)	37,327	-	-	-	-	-	-	-	-	330	330
Cash flows from financing activities (dividends to NCI: \$1,543,200)	(15,961)	10,118	(40,591)	10,118	(40,591)	-	-	-	-	-	-	-	-	(916)	(916)
Net increase/(decrease) in cash and cash equivalents	163	111	(3,264)	111	(3,264)	-	-	-	-	-	-	-	-	(586)	(586)

NOTES TO THE FINANCIAL STATEMENTS

22 OPERATING SEGMENTS

The Group has three reportable segments as described below. For each of the reportable segment, the Group's Chief Operating Decision Maker reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Property development
Development and sale of development properties
- Property investment
Holding and management of investment properties
- Others
Investment holding and provision of management services

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group's Chief Operating Decision Maker. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Property development		Property investment		Others		Segment total		Unallocated items		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group												
External revenue	450,779	34,114	8,059	9,983	-	92	458,838	44,189	-	-	458,838	44,189
Profit/(Loss) from operating activities	59,310	9,175	(11,586)	8,418	1,177	1,293	48,901	18,886	(2,288)	(3,472)	46,613	15,414
Share of results of equity-accounted investees, net of tax	37	3,226	(1,349)	11,657	-	-	(1,312)	14,883	-	-	(1,312)	14,883
Interest income	18	9	1	5	1,198	1,641	1,217	1,655	-	-	1,217	1,655
Interest expense	(1,219)	(167)	(246)	(485)	(2,351)	(4,874)	(3,816)	(5,526)	-	(61)	(3,816)	(5,587)
Reportable segment profit/(loss) before tax	58,146	12,243	(13,180)	19,595	24	(1,940)	44,990	29,898	(2,288)	(3,533)	42,702	26,365
Depreciation of property, plant and equipment	2	2	217	200	-	-	219	202	132	121	351	323
Other material items:												
Write-back of allowance of diminution in value of development properties	12,458	-	-	-	-	-	12,458	-	-	-	12,458	-
Change in fair value of investment properties	-	-	11,730	22,282	-	-	11,730	22,282	-	-	11,730	22,282
Interests in associates	1,279	20,838	51,050	51,090	-	-	52,329	71,928	-	-	52,329	71,928
Interests in joint ventures	74,324	69,984	324	686	-	-	74,648	70,670	-	-	74,648	70,670
Capital expenditure*	-	-	10,671	3,210	-	-	10,671	3,210	648	-	11,319	3,210
Reportable segment assets	586,341	695,996	171,637	256,827	129,028	12,074	887,006	964,897	36,051	10,658	923,057	975,555
Reportable segment liabilities	175,604	433,247	21,831	34,738	56,769	10,444	254,204	478,429	699	3,601	254,903	482,030

* Capital expenditure comprises property, plant and equipment of \$785,000 (2017: \$763,000) and investment properties of \$10,534,000 (2017: \$2,447,000).

NOTES TO THE FINANCIAL STATEMENTS

22 OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segments, profit or loss, assets and liabilities

	Group	
	2018	2017
	\$'000	\$'000
Profit or loss		
Total profit for reportable segments	44,990	29,898
Unallocated items:		
- Net unrealised foreign exchange gains	603	342
- Corporate expenses	(2,891)	(3,814)
- Interest expense	-	(61)
Consolidated profit before tax	<u>42,702</u>	<u>26,365</u>
Assets		
Total assets for reportable segments	887,006	964,897
Unallocated items:		
- Property, plant and equipment	757	4,732
- Cash and cash equivalents	35,294	5,926
Consolidated total assets	<u>923,057</u>	<u>975,555</u>
Liabilities		
Total liabilities for reportable segments	254,204	478,429
Unallocated items:		
- Borrowings	-	2,668
- Trade and other payables	699	933
Consolidated total liabilities	<u>254,903</u>	<u>482,030</u>

Geographical information

The property development, property investment and others segments are managed and operated in Singapore, USA, Malaysia and Australia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Singapore		USA		Malaysia		Australia	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
Revenue	<u>450,287</u>	<u>9,560</u>	<u>8,551</u>	<u>34,629</u>	-	-	-	-
Current assets	477,473	548,486	152,224	169,893	-	-	-	-
Non-current assets#	<u>105,824</u>	<u>108,655</u>	<u>70,742</u>	<u>86,087</u>	51,374	51,776	65,420	-

Include property, plant and equipment, investment properties, associates and joint ventures, available-for-sale financial assets and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

22 OPERATING SEGMENTS (CONT'D)

Major customer

There are no major customers that solely account for 10% or more of the Group's revenue.

23 OTHER INCOME

	Group	
	2018 \$'000	2017 \$'000
Gain on divestment of associated company and other investments	–	30,450
Gain on disposal of financial assets at fair value through profit or loss	1	686
Investment income	1,526	1,438
Net foreign exchange gain	–	1,445
Write back of allowance for diminution in value of development properties	12,458	–
Others	801	2,049
	14,786	36,068

24 FINANCE INCOME

	Group	
	2018 \$'000	2017 \$'000
Dividend income	627	747
Interest income	590	341
Fair value gain on financial assets at fair value through profit or loss	–	567
	1,217	1,655

25 FINANCE COSTS

	Group	
	2018 \$'000	2017 \$'000
Interest on bank loans	1,260	800
Interest on finance lease liabilities	2	3
Interest on loan from controlling shareholder of the Company	15	217
Interest and amortisation of transaction cost on medium term notes	–	4,567
Interest on loan from a related company	895	–
Fair value loss on financial assets at fair value through profit or loss	1,644	–
	3,816	5,587

NOTES TO THE FINANCIAL STATEMENTS

26 TAX EXPENSE/(CREDIT)

	Group	
	2018	2017
	\$'000	\$'000
Current tax expense		
Current year	9,444	2,649
Underprovision in prior year	785	184
Withholding tax	133	–
	<u>10,362</u>	<u>2,833</u>
Deferred tax credit		
Origination and reversal of temporary differences	(7,622)	(7,239)
	<u>2,740</u>	<u>(4,406)</u>
Reconciliation of effective tax rate		
Profit before tax	<u>42,702</u>	<u>26,365</u>
Tax using Singapore tax rate of 17% (2017: 17%)	7,259	4,482
Income not subject to tax	(3,118)	(5,786)
Non-deductible expenses	1,262	1,282
Effect of tax rates in foreign jurisdictions	(651)	(3,837)
Effect of changes in foreign tax rate	(3,998)	–
Effect of unrecognised deferred tax assets	1,590	2,614
Tax effect of losses not allowed to be set off against future taxable profits	21	927
Effect of results of equity-accounted investees presented net of tax	223	(2,530)
Recognition of tax effect of previously unrecognised tax losses	(766)	(1,742)
Underprovision in prior year	785	184
Withholding tax	133	–
	<u>2,740</u>	<u>(4,406)</u>

Judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provision for income tax and deferred income tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

27 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Group	
	2018	2017
	\$'000	\$'000
Audit fees payable to:		
- Auditors of the Company	272	260
- Other auditors	98	76
Non-audit fees payable to:		
- Auditors of the Company	76	90
Changes in fair value of investment properties	11,730	22,282
Depreciation of property, plant and equipment	351	323
Net foreign exchange loss	1,238	–
Employee benefits expenses		
- Salaries and wages	5,226	6,075
- Defined contribution benefits	282	254
- Other short-term benefits	16	10
- Directors' remuneration	491	479
	6,015	6,818

28 SHARE-BASED PAYMENT ARRANGEMENTS

Share option scheme

In 2014, the Company established a share option scheme known as the SingHaiyi Share Option Scheme 2013 (the "2013 Share Option Scheme").

Key information regarding the 2013 Share Option Scheme are set out below:

- the exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price in respect of options granted at the time of grant;
- the aggregate number of shares over which the Company may grant options on any date shall not exceed 15% of the total shares of the Company (excluding treasury shares) on the day preceding that date; and
- the aggregate number of shares comprised in options to be available to the Company and its subsidiaries' employees and non-executive directors shall not exceed 20% of the total number of shares comprised in options which may be granted.

There were neither share options outstanding nor unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

29 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 31 March 2018 was based on profit attributable to ordinary shareholders of \$32,268,000 (2017: \$31,111,000) and weighted average number of ordinary shares outstanding of 2,941,072,318 (2017: 2,869,923,000), calculated as follows:

- (i) Profit attributable to ordinary shareholders

	Group	
	2018	2017
	\$'000	\$'000
Profit attributable to ordinary shareholders	32,268	31,111

- (ii) Weighted average number of ordinary shares

	Group	
	2018	2017
	'000	'000
Issued ordinary shares at beginning of the year	2,870,987	2,863,779
Effect of own shares held	(689)	(689)
Effect of exercise of share options	–	6,833
Effect of rights issue	70,774	–
Weighted average number of ordinary shares during the year	2,941,072	2,869,923

30 OPERATING LEASES

Leases as lessee

The Group and the Company lease an office premises under operating leases. The leases runs for a period of 3 years, with an option to renew the lease after that date. At the reporting date, the future minimum lease payments payable under non-cancellable lease is as follow:

	Group/Company	
	2018	2017
	\$'000	\$'000
Within 1 year	420	–
After 1 year but within 5 years	1,470	–
	1,890	–

NOTES TO THE FINANCIAL STATEMENTS

30 OPERATING LEASES (CONT'D)

Leases as lessor

The Group leases out its investment properties held under operating leases during the financial year. At the reporting date, the future minimum lease payments receivable under non-cancellable leases are as follows:

	Group	
	2018 \$'000	2017 \$'000
Within 1 year	4,101	6,889
After 1 year but within 5 years	7,863	11,343
After 5 years	4,930	7,150
	16,894	25,382

The non-cancellable operating lease receivables have not taken into account the potential new and renewal of leases and revision of rental rates after the expiry of these leases.

During the year, \$8,059,000 (2017: \$9,983,000) was recognised as rental income in profit or loss by the Group. Repairs and maintenance expense, included in administration expenses, was as follows:

	Group	
	2018 \$'000	2017 \$'000
Utilities	1,515	1,599
Real estate taxes	2,070	1,632
Repair and maintenance	699	568
Other	1,031	1,358
	5,315	5,157

31 COMMITMENTS

The Group has the following commitments at the reporting date:

	Group	
	2018 \$'000	2017 \$'000
Estimated development expenditure contracted but not provided for	419,168	31,936

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial guarantees.

The carrying amounts of financial assets represent the maximum credit exposure. The Group's and the Company's maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Amounts due from subsidiaries	–	–	187,705	237,830
Available-for-sale financial assets	65,420	–	65,420	–
Trade and other receivables [*]	73,469	112,465	4,275	9,309
Financial assets at fair value through profit or loss	58,601	6,758	58,601	6,758
Cash and cash equivalents	194,029	51,701	161,378	2,356
	<u>391,519</u>	<u>170,924</u>	<u>477,379</u>	<u>256,253</u>

* Excludes prepaid expenses

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Credit risk (cont'd)

The Group and the Company do not hold any collateral in respect of their financial assets. As at the 31 March 2018, the Group has no significant concentration of credit risk with any counterparties. As at 31 March 2017, the Group's credit risk was concentrated in receivables from the Group's disposal of investment in associate, Perennial Somerset Investors Pte Ltd, and junior bonds.

(i) Amounts due from subsidiaries

The movement in the allowance for impairment in respect of amounts due from subsidiaries during the year was as follows:

	Company	
	2018	2017
	\$'000	\$'000
At beginning of the year	22,519	23,277
Reversal of impairment losses	(10,628)	(758)
At end of the year	11,891	22,519

(ii) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by financial loss resulting from the failure of customers or other parties to settle their financial and contractual obligations to the Group as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Monies due from customers are followed up, reviewed on a regular basis to understand the reasons of non-payment or delay in payment, if any, so that appropriate actions can be implemented promptly.

The Group establishes an allowance for impairment that represents its estimates of incurred losses in respect of trade and other receivables. The main component of this allowance is specific loss that relates to individually significant exposures.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The ageing of trade receivables that were not impaired at the reporting date was:

	Group		Company	
	Gross	Gross	Gross	Gross
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Not past due	412	3,993	124	10
Past due 1 – 30 days	82	564	75	–
Past due 30 – 60 days	6	142	–	–
Past due 60 – 90 days	–	390	–	–
Past due over 90 days	8	194	–	–
	508	5,283	199	10

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Credit risk (cont'd)

(ii) Trade and other receivables (cont'd)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Group	
	2018 \$'000	2017 \$'000
At beginning of the year	18	18
Impairment loss recognised	15	–
At end of the year	33	18

Based on historical default rates, the Group believes that no allowance for doubtful receivables is necessary in respect of the trade receivables, except for those balances which were impaired.

(iii) Cash and cash equivalents

Cash and fixed deposits are placed with banks and financial institutions of significant standing. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities which are placed with a diversity of creditworthy financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group actively manages its operating cash flows and the availability of funding so as to ensure all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. All the properties under development have adequate cash or credit facilities to ensure availability of funding till project completion.

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Liquidity risk (cont'd)

The following are the contractual maturity of the Group's and the Company's financial liabilities, including estimated interest payments:

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
Group					
2018					
Non-derivative financial liabilities					
Bank loans	133,313	137,763	70,662	60,771	6,330
Finance lease liabilities	36	36	27	9	–
Trade and other payables*	15,479	15,479	15,479	–	–
Loan from a related company	32,964	34,991	34,991	–	–
Loan from non-controlling interests	39,916	39,916	–	39,916	–
	221,708	228,185	121,159	100,696	6,330
2017					
Non-derivative financial liabilities					
Bank loans	198,284	202,900	192,311	2,873	7,716
Finance lease liabilities	78	78	42	36	–
Trade and other payables*	37,118	37,118	37,118	–	–
Loan from a related company	37,714	41,194	41,194	–	–
Loan from controlling shareholder of the Company	15,000	15,232	15,232	–	–
Loan from non-controlling interests	15,885	15,885	–	15,885	–
	304,079	312,407	285,897	18,794	7,716

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Liquidity risk (cont'd)

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
Company					
2018					
Non-derivative financial liabilities					
Bank loans	59,693	61,126	61,126	–	–
Finance lease liabilities	36	36	27	9	–
Trade and other payables	1,573	1,573	1,573	–	–
	<u>61,302</u>	<u>62,735</u>	<u>62,726</u>	<u>9</u>	<u>–</u>
2017					
Non-derivative financial liabilities					
Bank loans	25,779	26,106	26,106	–	–
Finance lease liabilities	78	78	42	36	–
Trade and other payables	1,668	1,668	1,668	–	–
Loan from controlling shareholder of the Company	15,000	15,232	15,232	–	–
	<u>42,525</u>	<u>43,084</u>	<u>43,048</u>	<u>36</u>	<u>–</u>

* Excludes deferred income of \$17,295,000 (2017: \$159,554,000).

The maturity analysis shows the undiscounted cash flows of the Group's and the Company's financial liabilities on the basis of their earliest possible contractual maturity. It is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Guarantees

The Company issued financial guarantees to certain banks in respect of banking facilities granted to certain subsidiaries and associates amounting to \$54,181,109 (2017: \$161,834,032). There are no terms and conditions attached to the financial guarantees that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows. Management considers that the possibility of default of the parties is remote.

The periods in which the financial guarantees will expire are as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Within 1 year	–	–	9,000	148,519
After 1 year but within 5 years	–	–	–	–
After 5 years	1,187	1,187	45,181	13,315
	<u>1,187</u>	<u>1,187</u>	<u>54,181</u>	<u>161,834</u>

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relate primarily to the Group's debt obligations and deposits with financial institutions. Interest rates on borrowings and deposits are determined based on floating market rates. The Group does not use derivative financial instruments to hedge interest rate risk.

Exposures to interest rate risk

At the reporting date, the interest rate profile of the Group's and the Company's interest-bearing financial instruments were:

	Group		Company	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments				
Financial assets	–	–	187,705	214,506
Financial liabilities	–	(15,000)	–	(15,000)
	–	(15,000)	187,705	199,506
Variable rate instruments				
Financial assets	161,229	579	159,939	46
Financial liabilities	(166,313)	(236,076)	(59,729)	(25,857)
	(5,084)	(235,497)	100,210	(25,811)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Market risk (cont'd)

Sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation and tax effect. The analysis is performed on the same basis for 2017.

	Profit before tax	
	100 bp	100 bp
	increase	decrease
	\$'000	\$'000
Group		
2018		
Variable rate instruments	(51)	51
2017		
Variable rate instruments	(2,355)	2,355
Company		
2018		
Variable rate instruments	1,002	(1,002)
2017		
Variable rate instruments	(258)	258

Foreign currency risk

The Group is exposed to currency risk on cash and cash equivalent, trade and other receivable, and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Australian Dollar ("AUD").

Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily SGD, but also USD and AUD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency risk (cont'd)

Exposure to foreign currency risk

The summary of quantitative data about the Group's exposure to foreign currency risk as provided to management of the Group based on its risk management policy was as follows:

	USD		AUD		EUR	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Group and Company						
Trade and other receivables	–	–	1,089	–	–	9,191
Financial assets at fair value through profit or loss	5,038	6,758	–	–	–	–
Cash and cash equivalents	11,259	281	–	–	–	–
Loans and borrowings	–	–	(59,693)	–	–	(9,779)
	<u>16,297</u>	<u>7,039</u>	<u>(58,604)</u>	<u>–</u>	<u>–</u>	<u>(588)</u>

Sensitivity analysis

A 10% strengthening of the following major currencies against the functional currency of each of the Group entities at the reporting date held by the Group would increase/(decrease) profit before taxation by the amounts shown below. Similarly, a 10% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit before tax	
	10% strengthening \$'000	10% weakening \$'000
2018		
USD	1,630	(1,630)
AUD	(5,860)	5,860
	<u> </u>	<u> </u>
2017		
USD	704	(704)
EUR	(59)	59
	<u> </u>	<u> </u>

Accounting classifications and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels of the fair value hierarchy. It does not include fair value information of financial assets and financial liabilities not measured at fair value as the carrying amounts of these financial assets and financial liabilities are reasonable approximation of fair values.

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amount					Fair value
	Loans and receivables \$'000	Available- for-sale financial assets \$'000	Financial assets at fair value through profit or loss \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000
Group						
2018						
Financial assets measured at fair value						
Available-for-sale financial assets	–	65,420	–	–	65,420	65,420
Financial assets at fair value through profit or loss	–	–	58,601	–	58,601	58,601
	–	65,420	58,601	–	124,021	
Financial assets not measured at fair value						
Trade and other receivables*	73,469	–	–	–	73,469	
Cash and cash equivalents	194,029	–	–	–	194,029	
	267,498	–	–	–	267,498	
Financial liabilities not measured at fair value						
Loans and borrowings	–	–	–	133,349	133,349	
Loan from a related company	–	–	–	32,964	32,964	
Loan from non-controlling interests	–	–	–	39,916	39,916	
Trade and other payables#	–	–	–	15,479	15,479	
	–	–	–	221,708	221,708	

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amount				Fair value
	Loans and receivables \$'000	Financial assets at fair value through profit or loss \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000
Group					
2017					
Financial assets measured at fair value					
Financial assets at fair value through profit or loss	–	6,758	–	6,758	6,758
Financial assets not measured at fair value					
Trade and other receivables*	112,465	–	–	112,465	
Cash and cash equivalents	51,701	–	–	51,701	
	<u>164,166</u>	<u>–</u>	<u>–</u>	<u>164,166</u>	
Financial liabilities not measured at fair value					
Loans and borrowings	–	–	198,362	198,362	
Loan from a related company	–	–	37,714	37,714	
Loan from non-controlling interests	–	–	15,885	15,885	
Loan from controlling shareholder of the Company	–	–	15,000	15,000	
Trade and other payables#	–	–	37,118	37,118	
	<u>–</u>	<u>–</u>	<u>304,079</u>	<u>304,079</u>	

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amount					Fair value
	Loans and receivables \$'000	Available-for-sale financial assets \$'000	Financial assets at fair value through profit or loss \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000
Company						
2018						
Financial assets measured at fair value						
Available-for-sale financial assets	–	65,420	–	–	65,420	65,420
Financial assets at fair value through profit or loss	–	–	58,601	–	58,601	58,601
	–	65,420	58,601	–	124,021	
Financial assets not measured at fair value						
Amounts due from subsidiaries	187,705	–	–	–	187,705	
Trade and other receivables*	4,275	–	–	–	4,275	
Cash and cash equivalents	161,378	–	–	–	161,378	
	353,358	–	–	–	353,358	
Financial liabilities not measured at fair value						
Loans and borrowings	–	–	–	59,729	59,729	
Trade and other payables	–	–	–	1,573	1,573	
	–	–	–	61,302	61,302	

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amount				Fair value
	Loans and receivables \$'000	Financial assets at fair value through profit or loss \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000
Company					
2017					
Financial assets measured at fair value					
Financial assets at fair value through profit or loss	–	6,758	–	6,758	6,758
Financial assets not measured at fair value					
Amounts due from subsidiaries	237,830	–	–	237,830	
Trade and other receivables*	9,309	–	–	9,309	
Cash and cash equivalents	2,356	–	–	2,356	
	249,495	–	–	249,495	
Financial liabilities not measured at fair value					
Loans and borrowings	–	–	25,857	25,857	
Loan from controlling shareholder of the Company	–	–	15,000	15,000	
Trade and other payables	–	–	1,668	1,668	
	–	–	42,525	42,525	

* Excludes prepaid expenses of \$35,146,000 (2017: \$1,855,000) and \$90,000 (2017: \$23,000) for the Group and the Company, respectively.

Excludes deferred income of \$17,295,000 (2017: \$159,554,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

33 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transaction took place between the Group and related parties during the financial year on terms agreed between the parties concerned.

Key management personnel compensation

	Group	
	2018 \$'000	2017 \$'000
Short-term employee benefits	1,953	2,305
Contributions to defined contribution plans	44	62
	1,997	2,367

Other related party transactions

	Transaction value for the year ended 31 March	
	2018 \$'000	2017 \$'000
Property consultancy fees payable to American Pacific International Capital, Inc ("APIC")	402	659
Interest paid/payable to APIC	2,306	365
Payment for the acquisition of investment properties from OKH Global Ltd ("OKH")	8,800	–
Rental income received/receivable from OKH	(72)	–

34 FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)") AND ADOPTION OF NEW STANDARDS

Applicable to 2019 financial statements

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") at 31 December 2017 that are applicable for annual period beginning on 1 January 2018.

Singapore-incorporated companies that have issued, or are in the process of issuing equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 March 2019 will be prepared in accordance with SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) *1 First-time Adoption of Singapore Financial Reporting Standards (International)*.

NOTES TO THE FINANCIAL STATEMENTS

34 FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) (“SFRS(I)”) AND ADOPTION OF NEW STANDARDS (CONT’D)

Applicable to 2019 financial statements (cont’d)

In addition to the adoption of the new framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and measurement of share-based payment transactions* issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of investment property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements, except for SFRS(I) 15 and SFRS(I) 9.

Summary of quantitative impact

The Group is currently finalising the transition adjustments. The impact of assessment of adopting SFRS(I) is preliminary because accounting policy and transition changes can continue to be made until 31 March 2019. The following reconciliations provide an estimate of the expected impacts on initial application of SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9 on the Group’s financial position as at 31 March 2018 and the Group’s profit or loss for the year ended 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2018

	Current framework \$'000	SFRS(I)1 \$'000	SFRS(I)15 \$'000	SFRS(I)9 \$'000	SFRS(I) framework \$'000
Non-current assets					
Available-for-sale financial assets	65,420	–	–	(65,420)	–
Financial assets at fair value through other comprehensive income	–	–	–	65,420	65,420
Other non-current assets	227,940	–	–	–	227,940
	<u>293,360</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>293,360</u>
Current assets					
Development properties	268,452	–	41	–	268,493
Other current assets	361,245	–	–	–	361,245
	<u>629,697</u>	<u>–</u>	<u>41</u>	<u>–</u>	<u>629,738</u>
Total assets	<u>923,057</u>	<u>–</u>	<u>41</u>	<u>–</u>	<u>923,098</u>
Total liabilities	254,903	–	–	–	254,903
Equity attributable to owners of the Company					
Share capital	526,433	–	–	–	526,433
Retained earnings	122,098	3,069	41	–	125,208
Reserves	6,550	(3,069)	–	–	3,481
	<u>655,081</u>	<u>–</u>	<u>41</u>	<u>–</u>	<u>655,122</u>
Non-controlling interests	13,073	–	–	–	13,073
Total equity	<u>668,154</u>	<u>–</u>	<u>41</u>	<u>–</u>	<u>668,195</u>
Total equity and liabilities	<u>923,057</u>	<u>–</u>	<u>41</u>	<u>–</u>	<u>923,098</u>

NOTES TO THE FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

As at 31 March 2018

	Current framework \$'000	SFRS(I)15 \$'000	SFRS(I) framework \$'000
Revenue	458,838	1,456	460,294
Cost of sales	(398,775)	(6,249)	(405,024)
Gross profit	<u>60,063</u>	<u>(4,793)</u>	<u>55,270</u>
Other income	14,786	–	14,786
Selling and marketing expenses	(4,632)	–	(4,632)
Administrative expenses	(10,858)	–	(10,858)
Other operating expenses	(12,746)	–	(12,746)
Results from operating activities	<u>46,613</u>	<u>(4,793)</u>	<u>41,820</u>
Finance income	1,217	–	1,217
Finance costs	(3,816)	–	(3,816)
Net finance costs	<u>(2,599)</u>	<u>–</u>	<u>(2,599)</u>
Share of results of equity-accounted investees, net of tax	(1,312)	–	(1,312)
Profit before tax	<u>42,702</u>	<u>(4,793)</u>	<u>37,909</u>
Tax (expense)/credit	(2,740)	815	(1,925)
Profit for the year	<u>39,962</u>	<u>(3,978)</u>	<u>35,984</u>
Profit attributable to:			
Owners of the Company	32,268	(3,978)	28,290
Non-controlling interests	7,694	–	7,694
Profit for the year	<u>39,962</u>	<u>(3,978)</u>	<u>35,984</u>

NOTES TO THE FINANCIAL STATEMENTS

SFRS(I) 1

When the Group adopts SFRS(I) in 2019, the Group will apply SFRS(I) 1 with 1 April 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2019, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. Except as described below, the Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

Foreign currency translation reserve (“FCTR”)

The Group plans to elect the optional exemption in SFRS(I) 1 to reset its cumulative FCTR for all foreign operations to nil at the date of transition, and reclassify the cumulative FCTR of \$3,069,000 as at 1 April 2017 determined in accordance with FRS at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group plans to adopt SFRS(I) 15 in its financial statements for the year ending 31 March 2019, using the retrospective approach. As a result, the Group will apply all of the requirements of SFRS(I) 15 retrospectively, except as described below, and the comparative period presented in the 2019 financial statements will be restated.

The Group plans to use the practical expedients for completed contracts. This means that completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

The expected impact upon the adoption of SFRS(I) 15 are described below. The information below reflects the Group's expectations of the tax implications arising from the changes in accounting treatment. Tax effects may change when the transition adjustments are finalised.

Sales commission

Currently, the Group recognises sales commission as expenses when incurred for its development properties, but would capitalise such costs as part of development properties under SFRS(I) 15 as they are recoverable. Development properties and retained earnings are expected to increase by \$4,834,000 as at 31 March 2017. Cost of sales of development properties is expected to increase by \$4,793,000 for 2018 and development properties and retained earnings are expected to increase by \$41,000 as at 31 March 2018.

Significant financing component

It is deemed financing component arising from the sale of development projects due to cash received in advance from the buyers prior to the handing over of the units. Any deemed interest cost would be capitalised as part of the development costs and recognised as cost of sales when the units are handed over to the buyers. Development properties and trade and other payables are expected to increase by \$1,456,000 as at 31 March 2017. Revenue and cost of sales of development properties are expected to increase by \$1,456,000 for 2018.

NOTES TO THE FINANCIAL STATEMENTS

SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

- The Group plans to take advantage of the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2019 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 April 2018.
- The following assessments have to be made on the basis of facts and circumstances that existed at 1 April 2018.
 - The determination of the business model within which a financial asset is held.
 - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
 - The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income ("FVOCI").
 - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss ("FVTPL").

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss ("ECL") model. The new impairment model will apply to financial assets measured at amortised cost or fair value through other comprehensive income ("FVOCI"), except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

The expected impact on adoption of SFRS(I) 9 are described below. The information below reflects the Group's expectation of the implications arising from changes in the accounting treatment, however, the actual tax effect may change when the transition adjustments are finalised.

For financial assets currently held at fair value, the Group expects to continue measuring all of these assets amounting to \$124,021,000 at fair value under SFRS(I) 9. The Group plans to elect to present in OCI the changes in fair value of its Available-for-sale ("AFS") equity securities that are held by the Group because these investments are not held for trading.

Impairment

The Group plans to apply the simplified approach and record lifetime ECL on all trade receivables and cash at bank. The Group does not expect the adoption of ECL model to have significant impact to the financial statements.

Applicable to financial statements for the year 2020 and thereafter

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning after 1 April 2018:

Applicable to 2020 financial statements

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)

Applicable to 2022 financial statements

- SFRS(I) 17 *Insurance Contracts*

NOTES TO THE FINANCIAL STATEMENTS

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below. The Group also preliminarily assessed that SFRS(I) 17 is not relevant to the Group as the Group does not issue insurance contracts nor account for financial guarantee contracts as insurance contracts.

SFRS(I) 16

SFRS(I) 16 replaces existing lease accounting guidance. SFRS(I) 16 is effective for annual periods beginning on or after 1 April 2019, with early adoption permitted if SFRS(I) 16 is also applied. SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group plans to adopt the standard when it becomes effective in 2020 and expects to apply the standard using the modified retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities.

The Group is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 April 2019. Accordingly, existing lease contracts that are still effective on 1 April 2019 continue to be accounted for as lease contracts under SFRS(I) 16.

Until 2019, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

The Group as lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

STATISTICS OF SHAREHOLDINGS

As at 27 June 2018

Class of shares	:	Ordinary
Number of shares	:	4,306,135,775
Number of shares (excluding Treasury Shares)	:	4,293,178,875
Number / Percentage of Treasury Shares	:	12,956,900 / 0.30%
Number of subsidiary holdings	:	Nil
Voting rights	:	One vote per share (excluding treasury shares)

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders (excluding treasury shares)	%	No. of Shares (excluding treasury shares)	%
1 - 99	15	0.41	540	0.00
100 - 1,000	355	9.80	145,749	0.00
1,001 - 10,000	744	20.53	4,839,294	0.11
10,001 - 1,000,000	2,444	67.44	245,154,905	5.71
1,000,001 and above	66	1.82	4,043,038,387	94.18
	3,624	100.0	4,293,178,875	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%*
1	Citibank Nominees Singapore Pte Ltd	2,849,876,496	66.38
2	Phillip Securities Pte Ltd	366,485,521	8.54
3	Acquire Wealth Limited	220,000,000	5.12
4	DBS Nominees Pte Ltd	151,081,586	3.52
5	Raffles Nominees (Pte) Ltd	123,464,465	2.88
6	Maybank Kim Eng Securities Pte Ltd	50,021,506	1.17
7	Goi Seng Hui	42,166,550	0.98
8	Goh Bee Lan	35,500,000	0.83
9	UOB Kay Hian Pte Ltd	26,160,900	0.61
10	United Overseas Bank Nominees Pte Ltd	25,091,300	0.58
11	DBS Vickers Securities (S) Pte Ltd	21,978,250	0.51
12	Fong Kim Chit	8,136,600	0.19
13	Ong Kian Kok	7,600,000	0.18
14	Chean Sock Hoon	6,755,100	0.16
15	OCBC Securities Private Ltd	6,627,198	0.15
16	CIMB Securities (S) Pte Ltd	4,907,920	0.11
17	OCBC Nominees Singapore Pte Ltd	4,394,645	0.10
18	Tan Tong Chee	4,300,000	0.10
19	Mao Jinshan	4,075,600	0.09
20	RHB Securities Singapore Pte Ltd	3,939,000	0.09
		3,962,562,637	92.29

* The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the company as at 27 June 2018, excluding 12,956,900 ordinary shares held as treasury shares as at that date.

STATISTICS OF SHAREHOLDINGS

As at 27 June 2018

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF PUBLIC

24.47 % of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

SUBSTANTIAL SHAREHOLDINGS

(As recorded in the Register of Substantial Shareholders as at 27 June 2018)

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Haiyi Holdings Pte. Ltd.	2,660,713,367	61.98	–	–
Gordon Tang ⁽²⁾	–	–	2,880,713,367	67.10
Celine Tang ⁽³⁾	–	–	2,779,213,367	64.74
Hai Run Pte. Ltd.	237,000,000	5.52	–	–
Yang Manlin ⁽⁴⁾	–	–	237,000,000	5.52
Acquire Wealth Limited	220,000,000	5.12	–	–
New Palace Developments Limited ⁽⁵⁾	–	–	220,000,000	5.12
Neil Bush ⁽⁶⁾	–	–	220,000,000	5.12

Notes:

- (1) Calculated as a percentage of the total number of issued ordinary shares, excluding 12,956,900 treasury shares.
- (2) Mr. Gordon Tang has a controlling interest in Haiyi Holdings Pte. Ltd. ("**Haiyi**"). He is therefore deemed interested in the shares held by Haiyi by virtue of Section 7 of the Companies Act. In addition, he owns 70% interest in Acquire Wealth Limited ("**AWL**") and accordingly he is also deemed to have interest in the shares which AWL is interested in by virtue of Section 7 of the Companies Act.
- (3) Mrs. Celine Tang is entitled to exercise or control the exercise of not less than 20% of the votes attached to the shares held by her in Haiyi. She is therefore deemed interested in the shares held by Haiyi by virtue of Section 7 of the Companies Act. In addition, she is a Director of Senz Holdings Limited ("**Senz**"), a shareholder of the Company. Accordingly, she is deemed interested in the shares held by Senz by virtue of Section 7 of the Companies Act.
- (4) Ms. Yang Manlin is a substantial shareholder and director of Hai Run Pte. Ltd. and is deemed interested in the shares held by Hai Run Pte. Ltd. by virtue of Section 7 of the Companies Act.
- (5) New Palace Developments Limited ("**NPDL**") owns 30% interest in AWL, and accordingly NPDL is deemed to have interest in the shares which AWL is interested in by virtue of Section 7 of the Companies Act.
- (6) Mr. Neil Bush and his spouse are ultimate shareholders of NPDL. It is assumed that NPDL is, or its directors are accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of Mr. Neil Bush. Accordingly, Mr. Neil Bush is deemed to have an interest in the shares which NPDL is interested in by virtue of Section 7 of the Companies Act.

NOTICE OF ANNUAL GENERAL MEETING

SINGHAIYI GROUP LTD.

Company Registration No.: 198803164K
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of SingHaiyi Group Ltd. (the “**Company**”) will be held at Level 1, Taurus Ballroom Marina Mandarin Singapore, 6 Raffles Boulevard Marina Square, Singapore 039594 on Thursday, 26 July 2018 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2018 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a final dividend of S\$0.003 per ordinary share (one-tier tax exempt) for the financial year ended 31 March 2018. **(Resolution 2)**
3. To re-elect Mr Mao Jinshan, a Director of the Company retiring pursuant to Article 95 of the Constitution of the Company, and who being eligible, has offered himself for re-election. **(Resolution 3)**
4. To note the retirement of Mr Tang Gordon @ Tang Yigang @ Tang Gordon, a Director of the Company retiring pursuant to Article 95 of the Constitution of the Company, who has decided not to seek re-election.

Upon retirement, Mr Tang Gordon @ Tang Yigang @ Tang Gordon will cease as a Member of the Remuneration Committee.
5. To approve the payment of Directors’ fees of sum of up to S\$347,000.00 for the financial year ending 31 March 2019, to be paid quarterly in arrears. **(Resolution 4)**
6. To re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
7. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors of the Company be authorised and empowered to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities;
- (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution provided the options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution of the Company for the time being in force; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)]

(Resolution 6)

9. Authority to allot and issue shares under the SingHaiyi Share Option Scheme 2013

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant options (“**Options**”) under the prevailing SingHaiyi Share Option Scheme 2013 (“**the Scheme**”) and to allot and to issue from time to time such number of shares in the capital of the Company as may be required to be transferred or issued pursuant to the exercise of Options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

10. Renewal of Share Buy-Back Mandate

That:

(a) for the purposes of the Companies Act, Cap. 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

- (i) on-market purchase(s) (each a “**Market Purchase**”) on the Mainboard (“**SGX- Mainboard**”) of the SGX-ST; and/or
- (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) effected pursuant to an equal access scheme as defined in Section 76C of the Act (“Equal Access Scheme”) as may be determined or formulated by the Directors as they consider fit, which Off-Market Purchase on an Equal Access Scheme shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Share Buy-Back Mandate, the Constitution, the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy-Back Mandate**”);

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next AGM of the Company is held or required by law to be held; or
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated;
- (iii) the date on which the authority conferred by the proposed Share Buy-Back Mandate is varied or revoked by Shareholders in a general meeting.

(c) in this Resolution:

“**Maximum Limit**” means that number of Shares representing not more than ten per cent (10%) of the total number of Shares as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of Shares shall be taken to be the total number of Shares as altered by the said reductions of share capital (excluding any treasury shares and subsidiary holdings, if any, that may be held by the Company from time to time). Any Shares which are held as treasury shares will be disregarded for purposes of computing the ten per cent (10%) limit;

“**Relevant Period**” means the period commencing from the date on which the last AGM of the Company was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date this Resolution is passed;

“**Market Day**” means a day on which the SGX-ST is open for securities trading;

NOTICE OF ANNUAL GENERAL MEETING

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) to be paid for the Share which shall not exceed:

- (a) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price (as defined below); and
- (b) in the case of an Off-Market Purchase pursuant to an Equal Access Scheme, one hundred and twenty per cent (120%) of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the closing market prices of the Shares for the last five (5) consecutive Market Days on which transactions in the Shares were recorded, immediately preceding the date on which a Market Purchase was made by the Company, or as the case may be, the date of the making of the offer pursuant to an Off-Market Purchase on an Equal Access Scheme, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

“**date of the making of the offer**” means the date on which the Company makes an announcement of an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the Equal Access Scheme for effecting the Off-Market Purchase; and

the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (iii)]

(Resolution 8)

By Order of the Board

Cho Form Po
Company Secretary

Singapore, 10 July 2018

Explanatory Notes:

- (i) The Ordinary Resolution 6 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) will be calculated based on the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

NOTICE OF ANNUAL GENERAL MEETING

- (ii) The Ordinary Resolution 7 in item 9 above, if passed, will empower the Directors of the Company, from the date of this Meeting (as defined below) until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) 15% of the total number of issued shares excluding treasury shares and subsidiary holdings, if any in the capital of the Company from time to time, and the aggregate number of ordinary shares which may be issued pursuant to the Scheme and any other share based schemes (if applicable) shall not exceed 15% of the total issued share capital of the Company excluding treasury shares and subsidiary holdings, if any, from time to time.
- (iii) The Ordinary Resolution 8 in item 10 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to repurchase or otherwise acquire its Shares on the terms of such mandate. Details of the proposed renewal of Share Buy-Back Mandate are set out in the Appendix dated 10 July 2018.

Notes:

1. (a) A member who is not a Relevant Intermediary (as defined below) entitled to attend the AGM (the “**Meeting**”) and vote, is entitled to appoint one or two proxies to attend and vote at the Meeting.
- (b) A member who is a Relevant Intermediary entitled to attend the Meeting and vote, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“**Relevant Intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 6 Shenton Way, #45-01 OUE Downtown 1, Singapore 068809 not less than forty-eight (48) hours before the time appointed for holding the Meeting.
5. A Depositor’s name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the meeting in order for the Depositor to be entitled to attend and vote at the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

SINGHAIYI GROUP LTD.

(Company Registration No.: 198803164K)
 (Incorporated in the Republic of Singapore)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the SingHaiyi Group Ltd's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____

of _____

being a member/members of SingHaiyi Group Ltd. (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at Level 1, Taurus Ballroom Marina Mandarin Singapore, 6 Raffles Boulevard Marina Square, Singapore 039594 on Thursday, 26 July 2018 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion. All resolutions put to vote at the Meeting shall be decided by way of poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1.	Adoption of the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2018 together with the Auditors' Report thereon.		
2.	Approval of a final dividend of S\$0.003 per ordinary share (one-tier tax exempt) for the financial year ended 31 March 2018.		
3.	Re-election of Mr Mao Jinshan as a Director.		
4.	Approval of the payment of Directors' fees of sum of up to S\$347,000.00 for the financial year ending 31 March 2019, to be paid quarterly in arrears.		
5.	Re-appointment of KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.		
6.	Authority to allot and issue shares.		
7.	Authority to allot and issue shares under the SingHaiyi Share Option Scheme 2013.		
8.	Renewal of Share Buy-Back Mandate.		

Dated this ____ day of _____ 2018

Signature of Shareholder(s)
 or, Common Seal of Corporate Shareholder

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

✂

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member who is not a Relevant Intermediary entitled to attend the Meeting and vote, is entitled to appoint one or two proxies to attend and vote at the Meeting. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a Relevant Intermediary entitled to attend the Meeting and vote, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“Relevant Intermediary” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
 6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 6 Shenton Way, #45-01 OUE Downtown 1, Singapore 068809 not less than 48 hours before the time appointed for the Meeting.
 7. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the Meeting in order for the Depositor to be entitled to attend and vote at the Meeting.
 8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 July 2018.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



SINGHAIYI
GROUP

SingHaiyi Group Ltd
6 Shenton Way #45-01
OUE Downtown 1
Singapore 068809

www.singhaiyi.com