



SINGHAIYI GROUP LTD

REGISTRATION NUMBER: 198803164K

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

PART I

Information required for announcements of quarterly (Q1, Q2, Q3), Half Year and Full year Announcements

1(a) An income statement and statement of comprehensive income for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Second quarter ended			Group Half year ended		
	30.09.2019 \$'000	30.09.2018 \$'000	Change %	30.09.2019 \$'000	30.09.2018 \$'000	Change %
Revenue ^[A]	8,769	24,189	(63.7)	12,935	50,254	(74.3)
Cost of sales	(6,116)	(17,112)	(64.3)	(8,260)	(40,367)	(79.5)
Gross profit	2,653	7,077	(62.5)	4,675	9,887	(52.7)
Other income ^[B]	57	8,241	(99.3)	70	9,372	(99.3)
Selling and marketing expenses ^[C]	(4,429)	(1,348)	>100	(10,467)	(2,315)	>100
Administrative expenses	(3,139)	(3,371)	(6.9)	(6,915)	(4,580)	51.0
Other operating expenses	(254)	(262)	(3.1)	(464)	(529)	(12.3)
Results from operating activities	(5,112)	10,337	NM	(13,101)	11,835	NM
Finance income ^[D]	1,577	2,231	(29.3)	3,515	4,842	(27.4)
Finance costs ^[E]	(9,860)	(1,283)	>100	(19,165)	(3,619)	>100
Share of results of equity-accounted investees, net of tax	460	(146)	NM	512	(407)	NM
(Loss)/Profit before tax ^[F]	(12,935)	11,139	NM	(28,239)	12,651	NM
Tax credit/(expense)	4,439	(3,434)	NM	4,379	(3,605)	NM
(Loss)/Profit for the period	(8,496)	7,705	NM	(23,860)	9,046	NM
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	406	(1,543)	NM	(267)	(1,333)	(80.0)
Cash flow hedges-fair value loss	(523)	-	NM	(1,337)	-	NM
Currency translation differences relating to foreign operations	3,693	1,024	>100	2,054	6,950	(70.4)
	3,576	(519)	NM	450	5,617	(92.0)
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Changes in fair value of financial assets at fair value through other comprehensive income	7,330	(3,211)	NM	11,172	186	>100
Other comprehensive income for the period, net of tax	10,906	(3,730)	NM	11,622	5,803	>100
Total comprehensive income for the period	2,410	3,975	(39.4)	(12,238)	14,849	NM

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	Group			Group		
	Second quarter ended		Change %	Half year ended		Change %
	30.09.2019	30.09.2018		30.09.2019	30.09.2018	
	\$'000	\$'000		\$'000	\$'000	
(Loss)/Profit attributable to:						
Owners of the Company	(4,582)	7,674	NM	(12,758)	8,911	NM
Non-controlling interests	(3,914)	31	NM	(11,102)	135	NM
	(8,496)	7,705	NM	(23,860)	9,046	NM
Total comprehensive income attributable to:						
Owners of the Company	6,324	3,944	60.3	(1,136)	14,714	NM
Non-controlling interests	(3,914)	31	NM	(11,102)	135	NM
	2,410	3,975	(39.4)	(12,238)	14,849	NM

NM – Not Meaningful.

Notes to Income Statement:

	Group			Group		
	Second quarter ended		Change %	Half year ended		Change %
	30.09.2019	30.09.2018		30.09.2019	30.09.2018	
	\$'000	\$'000		\$'000	\$'000	
[A] Revenue						
Property development income	6,897	22,020	(68.7)	9,020	45,807	(80.3)
Rental income	1,489	1,760	(15.4)	3,129	3,634	(13.9)
Management fee income	383	409	(6.4)	786	813	(3.3)
	8,769	24,189	(63.7)	12,935	50,254	(74.3)
[B] Other income						
Write-back of allowance on diminution of value in development properties	-	-	NM	-	1,098	NM
Gain on disposal of plant and equipment	-	-	NM	8	-	NM
Forfeiture of non-refundable deposit	-	8,134	NM	-	8,134	NM
Others	57	107	(46.7)	62	140	(55.7)
	57	8,241	(99.3)	70	9,372	(99.3)
[C] Selling and marketing expenses						
Commission	373	1,086	(65.7)	521	1,883	(72.3)
Advertising and marketing	4,056	262	>100	9,946	432	>100
	4,429	1,348	>100	10,467	2,315	>100

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	Group			Group		
	30.09.2019	30.09.2018	Change %	30.09.2019	30.09.2018	Change %
	\$'000	\$'000		\$'000	\$'000	
[D] Finance income						
Dividend income – financial assets at fair value through other comprehensive income ⁽¹⁾	1,233	927	33.0	2,449	2,461	(0.5)
Dividend income – financial assets at fair value through profit or loss ⁽²⁾	298	583	(48.9)	594	1,230	(51.7)
Fair value gain on financial assets at fair value through profit or loss ⁽²⁾	-	-	NM	267	-	NM
Interest income	46	721	(93.3)	205	1,151	(82.2)
	1,577	2,231	(29.3)	3,515	4,842	(27.4)
[E] Finance costs						
Interest on bank loans	9,358	513	>100	18,333	1,014	>100
Interest on related company's loan	400	565	(29.2)	801	1,117	(28.3)
Finance expense on lease liabilities	14	-	NM	31	-	NM
Fair value loss on financial assets at fair value through profit or loss ⁽²⁾	88	205	(57.1)	-	1,488	NM
	9,860	1,283	>100	19,165	3,619	>100
[F] Profit before tax includes the following:						
Depreciation of property, plant and equipment	90	87	3.4	193	170	13.5
Net foreign exchange loss	429	941	(54.4)	1,654	51	>100
Professional fees	81	152	(46.7)	119	215	(44.7)

Note 1: Dividend income - financial assets at fair value through other comprehensive income

This pertains to dividend income from the investment in quoted stapled securities issued by Cromwell Property Group, a global real estate investment manager listed on the Australia Stock Exchange.

Note 2: Dividend income and net change in fair value of financial assets through profit or loss

Dividend income refers to the income earned from fixed income portfolio accounted as financial assets at fair value through profit or loss. The changes in the market price of the financial assets are reflected as changes in fair value of financial assets through profit or loss.

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1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30.09.2019 \$'000	31.03.2019 \$'000	30.09.2019 \$'000	31.03.2019 \$'000
Non-current assets				
Property, plant and equipment	1,817	1,639	577	555
Right-of-use assets	2,094	-	1,094	-
Investment properties	88,247	87,221	-	-
Interests in subsidiaries	-	-	182,875	183,960
Interests in associates	46,221	47,276	-	-
Interests in joint ventures	115,039	111,501	-	-
Amounts due from subsidiaries	-	-	359,590	293,611
Financial assets at fair value through other comprehensive income	83,399	74,720	83,399	74,720
Deferred tax assets	4,549	-	-	-
	<u>341,366</u>	<u>322,357</u>	<u>627,535</u>	<u>552,846</u>
Current assets				
Development properties	1,769,670	1,389,355	-	-
Contract costs	992	-	-	-
Contract assets	-	2,170	-	99
Trade and other receivables	32,245	9,973	1,635	2,418
Financial assets at fair value through profit or loss	29,624	29,293	29,624	29,293
Amounts due from subsidiaries	-	-	17,829	31,780
Cash and cash equivalents	51,530	101,030	13,284	70,596
	<u>1,884,061</u>	<u>1,531,821</u>	<u>62,372</u>	<u>134,186</u>
Total assets	<u>2,225,427</u>	<u>1,854,178</u>	<u>689,907</u>	<u>687,032</u>
Non-current liabilities				
Loans and borrowings	1,116,426	874,599	-	-
Lease liabilities	2,388	-	1,346	-
Amounts due to non-controlling interests	268,758	193,400	-	-
Deferred tax liabilities	4,123	4,074	-	-
	<u>1,391,695</u>	<u>1,072,073</u>	<u>1,346</u>	<u>-</u>
Current liabilities				
Trade and other payables	19,398	13,505	2,669	3,006
Contract liabilities	53,765	1	-	-
Loans and borrowings	88,308	77,889	74,979	77,588
Loan from a related company	21,568	21,316	-	-
Derivative financial instruments	1,337	-	-	-
Current tax payable	1,803	2,627	250	250
	<u>186,179</u>	<u>115,338</u>	<u>77,898</u>	<u>80,844</u>
Total liabilities	<u>1,577,874</u>	<u>1,187,411</u>	<u>79,244</u>	<u>80,844</u>

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	Group		Company	
	30.09.2019 \$'000	31.03.2019 \$'000	30.09.2019 \$'000	31.03.2019 \$'000
Share capital	522,939	522,939	522,939	522,939
Accumulated profits	115,634	135,000	66,898	73,567
Reserves	19,479	7,885	20,826	9,682
Equity attributable to owners of the Company	658,052	665,824	610,663	606,188
Non-controlling interests	(10,499)	943	-	-
Total equity	647,553	666,767	610,663	606,188
Total liabilities and equity	2,225,427	1,854,178	689,907	687,032

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities

	As at 30.09.2019 \$'000	As at 31.03.2019 \$'000
<u>Unsecured</u>		
Amount repayable in one year or less, or on demand	21,568	21,316
Amount repayable after one year	268,758	193,400
(a)	<u>290,326</u>	<u>214,716</u>
<u>Secured</u>		
Amount repayable in one year or less, or on demand	88,308	77,889
Amount repayable after one year	1,116,426	874,599
(b)	<u>1,204,734</u>	<u>952,488</u>
Gross borrowings	(a) + (b)	<u>1,495,060</u>
		<u>1,167,204</u>

The Group's gross borrowings refer to aggregate borrowings from banks, finance lease creditors, loan from a related company and amounts due to non-controlling interests.

Details of any collateral as at 30 September 2019

Where secured, borrowings are collateralised by:

- (i) the borrowing subsidiaries' investment properties and development properties;
- (ii) assignment of all rights and benefits to sale, lease and insurance proceeds in respect of investment properties, development properties and leasehold buildings;
- (iii) corporate guarantees by the Company;
- (iv) a charge over financial assets at fair value through profit or loss with an amount equivalent to \$29,624,000; and
- (v) charge over financial assets at fair value through other comprehensive income with an amount equivalent to \$83,399,000.

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1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	Second quarter ended	30.09.2018	Half year ended	30.09.2018
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
(Loss)/Profit before tax	(12,935)	11,139	(28,239)	12,651
Adjustment for:				
Changes in fair value of financial assets at fair value through profit or loss	88	205	(267)	1,488
Depreciation of property, plant and equipment	90	87	193	170
Depreciation of right-of-use assets	280	-	519	-
Gain on disposal of plant and equipment	-	-	(8)	-
Interest and dividend income	(1,577)	(2,231)	(3,248)	(4,842)
Interest expense	9,772	1,078	19,165	2,131
Net unrealised foreign exchange gain	(277)	(246)	(210)	(892)
Share of results of equity-accounted investees, net of tax	(460)	146	(512)	407
Write-back of allowance of diminution in value of a development property	-	-	-	(1,098)
	(5,019)	10,178	(12,607)	10,015
Changes in:				
Contract assets	1,048	-	2,170	-
Contract costs	(384)	-	(992)	-
Contract liabilities	46,847	-	53,764	-
Development properties	(186,341)	13,878	(378,477)	(247,273)
Trade and other receivables	(22,147)	19,567	(22,272)	67,837
Trade and other payables	7,075	(15,300)	5,893	(15,416)
Cash (used in)/generated from operations	(158,921)	28,323	(352,521)	(184,837)
Tax paid	(764)	(5,729)	(996)	(5,794)
Net cash (used in)/generated from operating activities	(159,685)	22,594	(353,517)	(190,631)
Cash flows from investing activities				
Acquisition of plant and equipment	(20)	(5)	(442)	(56)
Capital expenditure on investment properties	(13)	(12)	(153)	(522)
Interest and dividends received	2,101	2,751	4,579	5,930
Investment in joint venture	(3,570)	(2,778)	(3,570)	(4,616)
Proceeds from disposal of plant and equipment	-	-	50	-
Net cash (used in)/generated from investing activities	(1,502)	(44)	464	736

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	Group		Group	
	Second quarter ended		Half year ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from financing activities				
Acquisition of treasury shares	(28)	(1,235)	(28)	(2,454)
Dividends paid to non-controlling interests	(140)	-	(340)	(260)
Dividends paid to owners of the Company	(6,329)	(12,854)	(6,329)	(12,854)
Finance expense paid	(14)	-	(31)	-
Interest paid	(9,752)	(1,078)	(19,145)	(2,131)
Principal repayment of leases	(251)	-	(473)	-
Payment of transaction costs in relation to rights issue	-	-	-	(22)
Proceeds from bank borrowings, net of transaction costs	118,456	13,916	254,978	203,093
Proceeds of loans from a related company	-	21	-	2,008
Proceeds of loans from non-controlling interests	36,000	1,500	75,358	30,750
Repayment of bank borrowings	(474)	-	(480)	(9,786)
Repayment of loan to a related company	-	(4,803)	-	(8,778)
Net cash generated from/(used in) financing activities	137,468	(4,533)	303,510	199,566
Net (decrease)/increase in cash and cash equivalents	(23,719)	18,017	(49,543)	9,671
Cash and cash equivalents at beginning of the period	75,112	185,936	101,030	194,029
Effect of exchange rate fluctuations on cash held	137	108	43	361
Cash and cash equivalents at end of the period	51,530	204,061	51,530	204,061

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1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

1(d)(i) Consolidated Statement of Changes in Equity

	Share capital	Capital reserve	Translation reserve	Fair value reserve	Hedge reserve	Accumulated profits	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current period:								
The Group								
At 1 April 2019	522,939	749	(1,356)	8,492	-	135,000	943	666,767
Adoption of SFRS (I) 16	-	-	-	-	-	(279)	-	(279)
At 1 April 2019 (restated)	522,939	749	(1,356)	8,492	-	134,721	943	666,488
Loss for the period	-	-	-	-	-	(8,176)	(7,188)	(15,364)
Other comprehensive income								
Share of currency translation differences of equity-accounted investee	-	-	(673)	-	-	-	-	(673)
Cash flow hedge-fair value loss	-	-	-	-	(814)	-	-	(814)
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	3,842	-	-	-	3,842
Currency translation differences relating to foreign operations	-	-	(1,639)	-	-	-	-	(1,639)
Other comprehensive income, net of tax	-	-	(2,312)	3,842	(814)	-	-	716
Total comprehensive income for the period	-	-	(2,312)	3,842	(814)	(8,176)	(7,188)	(14,648)
Transactions with owners, recognised directly in equity								
Dividends paid	-	-	-	-	-	-	(200)	(200)
Total transactions with owners	-	-	-	-	-	-	(200)	(200)
At 30 June 2019	522,939	749	(3,668)	12,334	(814)	126,545	(6,445)	651,640
Loss for the period	-	-	-	-	-	(4,582)	(3,914)	(8,496)
Other comprehensive income								
Share of currency translation differences of equity-accounted investee	-	-	406	-	-	-	-	406
Cash flow hedge-fair value loss	-	-	-	-	(523)	-	-	(523)
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	7,330	-	-	-	7,330
Currency translation differences relating to foreign operations	-	-	3,693	-	-	-	-	3,693
Other comprehensive income, net of tax	-	-	4,099	7,330	(523)	-	-	10,906
Total comprehensive income for the period	-	-	4,099	7,330	(523)	(4,582)	(3,914)	2,410
Transactions with owners, recognised directly in equity								
Dividends paid	-	-	-	-	-	(6,329)	(140)	(6,469)
Treasury shares	-	(28)	-	-	-	-	-	(28)
Total transactions with owners	-	(28)	-	-	-	(6,329)	(140)	(6,497)
At 30 September 2019	522,939	721	431	19,664	(1,337)	115,634	(10,499)	647,553

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	Share capital	Capital reserve	Translation reserve	Fair value reserve	Accumulated profits	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current period:							
The Group							
At 1 April 2018	526,433	4,674	(4,015)	5,891	122,098	13,073	668,154
Adoption of SFRS (I) 1 & 15	-	-	(3,069)	-	3,110	-	41
As at 1 April 2018 (restated)	526,433	4,674	(7,084)	5,891	125,208	13,073	668,195
Profit for the period	-	-	-	-	1,237	104	1,341
Other comprehensive income							
Share of currency translation differences of equity-accounted investee	-	-	210	-	-	-	210
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	3,397	-	-	3,397
Currency translation differences relating to foreign operations	-	-	5,926	-	-	-	5,926
Other comprehensive income, net of tax	-	-	6,136	3,397	-	-	9,533
Total comprehensive income for the period	-	-	6,136	3,397	1,237	104	10,874
Transactions with owners, recognised directly in equity							
Dividends paid	-	-	-	-	-	(260)	(260)
Transaction costs in relation to rights issue	-	(22)	-	-	-	-	(22)
Treasury shares	-	(1,219)	-	-	-	-	(1,219)
Total transactions with owners	-	(1,241)	-	-	-	(260)	(1,501)
At 30 June 2018	526,433	3,433	(948)	9,288	126,445	12,917	677,568
Profit for the period	-	-	-	-	7,675	30	7,705
Other comprehensive income							
Share of currency translation differences of equity-accounted investee	-	-	(1,543)	-	-	-	(1,543)
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	(3,211)	-	-	(3,211)
Currency translation differences relating to foreign operations	-	-	1,024	-	-	-	1,024
Other comprehensive income, net of tax	-	-	(519)	(3,211)	-	-	(3,730)
Total comprehensive income for the period	-	-	(519)	(3,211)	7,675	30	3,975
Transactions with owners, recognised directly in equity							
Dividends paid	-	-	-	-	(12,854)	-	(12,854)
Treasury shares	-	(1,235)	-	-	-	-	(1,235)
Total transactions with owners	-	(1,235)	-	-	(12,854)	-	(14,089)
At 30 September 2018	526,433	2,198	(1,467)	6,077	121,266	12,947	667,454

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1(d)(i) Statement of Changes in Equity

	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total equity \$'000
Current period:					
The Company					
At 1 April 2019	522,939	1,191	8,491	73,567	606,188
Adoption of SFRS (I) 16	-	-	-	(250)	(250)
At 1 April 2019 (restated)	522,939	1,191	8,491	73,317	605,938
Profit for the period	-	-	-	290	290
Other comprehensive income					
Change in fair value of financial assets at fair value through other comprehensive income	-	-	3,842	-	3,842
Other comprehensive income, net of tax	-	-	3,842	-	3,842
Total comprehensive income for the period	-	-	3,842	290	4,132
At 30 June 2019	522,939	1,191	12,333	73,607	610,070
Loss for the period	-	-	-	(380)	(380)
Other comprehensive income					
Change in fair value of financial assets at fair value through other comprehensive income	-	-	7,330	-	7,330
Other comprehensive income, net of tax	-	-	7,330	-	7,330
Total comprehensive income for the period	-	-	7,330	(380)	6,950
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(6,329)	(6,329)
Acquisition of treasury shares	-	(28)	-	-	(28)
Total transactions with owners	-	(28)	-	(6,329)	(6,357)
At 30 September 2019	522,939	1,163	19,663	66,898	610,663

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	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total equity \$'000
<u>Current period:</u>					
The Company					
At 1 April 2018	526,433	5,116	5,891	66,353	603,793
Profit for the period	-	-	-	2,148	2,148
Other comprehensive income					
Change in fair value of financial assets at fair value through other comprehensive income	-	-	3,397	-	3,397
Other comprehensive income, net of tax	-	-	3,397	-	3,397
Total comprehensive income for the period	-	-	3,397	2,148	5,545
Transactions with owners, recognised directly in equity					
Transaction costs in relation to right issue	-	(22)	-	-	(22)
Treasury shares	-	(1,219)	-	-	(1,219)
Total transactions with owners	-	(1,241)	-	-	(1,241)
At 30 June 2018	526,433	3,875	9,288	68,501	608,097
Loss for the period	-	-	-	(800)	(800)
Other comprehensive income					
Change in fair value of financial assets at fair value through other comprehensive income	-	-	(3,211)	-	(3,211)
Other comprehensive income, net of tax	-	-	(3,211)	-	(3,211)
Total comprehensive income for the period	-	-	(3,211)	(800)	(4,011)
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(12,854)	(12,854)
Acquisition of treasury shares	-	(1,235)	-	-	(1,235)
Total transactions with owners	-	(1,235)	-	(12,854)	(14,089)
At 30 September 2018	526,433	2,640	6,077	54,847	589,997

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- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share capital

There is no change in the Company's share capital since the last reported financial period.

Convertible securities and share options

There were no convertible securities and share options outstanding as at 30 September 2019 and 30 September 2018.

There were 47,393,600 treasury shares held by the Company, representing 1.12% of the shares outstanding of 4,218,742,175 as at 30 September 2019 (30 September 2018: 25,773,000 representing 0.60% of the shares outstanding of 4,280,362,775).

- 1d(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial year and as at end of the immediately preceding year**

	30.09.2019	31.03.2019
Total number of issued shares excluding treasury shares	4,218,742,175	4,219,052,175

- 1d(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial year reported on**

No treasury shares were sold, transferred, disposed, cancelled and/or used as at end of the current financial year.

- 1d(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at end of the current financial period reported on**

Not applicable.

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- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the auditors.

- 3 Where the figures have been audited, or reviewed, the auditors' report (including any qualification or emphasis of a matter)**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with the audited financial statements for the financial year ended 31 March 2019.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as reasons for, and the effect of, the change**

SFRS (I) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. The lessee accounting requires the recognition of the right-of-use ("ROU") asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. Lessor accounting remains similar to the current standard.

The Group and the Company have adopted SFRS (I) 16 *Leases* using the modified retrospective approach with effect from 1 April 2019. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group applied the practical expedient to grandfather the definition of a lease on transition of which the Group applied SFRS(I) 16 to all contracts entered into before 1 April 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT4.

On 1 April 2019, the effect on adoption of SFRS (I) 16 resulted in an increase in ROU assets of \$2,613,313, an increase in lease liabilities of \$2,892,834 and a decrease in retained earnings of \$279,521.

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- 6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Second quarter ended		Half year ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Based on weighted average number of shares (cents)	(0.109)	0.179	(0.302)	0.208
Weighted average number of shares	4,219,015,110	4,283,634,451	4,219,035,142	4,294,025,080
On a fully diluted basis (cents)	(0.109)	0.179	(0.302)	0.208
Adjusted weighted average number of shares	4,219,015,110	4,283,634,451	4,219,035,142	4,294,025,080

- 7 Net asset value (for the issuer and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and the immediately preceding financial year**

	Group		Company	
	30.09.2019	31.03.2019	30.09.2019	31.03.2019
Net asset value per ordinary share (cents)	15.60	15.78	14.48	14.37
Number of issued shares excluding treasury shares	4,218,742,175	4,219,052,175	4,218,742,175	4,219,052,175

- 8 A review of the performance of the Group to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal, or cyclical factors. It must also discuss any material factors that affected the cashflow, working capital, assets or liabilities of the Group during the current financial period reported on.**

Review of Group Performance

	Second quarter ended		Half year ended	
	30.09.2019 \$'000	30.09.2018 \$'000	30.09.2019 \$'000	30.09.2018 \$'000
Property development income	6,897	22,020	9,020	45,807
Rental income	1,489	1,760	3,129	3,634
Management fee income	383	409	786	813
	<u>8,769</u>	<u>24,189</u>	<u>12,935</u>	<u>50,254</u>

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	Singapore		US	
	Second quarter ended		Second quarter ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	\$'000	\$'000	\$'000	\$'000
Property development income	3,225	9,118	3,672	12,902
Rental income	250	206	1,239	1,554
Management fee income	383	409	-	-
	<u>3,858</u>	<u>9,733</u>	<u>4,911</u>	<u>14,456</u>

	Singapore		US	
	Half year ended		Half year ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	\$'000	\$'000	\$'000	\$'000
Property development income	3,225	32,905	5,795	12,902
Rental income	499	416	2,630	3,218
Management fee income	786	813	-	-
	<u>4,510</u>	<u>34,134</u>	<u>8,425</u>	<u>16,120</u>

2Q2020 vs 2Q2019

The Group recorded total revenue of \$8.8 million for 2Q2020 as compared to 2Q2019 of \$24.2 million, a decrease of \$15.4 million year-on-year, mainly due to the decrease of revenue recognised for Vietnam Town phase 2 of \$9.2 million and City Suites of \$3.8 million. In 2Q2020, revenue mainly arose from the sales of Vietnam Town phase 2 of \$3.7 million, progressive revenue recognised for The Gazania of \$2.6 million and rental income from Tri-County Mall.

Cost of sales decreased by \$11.0 million year-on-year, in line with the decrease in property development income as mentioned in the previous paragraph.

Gross profit margin is consistent year-on-year as similar geographical revenue mix recognised for 2Q2020 and 2Q2019.

Other income decreased by \$8.2 million year-on-year, due to the absence of the forfeiture of non-refundable deposits.

Selling and marketing expenses increased by \$3.1 million, from \$1.3 million in 2Q2019 to \$4.4 million in 2Q2020, mainly due to the advertising, marketing and show flat expenses incurred for the Group's new development project, Parc Clematis.

Finance income decreased by \$0.6 million, from \$2.2 million in 2Q2019 to \$1.6 million in 2Q2020, mainly due to lower interest income.

The increase in finance costs was mainly due to the increase in bank borrowings. Following the adoption of the agenda decision by IFRS Interpretation Committee in March 2019, the Group has ceased capitalisation of borrowing cost on development properties. As a result, the interest expense of \$8.9 million has been expensed off in 2Q2020.

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Share of results of equity-accounted investees, net of tax went from a loss of \$0.1 million in 2Q2019 to a gain of \$0.5 million in 2Q2020, mainly due to the higher share of profit from ARA Harmony Fund III, L.P.

The tax credit pertains to unused tax losses arising from the Group's development projects.

1H2020 vs 1H2019

The Group recorded total revenue of \$12.9 million for 1H2020 as compared to 1H2019 of \$50.3 million, a decrease of \$37.4 million year-on-year, mainly due to the decrease of revenue recognised for Vietnam Town phase 2 of \$7.1 million and City Suites of \$21.5 million and The Vales of \$7.2 million. In 1H2020, revenue mainly arose from the sales of Vietnam Town phase 2 of \$5.8 million, progressive revenue recognised for The Gazania of \$2.6 million and rental income from Tri-County Mall.

Cost of sales decreased by \$32.1 million year-on-year, in line with the decrease in property development income as mentioned in the previous paragraph.

Gross profit margin increased by 16.4 percentage point year-on-year, due to higher profit margin from the property development in US.

Other income decreased by \$9.3 million year-on-year, mainly due to the absence of the non-refundable deposit of \$8.1 million and the write-back of allowance of a diminution in value of the development project, City Suites of \$1.1 million.

Selling and marketing expenses increased by \$8.2 million, from \$2.3 million in 1H2019 to \$10.5 million in 1H2020, mainly due to the advertising, marketing and show flat expenses incurred for the Group's new development projects, namely The Gazania, The Lilium and Parc Clematis.

Administrative expenses increased by \$2.3 million, from \$4.6 million in 1H2019 to \$6.9 million in 1H2020, mainly due to the net foreign exchange loss of \$1.7 million.

Finance income decreased by \$1.3 million, from \$4.8 million in 1H2019 to \$3.5 million in 1H2020, mainly due to the lower dividend income (see note 2 on page 3) and interest income.

The increase in finance costs was mainly due to the increase in bank borrowings. Following the adoption of the agenda decision by IFRS Interpretation Committee in March 2019, the Group has ceased capitalisation of borrowing cost on development properties. As a result, the interest expense of \$17.3 million has been expensed off in 1H2020.

Share of results of equity-accounted investees, net of tax went from a loss of \$0.4 million in 1H2019 to a gain of \$0.5 million in 1H2020, mainly due to the higher share of profit from ARA Harmony Fund III, L.P.

The tax credit pertains to unused tax losses arising from the Group's development projects.

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Review of Consolidated Statement of Financial Position

Deferred tax assets

This pertains to unused tax losses arising from the Group's development projects.

Development properties

Development properties increased by \$380.3 million, from \$1,389.4 million as at 31 March 2019 to \$1,769.7 million as at 30 September 2019, mainly due to the payment of land related costs for Parc Clematis.

Contract costs

This pertains to sales commission incurred for the Group's development projects.

Trade and other receivables

Trade and other receivables increased by \$22.2 million, from \$10.0 million as at 31 March 2019 to \$32.2 million as at 30 September 2019, mainly due to the trade receivables from the Group's new development projects, The Gazania and Parc Clematis.

Cash and cash equivalents

Cash and cash equivalents decreased by \$49.5 million, from \$101.0 million as at 31 March 2019 to \$51.5 million as at 30 September 2019, mainly due to cash movements as disclosed in the cash flow statements as explained below.

Loans and borrowings

Loans and borrowings increased by \$252.2million, from \$952.5 million to \$1,204.7 million as at 30 September 2019, mainly due to the drawdown of bank loans for the Group's development projects.

Amount due to non-controlling interests

The increase was mainly due to the proceeds of shareholders' loan from non-controlling interest. The loan was primarily used for the payment of land related costs for Parc Clematis.

Contract liabilities

This pertains to progress billings made for the Group's development projects.

Derivative financial instruments

Derivative financial instruments represent the fair value of the interest rate swaps entered to hedge the floating interest rate exposure of the Group's borrowings.

Current tax payable

Current tax payable decreased by \$0.8 million, from \$2.6 million as at 31 March 2019 to \$1.8 million as at 30 September 2019 due to payment of income tax expense.

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2Q2020

Cash flow statements

Cash flows used in operating activities for 2Q2020 amounted to \$159.7 million. This was mainly due to the operating loss of \$5.0 million and the increases in development properties of \$186.3 million and trade and other receivables of \$22.1 million. This was offset by the increase in contract liabilities of \$46.8 million.

Cash flows used in investing activities for 2Q2020 amounted to \$1.5 million. This was mainly due to the investment in joint venture of \$3.6 million. This was offset by the interest and dividends received of \$2.1 million.

Cash flows generated from financing activities for 1Q2020 amounted to \$137.5 million. This was mainly due to the drawdown of bank loans of \$118.5 million and proceeds of loans from non-controlling interest of \$36.0 million. This was offset by interest paid of \$9.8 million and dividend paid to owners of the Company of \$6.3 million.

1H2020

Cash flow statements

Cash flows used in operating activities for 1H2020 amounted to \$353.5 million. This was mainly due to the operating loss of \$12.6 million and the increases in development properties of \$378.5 million and trade and other receivables of \$22.3 million. This was offset by the increase in contract liabilities of \$53.8 million.

Cash flows generated from investing activities for 1H2020 amounted to \$0.5 million. This was mainly due to the interest and dividends received of \$4.6 million. This was offset by the investment in joint venture of \$3.6 million.

Cash flows generated from financing activities for 1H2020 amounted to \$303.5 million. This was mainly due to the drawdown of bank loans of \$255.0 million and proceeds of loans from non-controlling interest of \$75.4 million. This was offset by interest paid of \$19.1 million and dividend paid to owners of the Company of \$6.3 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

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- 10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 month**

SINGAPORE

The Group has launched its 1,468-unit residential development Parc Clematis on 31 August 2019, attracting strong sales with 324 units, or 70%, of the 465 released units sold on first weekend of launch. As at 30 September 2019, a total of 433 units have been sold. With its well-connected location in the Clementi estate, Parc Clematis was ranked one of the top selling private residential projects over the past months in Singapore.

Meanwhile, the Group continues to drive sales for its two freehold residential projects – the 250-unit The Gazania and the 80-unit The Liliun. The projects have sold a total of 23 units.

The total estimated gross development value of the three residential development projects comprising The Gazania, The Liliun, and Parc Clematis amounts to approximately S\$2.8 billion. These projects are expected to provide clear revenue visibility that will be progressively recognised.

The Group's commercial development at 9 Penang Road has obtained Temporary Occupation Permit on 30 October 2019. The BCA Green Mark Platinum certified, Grade A commercial building spanning eight levels across two towers has secured UBS Singapore as its sole anchor office tenant. UBS Singapore will be taking up 381,000 sq. ft. of net lettable area. The remaining 15,000 sq. ft. of retail space has garnered strong interest from potential retail tenants including F&B outlets and ancillary services.

UNITED STATES

Phase II sales of the Group's completed commercial condominium project Vietnam Town in San Jose, California is on-going and the project has sold 40 units out of 141 units.

Redevelopment works to transform the existing office building at 5 Thomas Mellon Circle in San Francisco into a waterfront lifestyle residential property is on-going. The project is currently pending authority approval of the site permit.

Tri-County Mall in Cincinnati is currently undergoing asset enhancement works to enhance patron traffic. Rental income is expected to be lower due to the on-going enhancement works, along with the challenging retail market in the US.

OUTLOOK

The Singapore economy is slowing, having grown by 0.1% on a year-on-year basis in the third quarter of 2019. On a quarter-on-quarter seasonally adjusted annualised basis, the economy expanded by 0.6%, a turnaround from the 2.7% contraction in the previous quarter¹.

¹ Singapore's GDP Grew by 0.1 Per Cent in the Third Quarter of 2019, Ministry of Trade and Industry, 14 October 2019

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The Urban Redevelopment Authority's flash estimates of Singapore's private residential property price index for the third quarter 2019 indicated a 0.8% increase as compared to the 1.5% increase in the previous quarter².

Developers sold a total of 1,270 new private homes in the month of September. This is the highest in 14 months since the property cooling measures in July 2018 and up 13% from 1,123 units sold in August. In all, a total of 3,572 new private homes were sold in the third quarter this year³.

In the US, on the back of slowing global growth and prolonged US-China trade uncertainties, GDP is expected to grow at 2.2% pace for 2019 as compared to the 2.1% forecast in June, and unemployment rate is expected to rise slightly above the 3.6% projection in June to 3.7% this year⁴. The economy is expected to remain on a moderate growth path, supported by consumer spending and firm labour market conditions⁵.

The Group remains cautiously optimistic and will focus on driving sales and ensure the smooth execution of its three recently launched properties in Singapore. Together with its property development projects in the US, the Group has a strong pipeline of Singapore and overseas development projects extending up to 2024, which are expected to contribute to the profitability of the Group.

The Group will continue to remain selective and prudently explore for fairly valued-land plots with good location and pursue suitable growth opportunities through yield-accretive acquisitions.

11 Dividend

(a) Current Financial Period reported on – any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year – any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

² URA releases flash estimate of 3rd Quarter 2019 private residential property price index, Urban Redevelopment Authority, 1 October 2019

³ Business Times – Singapore new private homes see best September sales in 7 years: URA data, 15 Oct 2019

⁴ CNBC - Fed ups its GDP forecast for 2019 slightly to 2.2%, 15 September 2019

⁵ CNA - US services sector activity hits three-year low as labour market remains solid, 4 October 2019

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No dividend has been declared/recommended in the current period as it is not the Company's practice to distribute quarterly dividend.

13 Disclosure of interested person transactions

The Company has not obtained a general mandate from shareholders for interested person transactions.

During the financial period, the transactions with interested person under Rule 905 & 906 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

		1 April 2019 to 30 September 2019 \$'000
1	Transactions with American Pacific International Capital, Inc. ("APIC") ⁽¹⁾	245 ⁽²⁾
2	Interest paid/payable to APIC	797 ⁽³⁾
3	Transactions with OKH Holdings Pte. Ltd. ("OKH") ⁽⁴⁾	63 ⁽⁵⁾
	Total	1,105 ⁽⁶⁾

Note

- (1) APIC is an entity controlled by Mr. Gordon Tang and Mrs. Celine Tang, who collectively own Haiyi Holdings Pte. Ltd. ("Haiyi"), the controlling shareholder of the Company.
- (2) This amount represents the consultancy fees to APIC. APIC provided consultancy services to the Company's subsidiaries.
- (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) The amount represents the monthly rental received/receivable from OKH.
- (6) The amount represents the aggregate value of the interested person transactions entered into with the same interested person during the financial period.

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During the financial period, the transactions with interested person under Rule 916(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

		1 April 2019 to 30 September 2019 \$'000
1	Transactions with Huajiang International Corporation Pte. Ltd. ("HICPL") ⁽¹⁾	1,500 ⁽²⁾
2	Transactions with Huajiang Properties II Pte. Ltd. ("HPIL") ⁽¹⁾	2,500 ⁽³⁾
3	Transactions with Haiyi Wealth Pte Ltd. ("HWPL") ⁽¹⁾	71,358 ⁽⁴⁾
	Total	75,358 ⁽⁵⁾

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 shareholders' loan in respect of the development of The Gazania by SingHaiyi Properties Pte. Ltd. ("SPPL"), a wholly owned subsidiary of the Company and HICPL. SPPL and HICPL each took up a 50% equity interest in the development.
- (3) This amount represents the shareholders' loan in respect of the development of The Liliun by Corporate Bridge Pte. Ltd. ("CBPL"), a wholly owned subsidiary of the Company and HPIL. CBPL and HPIL each took up a 50% equity interest in the development.
- (4) This amount represents the shareholders' loan in respect of the development of Parc Clematis by SingHaiyi Land Pte. Ltd. ("SLPL"), a wholly owned subsidiary of the Company and HWPL. SLPL and HWPL each took up a 50% equity interest in the development.
- (5) The amount represents the aggregate value of the interested person transactions entered into with the same interested person during the financial period.

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14 Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 in accordance with Rule 720(1) of the SGX-ST Listing Manual.

15 Confirmation by Directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial statements for the second quarter ended 30 September 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Celine Tang
Group Managing Director

Mao Jinshan
Executive Director

6 November 2019