SINGHAIYI
GROUP

SingHaiyi Group Ltd.
81 Ubi Avenue 4 #02-20 UB.One
Singapore 408830

www.singhaiyi.com

Adapt And Advance

ANNUAL REPORT 2017

SINGHAIYI GROUP

ADAPT AND ADVANCE | SingHaiyi Group Ltd. Annual Report 2017

ADAPT AND ADVANCE

Teach a man to fish and feed him for life. At SingHaiyi, solid preparations have been made to scout for the most ideal opportunities, and we are equipped with the right gear and deep technical skills to bring our vision to fruition and celebrate a bountiful haul. With our management at the helm steering a talented crew, we navigate uncharted waters with confidence towards greater heights and success.

VISION

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

MISSION

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

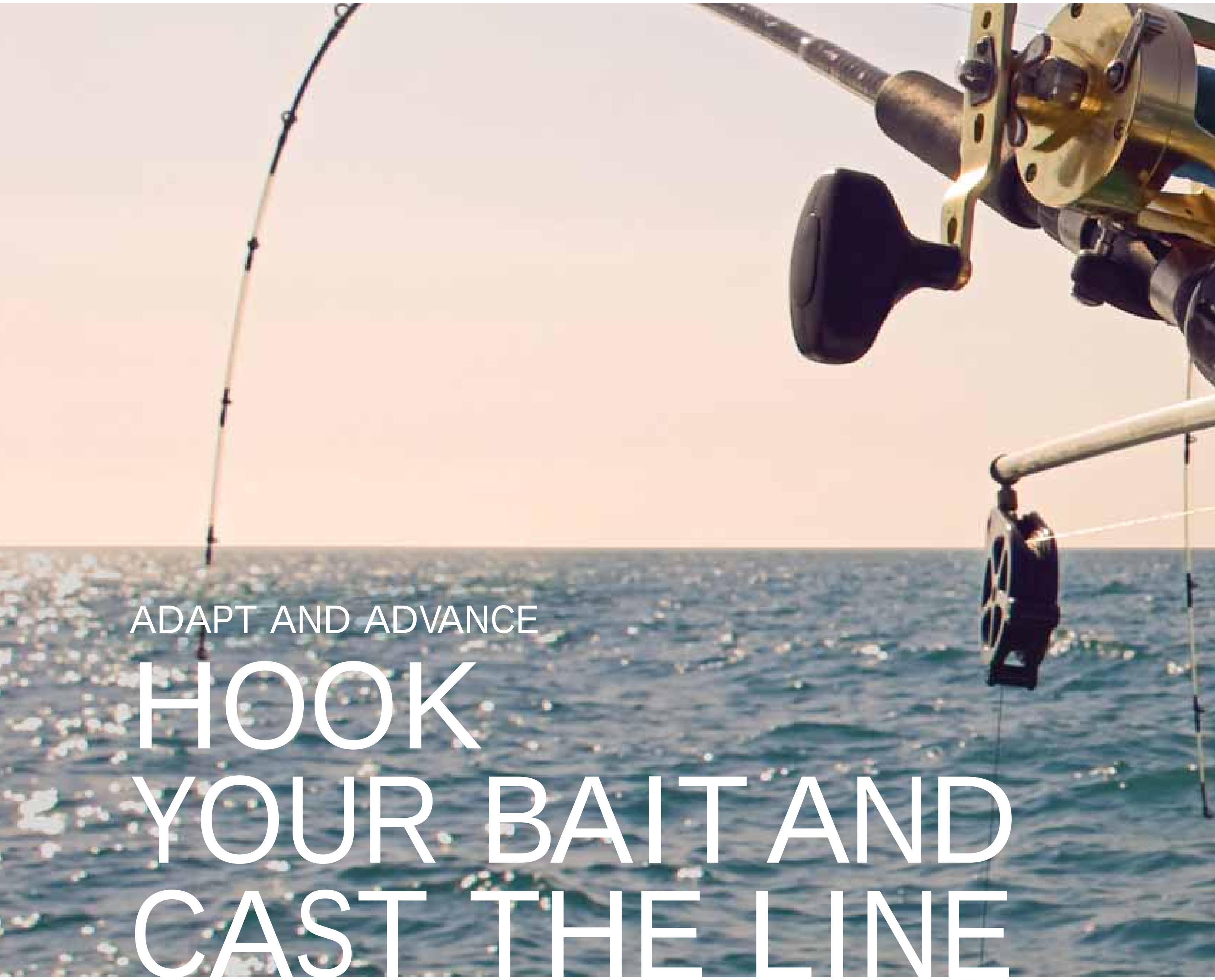
CORPORATE PROFILE

SingHaiyi Group Ltd. ("**SingHaiyi**" or the "**Group**") is a fast growing, diversified company focused on property development, investment and management services. With strategic support from its major shareholders, the Group is led by a board and management team, including esteemed businessmen Mr. Gordon Tang and Mr. Neil Bush, which has deep insights and strong connections that enable access to unique and rare investment opportunities.

Apart 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, with geographical reach into the US and widening exposure in Asia.

The Group's exposure to various segments of the real estate sector in multiple countries stands as a testament to its calculated diversification strategy, which is designed to provide stable and visible earnings and deliver value to shareholders.

CONTENTS

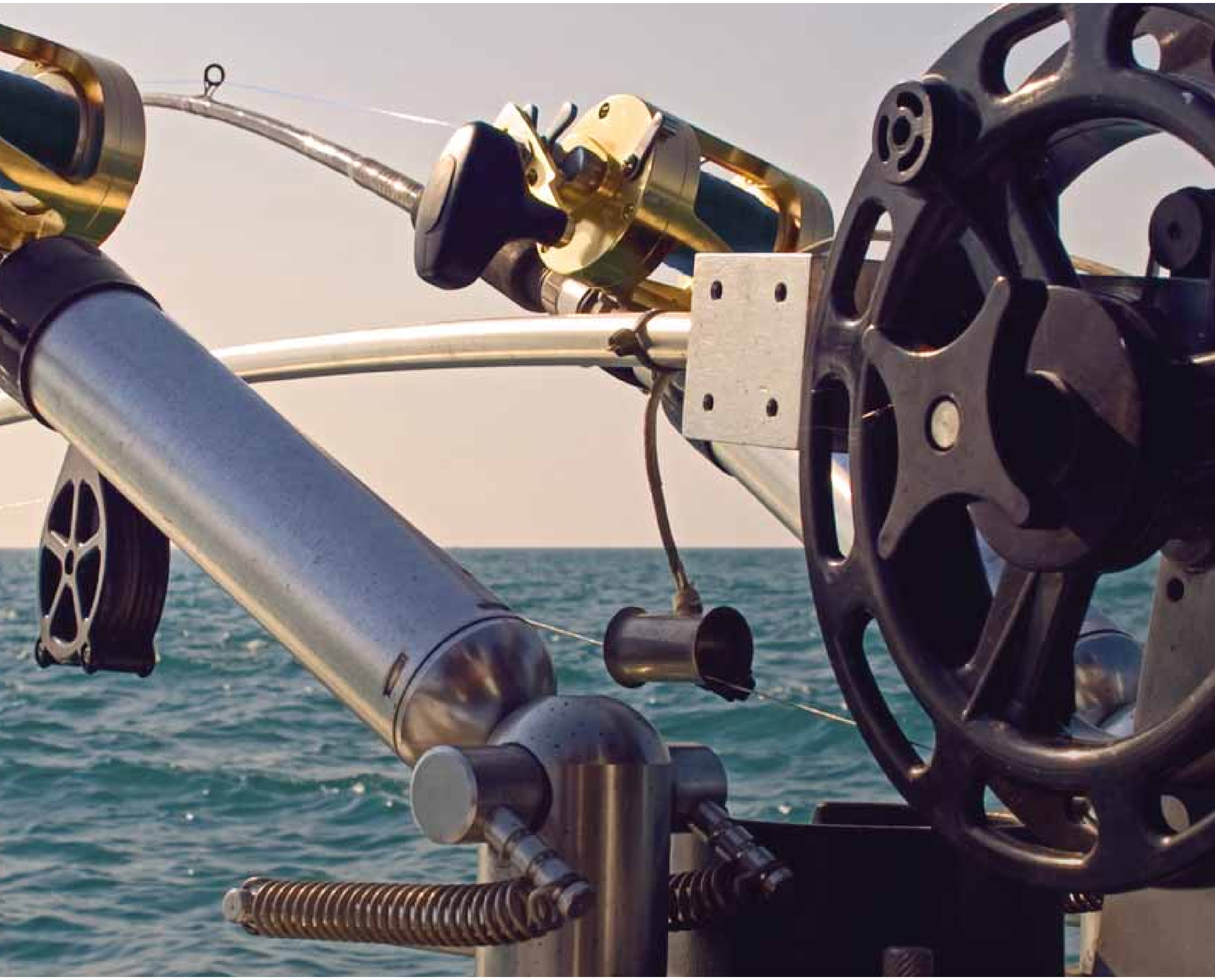


ADAPT AND ADVANCE

HOOK YOUR BAIT AND CAST THE LINE

SingHaiyi has grown to be a respected real estate company with foresight and tenacity as it leverages on the solid foundations, expert knowledge and diversification strategies built up through the years.

Armed with a well mapped-out growth path with clearly defined plans, the Group is well equipped to seize valuable opportunities towards a bright future.



A WINNING STRATEGY

QUALITY PORTFOLIO

YIELD-ACCRETIVE ACQUISITIONS

PROACTIVE PROPERTY MANAGEMENT

ONGOING VALUE CREATION

CORPORATE MILESTONES

2017

JANUARY
Obtained approval in-principle from the SGX-ST in relation to the application for the transfer of listing from Catalist Board to Mainboard of the SGX-ST

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

MARCH
Completion of the disposal of 20% equity interest in TripleOne Somerset

MAY
Grant of Temporary Occupation Permit by BCA on The Vales

Successfully transferred to the Mainboard of the SGX-ST

2016

FEBRUARY
Grant of Temporary Occupation Permit by BCA on CityLife@Tampines

JUNE
Awarded BCA Green Mark Award (GoldPlus) for The Vales

2015

MAY
Grant of Temporary Occupation Permit by BCA on Pasir Ris One

JUNE
Invests in a portfolio of retail malls across Malaysia and acquires 35% stake in the general partner of the fund

Invests in 9 Penang Road in Singapore for the purpose of redevelopment

DECEMBER
Completes acquisition of 9 Penang Road

2014

JANUARY
Acquires 20% stake in TripleOne Somerset, a retail and commercial property in Singapore

FEBRUARY
Successfully tendered for land site at Anchorvale Crescent, an EC project in Singapore

Acquires 5 Thomas Mellon Circle, with plans to redevelop into a condominium project in San Francisco, California

MARCH
Completes share consolidation of every 10 to 1 ordinary share

MAY
Grant of Temporary Occupation Permit by BCA on Charlton Residences

JUNE
Establishes S$500.0 million Multi-currency Debt Issuance Programme

2013

MARCH
Changes corporate identity to SingHaiyi Group Ltd.

JUNE
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

SEPTEMBER
Acquires Tri-County Mall, a two-storey enclosed shopping mall in Cincinnati, Ohio, our first investment in the US

NOVEMBER
Acquires Vietnam Town, a commercial condominium project in San Jose, California

DECEMBER
Awarded BCA Green Mark Award (GoldPlus) for CityLife@Tampines

2012

AUGUST
Strategic investment by Haiyi with S$94.4 million subscription of Non-Redeemable CCPS

NOVEMBER
Haiyi becomes the controlling shareholder through conversion of CCPS into ordinary shares

BCA	–	*Building and Construction Authority*
CCPS	–	*Cumulative Convertible Non-Voting Perpetual Preference Shares*
DBSS	–	*Design, Build and Sell Scheme*
EC	–	*Executive Condominium*
Haiyi	–	*Haiyi Holdings Pte Ltd*
SGX-ST	–	*Singapore Exchange Securities Trading Limited*

BUSINESS STRATEGY

We strive to be a premier, well-rounded property company in property development, investment and management within our operational geographies.

OUR 4-PRONGED BUSINESS STRATEGY

1 BUILDING A PORTFOLIO OF QUALITY PROPERTY DEVELOPMENTS

- Anchored by a steady pipeline of property development projects in Singapore and the US up till 2019

2 MAKING YIELD-ACCRETIVE ACQUISITIONS

- Completed five major acquisitions in Singapore and the US under the new management since 2013
- Forayed into Singapore's commercial property development space with the acquisition of 9 Penang Road (formerly known as Park Mall)
- Leverage our on-ground knowledge and experience, and first-mover advantage in the US to establish our foothold

3 MANAGING OUR PROPERTIES PROACTIVELY

- 9 Penang Road, a mixed commercial and retail development within a prime district in Singapore, where we will be the professional project and development manager for the ongoing redevelopment project with a 35% stake
- Tri-County Mall, one of the most popular shopping destinations in Cincinnati, Ohio, the US
- Five retail malls and an office space across prominent locations in Malaysia, where we have a 35% stake through the general partner of the ARA Harmony Fund III

4 CREATING VALUE THROUGH ONGOING INITIATIVES

- Plans to boost shopper footfall at Tri-County Mall with ongoing improvements
- Actively engaging the general partner of the fund to manage tenant-mix so as to improve the performance of the retail malls in Malaysia

NEIL BUSH

NON-EXECUTIVE CHAIRMAN

"AS WE STAND NOW, WE ARE OUTFITTED WITH A DIVERSE PORTFOLIO THAT OFFERS A STEADY PIPELINE OF QUALITY PROPERTY DEVELOPMENTS AND REVENUE STREAMS IN THE US AND SINGAPORE UP UNTIL 2019. WE BELIEVE THAT WE ARE ARMED WITH A SOUND, STRATEGIC PLATFORM TO FURTHER OUR GROWTH."

Dear Shareholders,

On the heels of a record performance in financial year 2016, the 12 months ended 31 March 2017 ("**FY2017**") continued to be a year of positive developments for SingHaiyi despite a choppy operating environment awash with geopolitical changes, economic uncertainty and headwinds in the real estate sector. We have adapted to this evolving landscape and continued to work towards becoming a diversified property specialist.

By far the most significant achievement was that the Company obtained the approval in-principle from SGX-ST on 19 January 2017, in relation to the transfer of the Group from the Catalist to the Mainboard of the SGX-ST. The transfer, which took effect on 26 May 2017, attests to the successful business transformation and growth that SingHaiyi has undergone since our controlling shareholder and the current management team came on board in 2013. Just as importantly, the move signals the confidence we continue to hold in SingHaiyi as the Mainboard provides a more sizable platform for us to tap capital markets and ultimately, to maximise our operations, earnings potential and growth.

In January 2017, we fully redeemed our S$100.0 million 5.25% notes issued in July 2014, underscoring the soundness of our financial capacity.

REELING IN THE CATCH

SingHaiyi recorded revenue of S$44.2 million in FY2017, while net profit attributable to owners was S$31.1 million, up 6.1% from S$29.3 million in FY2016.

In Singapore, we divested our 20% investment in TripleOne Somerset for S$100.0 million to Hong Kong-listed Shun Tak Holdings Limited in March 2017, unlocking a disposal gain of S$30.5 million. Operations-wise, in January 2017, we unveiled the modern design for our 9 Penang Road property (formerly known as Park Mall), a project set to showcase our capabilities in the commercial space as we build our brand as a property specialist of distinction across diverse segments. 9 Penang Road is a 10-storey Grade A commercial building with two wings. We also received an extension of the 99-year lease on the property which now runs from 8 December 2016 till 7 December 2115. Development work has commenced since October 2016 and construction is targeted to be completed by end 2019.

Over in Malaysia, our asset portfolio continued to perform consistently in FY2017, contributing to a S$4.8 million increase in share of profits mainly from fair value gain from the asset portfolio. Overall occupancy rate across our five malls and one office premise stands at a healthy 93.3% as at 31 March 2017 since the acquisition in August 2015.

In the US, the sales of Phase One units of Vietnam Town in San Jose, California boosted our US property development income to S$25.1 million in FY2017 compared to S$4.0 million a year ago. With the sales proceeds, we have started construction for Phase Two. We expect sales of Phase Two units to begin in the second half of 2017.

In Cincinnati, Ohio, we plan to transform Tri-County Mall into a lifestyle mall for F&B, fashion and entertainment brands through an ongoing Asset Enhancement Initiatives ("**AEI**") programme. However, as a result of the ongoing AEI, rental income from the US has fallen to S$9.5 million in FY2017, compared to S$14.1 million in FY2016.

CASTING FAR AND WIDE

Our goal is to generate long-term returns for our shareholders. Having restructured our business portfolio over the last three years, the diversified portfolio has created a more stable earnings base for SingHaiyi, reduced risks of concentrating our investments in one area, and provided SingHaiyi with a sound, strategic platform on which to further our growth. With this, we are confident of the Group's future growth prospects.

We received the project entitlement approval from San Francisco Planning Commission to develop the existing office building at 5 Thomas Mellon Circle, San Francisco Bay Area into a 585-unit waterfront lifestyle residential property. The 4.8-acre parcel is located at Candlestick Point overlooking the San Francisco Bay, which is a fast-growing prime retail, entertainment and residential neighbourhood. The development of the neighbourhood is expected to be a major boost to property value in the area and also presents exciting opportunities for our project moving forward.

In Singapore, we sold more than 98% of The Vales – our 517-unit Executive Condominium project at Anchorvale Crescent in which we hold an 80% stake. Having just obtained Temporary Occupation Permit ("**TOP**") on 2 May 2017, we expect The Vales to provide a considerable boost to our earnings in FY2018.

We also expect to obtain TOP for City Suites, located in Balestier, in the third quarter of 2017. We commenced marketing activities for this 56-unit private, freehold residential project in the second quarter of 2017. This would provide our Group with another stream of revenue through FY2018.

Following the easing of property cooling measures, announced in March 2017, in relation to the Seller's Stamp Duty and Total Debt Servicing Ratio, we witnessed some sparks of excitement in Singapore's property market. In addition, the recent positive trends as seen in land bidding activity suggest a potential recovery in property prices in the near future.

At SingHaiyi, we remain focused on capitalising on the best real estate opportunities at the right time and at the right price.

As we stand now, we are outfitted with a diverse portfolio that offers a steady pipeline of quality property developments and revenue streams in the US and Singapore up until 2019. We believe that we are armed with a sound, strategic platform to further our growth.

Our hooks are baited and set in preparation. Our focus for FY2018 will be to cast our lines wisely and accurately to acquire land banks and/or other real estate opportunities so as to deliver growth through yield-accretive investments.

DIVIDEND

To share the fruits of our labour with shareholders, the Board is pleased to propose a final dividend of 0.3 Singapore cents per share for FY2017, which works out to a dividend payout ratio of 27.7% of net attributable profit.

APPRECIATION

On behalf of the Board and the management of the company, we extend our appreciation and gratitude to Mr. Yang Dehe and Ms. Nicole Ng, who stepped down as Independent Non-Executive Director and Group Chief Operating Officer respectively in late 2016. We also welcome Ms. Yang Manlin to the Board in her new role as Independent Non-Executive Director.

We would also like to express our gratitude towards our valued shareholders, business partners and customers for their unwavering support and faith in our management, mission and strategic direction of the Group. Our Board of Directors, key management team and staff also deserve the highest commendation for their hard work and dedication in building SingHaiyi to where it stands today.

Special mention goes to our Sponsor SAC Capital Pte Ltd for their continuous support, which has helped SingHaiyi grow rapidly and successfully move from Catalist to the Mainboard of SGX-ST.

As a property specialist with strong foundations that always strives for the highest quality, we remain committed to honing our techniques and skills and working closely with suitable partners, in order to rise above various market challenges and build a stronger business for the future. With your support, we will continue to strive for operational excellence to ensure we deliver sustainable returns to our shareholders.

Neil Bush
Non-Executive Chairman

Celine Tang
Group Managing Director

CELINE TANG
GROUP MANAGING DIRECTOR

"OUR HOOKS ARE BAITED AND SET IN PREPARATION. OUR FOCUS FOR FY2018 WILL BE TO CAST OUR LINES WISELY AND ACCURATELY TO ACQUIRE LAND BANKS AND / OR OTHER REAL ESTATE OPPORTUNITIES SO AS TO DELIVER GROWTH THROUGH YIELD-ACCRETIVE INVESTMENTS."

向股东联合致辞

尊敬的各位股东，

继2016财年业绩创历史新高后，截至2017年3月31日的12个月期间（"2017财年"），尽管经济不景气，多国政治动荡，市场充满不确定性，房地产行业面临阻力，但新海逸仍然表现理想。我们不断在适应环境变化，继续朝着多元化房地产企业的目标迈进。

本集团在2017财年实现的最重要的成就是公司在2017年1月19日获得新交所的原则性批准，允许集团从凯利板转向主板上市。2017年5月26日，转板正式生效，印证了自2013年控股股东及现任管理团队上任以来，新海逸在业务转型和增长方面所取得的成功。主板所提供的平台能让我们在更广阔的资本市场中提升运营规模、盈利潜力和增长速度。

2017年1月，我们按期全额赎回了公司于2014年7月发行的票息为5.25%的1亿新元债券，体现了集团稳健的财务实力。

成果丰硕

集团2017财年收入为4420万新元，2017财年新海逸应付股东净利为3110万新元，比2016财年的2930万新元高6.1%。

在新加坡，2017年3月，我们以1亿新元的价格，向香港上市公司信德集团出售 TripleOne Somerset 的20%股权，获利3050万新元。运营方面，2017年1月，我们推出了 9 Penang Road（前称 Park Mall)的现代化设计方案。该重建项目旨在展示我们在商用领域的能力，打造多元化房地产开发的品牌。9 Penang Road 是一座 10 层甲级商用大楼，含两座翼楼，地契延长至99年，即2016年12月8日至2115年12月7日。重建工作已于2016年10月开始，预计2019年底完工。

我们在马来西亚的商业资产组合表现稳定，贡献盈利480万新元，主要来自于资产组合的公允价值收益。自2015年8月收购以来，截至2017年3月31日，五家购物中心和一栋办公大楼的总体租用率为93.3%。

在美国加州圣荷塞市 Vietnam Town，第一期单位已全售出，这让美国房地产开发收入从2017财年的400万新元增加到2510万新元。我们利用销售收入，展开第二期的工程。第二期单位于2017年下半年开始上市销售。

在俄亥俄州辛辛那提市，我们的计划是将 Tri-County Mall 逐渐转型为一家融合餐饮、时尚和娱乐为一体的休闲购物中心。但由于资产提升工程的影响，2017财年美国的租赁收入从2016财年的1410万新元降至950万新元。

高瞻远瞩 规划未来

我们的目标是为股东创造长期回报。经过三年的投资架构调整，多元化的资产组合为新海逸带来稳定的收入，降低了单一投资的风险，为新海逸搭建了一个稳健的战略平台。我们对新海逸的未来发展充满信心。

位于美国三藩市湾区 5 Thomas Mellon Circle 住宅公寓-旧金山滨海城，已获得旧金山规划委员会可动工建设的施工批准。这块地面积4.8英亩，位于旧金山湾沿岸正在进行大型开发的蜡烛台（Candlestick Point）地区，该地块可重建成一个包含五栋楼共585个单位的海滨住宅小区。蜡烛台正逐步转变成高端零售、娱乐和住宅区，对该地区的物业价值提升有极大推动，也为我们的项目带来了令人振奋的发展前景。

在新加坡，位于 Anchorvale Crescent 的执行共管公寓(EC）The Vales，517个单元已售出逾98%。我们在该项目持股80%。2017年5月2日，The Vales 获得临时入伙证，无疑将推动我们在2018财年的盈利增长。位于马里士他地区的 City Suites 预计将于2017年第三季度获得临时入伙证。该项目属于永久私宅地契，共包含56套单位，2017年第二季度开始营销活动。这将为集团提供另一项持续到2018财年的稳定收入来源。

2017年3月新加坡政府宣布放松卖方印花税和总偿债率等房地产调控措施，我们看到房地产市场开始活跃。加上本地近期土地竞标价不断攀升预示未来房地

产价格上扬的趋势。新海逸始终致力在适当的时间、以适宜的价格把握市场机遇。2018财年，我们将专注于投标地块及项目，针对土地储备和/或其他房地产机遇进行精准的收购，通过收益率增值投资，促进集团增长。

股息

为了与股东分享2017财年的发展成果，董事会提议派发每股0.3分新元的年终股息，股息支付率接近净可分配利润的27.7%。

致谢

我们谨代表董事会和管理团队，感谢2016年底分别卸任独立非执行董事 Yang Dehe 先生和集团首席运营官职务 Nicole Ng 女士。同时，我们欢迎 Yang Manlin 女士加入董事会，担任独立非执行董事。

我们也要衷心感谢全体股东、业务伙伴和客户对于管理团队、企业使命和集团战略方向一如继往的支持和信任。新海逸能取得今日的成就，集团的董事会、核心管理团队和员工功不可没。

特别感谢保荐人 SAC Capital Pte Ltd 一直以来对新海逸的支持，让新海逸发展迅速，顺利提升到主板。

我们深信，新海逸集团基础稳固，作为一家追求高品质的房地产企业，我们将继续提升团队的相关知识和专业技术，和志同道合的生意伙伴合作，从容应对各类市场挑战，建设美好的未来。在诸位的支持下，我们将全力以赴，追求卓越运营，为股东创造可持续的回报。

尼尔·布什
非执行主席

陈怀丹
集团董事经理

ADAPT AND ADVANCE

RIDING THE WAVES AND HONING OUR SKILLS

SingHaiyi continues to power on strongly by building on our solid foundations, track record and strengths as a well-rounded property company.

We cast our lines far and wide as we evolve, innovate and capitalise on our in-depth experience to conquer each wave and tide with confidence.

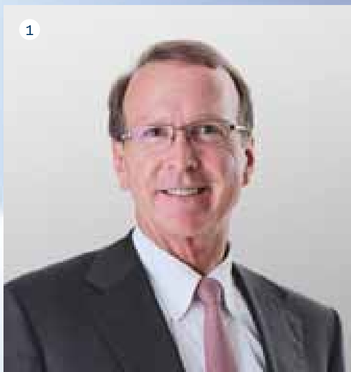
DELIVERING CONSISTENT VALUE

REVENUE
S$44.2M

NET ATTRIBUTABLE PROFIT
+6.1%

NAV PER SHARE
S$0.1707

NET GEARING
43.6%



1. Neil Bush
2. Celine Tang
3. Mao Jinshan, Jason
4. Gn Hiang Meng
5. David Hwang Soo Chin
6. See Yen Tarn
7. Yang Manlin

BOARD OF DIRECTORS

Neil Bush
Non-Executive Chairman

Date of Appointment: 22 April 2013
Date of Last Re-election: 20 July 2015

Mr. Neil Bush was appointed as Non-Executive Chairman in April 2013 and was last re-elected as a Director in July 2015. Mr. Bush is also a director of American Pacific International Capital, Inc. ("**APIC**") and a business partner of Mr. Gordon Tang through the company. He serves as the Chairman of Points of Light and the Barbara Bush Houston Literacy Foundation as well as sits on the boards of the Houston Salvation Army and the Bush School of Government and Public Service. Mr. Bush also serves as Deputy Chairman on the Board of Hoifu Energy Group Ltd, a company listed on the Stock Exchange of Hong Kong.

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 20 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 business.

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.

Mao Jinshan, Jason
Managing Director, The US Operations

Date of Appointment: 22 April 2013
Date of Last Re-election: 20 July 2015

Mr. Mao Jinshan was appointed as Managing Director, the US Operations to oversee the Group's development projects and operations in the US. He had been the Vice President of APIC since 2012 through 2016 and currently serves as President and oversees all aspects of the development projects in APIC, including the development of two medium-sized apartment properties and two large-sized shopping centre projects.

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), where he was subsequently invited to join the board as an Executive Director. In 2004, Mr. Mao joined the Haiyi group as a General Manager and 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.

Celine Tang
Group Managing Director

Date of First Appointment: 14 January 2013
Date of Last Re-election: 29 July 2013

Mrs. Celine Tang was first appointed as Non-Executive Director and re-designated as Executive Director on 1 February 2013 and subsequently Group Managing Director on 1 December 2013. Mrs. Tang served as the Managing Director of Haiyi Holdings Pte Ltd ("**Haiyi**") since 2003 and oversees its daily operations and decision-making. She has been a Director of APIC since 2001 and an Executive Director of Tang Dynasty Pte Ltd since 1995.

From 1990 to 1994, Mrs. Tang was the Assistant Judicial Officer of Shantou Longhu District Court, China and was also the General Manager of Centaur International LLC, US from 2001 to 2003. She is a keen supporter of youth education and has been a member of the Advisory Committee of JuYing Secondary School, providing donor support to the school's activities.

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.

Gordon Tang
Non-Executive Director

Date of Appointment: 14 January 2013
Date of Last Re-election: 28 July 2016

Mr. Gordon Tang is a Non-Executive Director and member of the Remuneration Committee. Mr. Tang has been the Chairman of APIC since 2003. 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.

Mr. Tang set up Tang Dynasty Pte Ltd in 1995 and Haiyi in 2003 in Singapore. Their main businesses include international trade, and financial and corporate investments.

Mr. Tang is the honorary chairman of Teochew Poit Ip Huay Kuan, a Teochew clan association in Singapore, and is the advisor to the Windsurfing Association of Singapore. Mr. Tang is also the Vice President of the National Olympic Committee of Cambodia and President of the Cambodia Sailing Federation.

Mr. Tang is the spouse of Mrs. Celine Tang, who is the Group Managing Director of the Company.

Gn Hiang Meng
Lead Independent Non-Executive Director

Date of Appointment: 1 December 2013
Date of Last Re-election: 25 July 2014

Mr. Gn Hiang Meng is the Lead Independent Non-Executive Director and Chairman of the Audit Committee of the Group. He is currently also an Independent and Non-Executive director of Centurion Corporation Limited, Haw Par Corporation Limited, Koh Brothers Group Limited and Tee International Limited. Mr. Gn brings with him professional experience in the financial industry, particularly in the areas of corporate planning, stockbroking, asset management, portfolio management, private equity investing, merchant banking and mergers and acquisitions. Mr. Gn spent 28 years in United Overseas Bank Limited and was the Senior Executive Vice-President and Head of Investment Banking. He subsequently joined UOL Group Limited in 2001 where he acquired some experience in the hospitality industry as its Deputy President (Hotels & Finance) until 2007.

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

David Hwang Soo Chin
Independent Non-Executive Director

Date of Appointment: 29 July 2013
Date of Last Re-election: 28 July 2016

Mr. David Hwang is an Independent Non-Executive Director and Chairman of the Remuneration Committee of the Group. He also serves as an Independent Non-Executive Director on the board of SGX-ST Mainboard-listed LCT Holdings Limited.

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

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

See Yen Tarn

Independent Non-Executive Director

Date of Appointment: 1 October 2015
Date of Last Re-election: 28 July 2016

Mr. See Yen Tarn is an Independent Non-Executive Director and Chairman of the Nominating Committee of the Group. Mr. See is currently Executive Director and Chief Executive Officer of CSC Holdings Limited, a SGX-ST Mainboard company involved in foundation engineering activities in Singapore and the region. He is also an Independent Director of SGX-ST listed companies, LCT Holdings Limited and Eindec Corporation Limited.

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 for both listed and unlisted companies in various industries in Singapore and the region.

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

Yang Manlin

Independent Non-Executive Director

Date of Appointment: 1 October 2016

Ms. Yang Manlin was first appointed as Alternate Director to Mr. Yang Dehe, who was an Independent Non-Executive Director of SingHaiyi, on 1 August 2014. On 1 October 2016, Ms. Yang was appointed as Independent Non-Executive Director of the Group. 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.

Sim Chee Wah, Gregory
Chief Financial Officer

Mr. Gregory Sim has more than 20 years of accounting, finance and management experience. He was appointed on 4 January 2016 as Chief Financial Officer ("**CFO**") of the Group and is responsible for overseeing the financial and treasury operations, budgetary controls, statutory and management reporting and corporate finance activities; sales and marketing of the Group's Singapore properties, investor relations as well as corporate secretarial matters of the Group.

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 the 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 he is a Chartered Accountant, Singapore since 1999.

Michael Chia-Min Liu
Vice President (Project Development)

Mr. Michael Liu has more than 20 years of experience in various project management roles of 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 in May 2015 as Vice President, Project Development of the US Operations to lead all property development efforts in the United States.

Mr. Liu graduated with both Master of Science and 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)

Ms. Catherine Chang has more than 30 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 with 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 a CFA Charter.

Renee Bell
General Manager, Tri-County Mall

Ms. Renee 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 under re-development, which is where she excels. Ms. Bell has also overseen the development and management of multiple commercial real estate properties while, simultaneously, functioning in the capacity of a General Manager for a large commercial complex.

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

CORPORATE HIGHLIGHTS

NOTABLE FY2017 MILESTONES

The Vales
TOP obtained; more than **98% sold** to date

TripleOne Somerset
Divestment of 20% stake for a sum of S$100.0 million with a **disposal gain of S$30.5 million**

Vietnam Town
Phase One **fully sold**

5 Thomas Mellon Circle
Project entitlement **approval obtained**

9 Penang Road
99-year lease extension from 8 December 2016 till 7 December 2115

Transferred from Catalist to Mainboard of SGX-ST on 26 May 2017

FY2017 net attributable profit of S$31.1 million

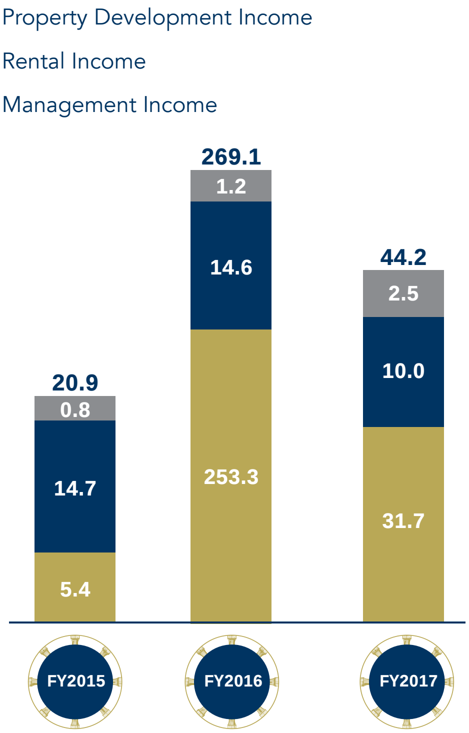
Fully redeemed S$100.0 million 5.25% notes

Final dividend of 0.3 Singapore cents per share - represents a dividend payout ratio of 27.7% of net attributable profit

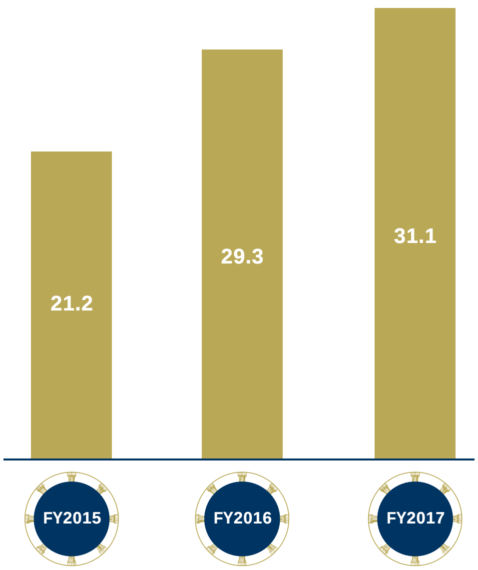
FINANCIAL HIGHLIGHTS

YEAR ENDED 31 MARCH

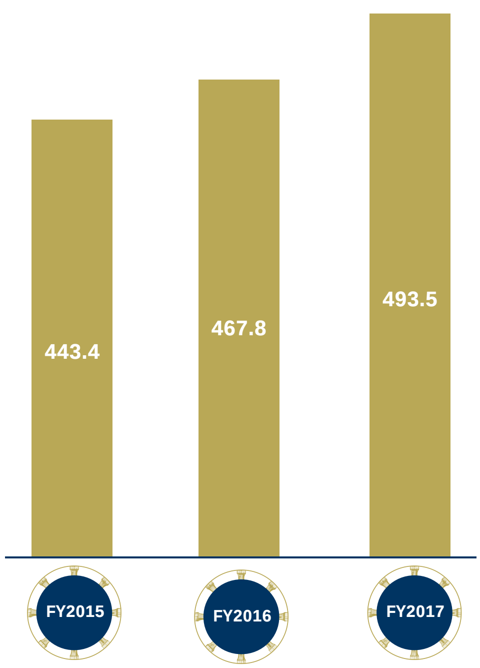
BREAKDOWN OF REVENUE
(S$ million)



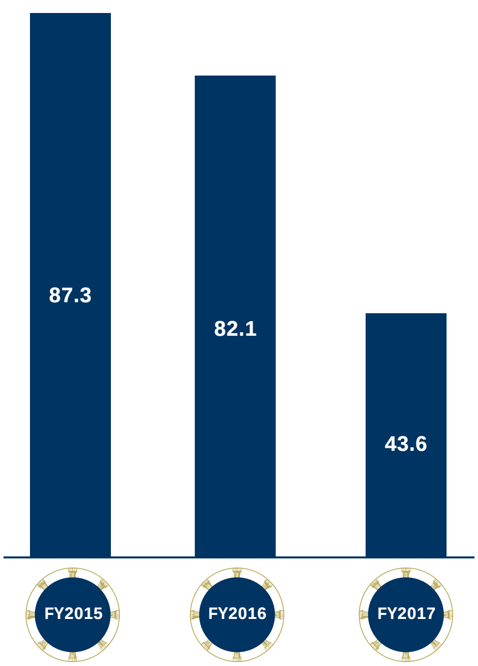
NET PROFIT ATTRIBUTABLE TO OWNERS
(S$ million)



NET ASSETS
(S$ million)



NET DEBT / EQUITY
(%)



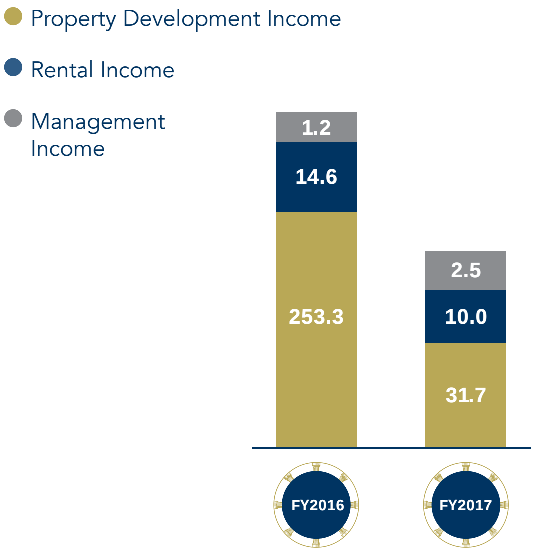
FY2017 FINANCIAL PERFORMANCE REVIEW

SingHaiyi is a fast-growing and well-rounded real estate specialist with unique access to real estate opportunities in Asia and the US. Backed by a visionary and well-connected Board and management team with deep expertise, we have built a robust network and strong partnerships in Singapore, the US and Malaysia.

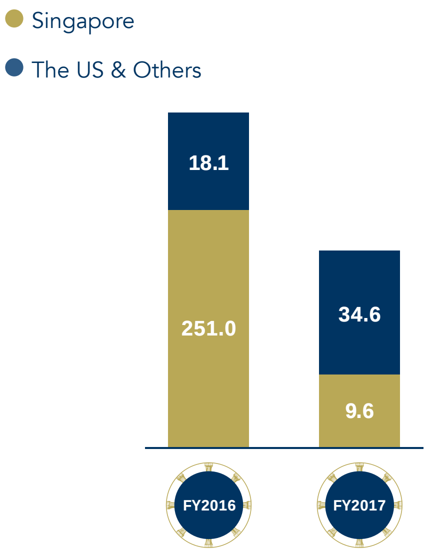
With our income derived from property development, property investment, property management and real estate fund management, we enjoy multiple income streams through our diversified portfolio of quality residential, commercial and retail assets.

For the financial year ended 31 March 2017, the Group registered total revenue of S$44.2 million of which 72% was contributed through Property Development Income, 22% through Rental Income and 6% through Management Fee Income.

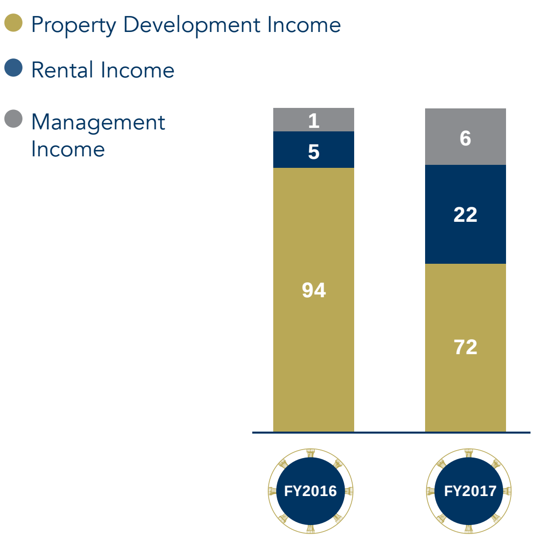
BREAKDOWN OF REVENUE
(S$ million)



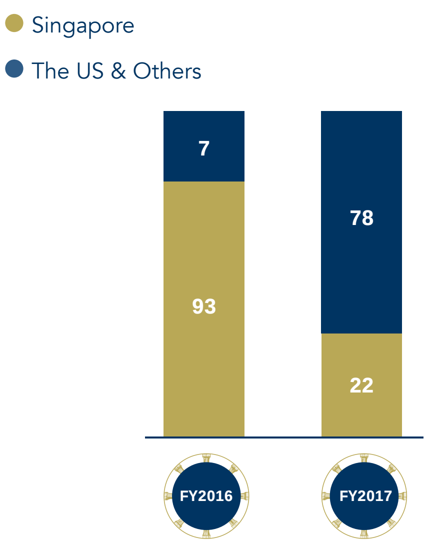
GEOGRAPHICAL BREAKDOWN OF REVENUE
(S$ million)



SEGMENTAL COMPOSITION OF REVENUE
(%)



GEOGRAPHICAL COMPOSITION OF REVENUE
(%)



The Group's revenue in FY2017 was mainly contributed from the sales of completed units from Vietnam Town, a commercial condominium project in San Jose, California, US, as compared to S$269.1 million a year ago, which arose mainly from the sales of our Pasir Ris One DBSS project ("**PRO project**") in FY2016. During the year, revenue from Singapore accounted for S$9.6 million while revenue from the US accounted for S$34.6 million.

Our FY2017 financial performance was largely boosted by a gain in other income of S$30.5 million, resulting from the S$100.0 million sale of the Group's 20.0% equity stake in Perennial Somerset Investors Pte. Ltd., which owns the TripleOne Somerset property. As a result, the Group delivered a net profit attributable to shareholders of S$31.1 million in FY2017, an increase of 6.1% from S$29.3 million in FY2016.

Rental income declined 31.5% from S$14.6 million in FY2016 to S$10.0 million in FY2017 due to ongoing AEI works at the Tri-County Mall ("**TCM**") property in the US. Meanwhile, management fee income more than doubled to S$2.5 million in FY2017 resulting from the Group's project management services rendered in Singapore.

Gross profit decreased by S$19.9 million to S$21.7 million in FY2017, in tandem with the decrease in property development income. Gross profit margin improved by 33.6 percentage points year-on-year, rising from 15.4% in FY2016 to 49.0% in FY2017. This was attributable to a change in geographical revenue mix as we recognised more revenue from property development in the US this year.

Operating profit slid by S$2.2 million or 12.6% from S$17.6 million in FY2016 to S$15.4 million in FY2017, mainly impacted by higher administrative expenses and other operating expenses. Administrative expenses increased by S$1.7 million or 16.7% to S$11.9 million in FY2017 as legal costs and staff costs grew by approximately S$0.6 million and S$0.8 million respectively. Other operating expenses rose by S$11.5 million year-on-year or 98.3% from S$11.7 million in FY2016 to S$23.2 million in FY2017, as a result of an increase in fair value loss on investment properties of approximately S$15.9 million. The fair value loss is mainly attributed to TCM due to the ongoing AEI works that lowered the occupancy rate. The increase is offset by the absence of allowance for diminution in value of a development project, City Suites, of S$3.9 million.

Finance income decreased by 48.5% from S$3.3 million in FY2016 to S$1.7 million in FY2017 as a result of the 87.0% decline in dividend income of S$4.7 million from S$5.4 million in FY2016 to S$0.7 million in FY2017. The decline in dividend income is due to the disposal of the financial assets at fair value through profit and loss during the year, a portfolio of fixed income funds which are primarily focused on the US market. However, this is offset by a fair value gain of approximately S$0.6 million on the financial assets in FY2017 as compared to a fair value loss of approximately S$2.7 million on the financial assets in FY2016.

On 10 January 2017, we fully redeemed our S$100.0 million notes pursuant to the S$500.0 million Multi-currency Debt Issuance Programme ("**notes**"). This shrunk the finance costs by S$1.3 million year-on-year due to lower interest and amortised financing fee on the S$100.0 million notes. Lower interest on bank loans also contributed to a decrease of S$1.2 million in finance costs.

Share of profits of equity-accounted investees, net of tax decreased S$13.6 million or 47.7% to S$14.9 million in FY2017 mainly because of lower share of profits from associate, Tampines EC Pte Ltd., which completed its development of CityLife@Tampines project in FY2016. This was partially compensated by an increase in share of profits from ARA Harmony Fund III, L.P. of approximately S$4.8 million, arising from a fair value gain on our portfolio of Malaysian assets.

The Group recorded a tax credit of S$4.4 million in FY2017 as compared to a tax expense of S$4.8 million in FY2016, attributed to a reversal of deferred tax expense of approximately S$6.5 million. This was in relation to a fair value loss arising from our investment properties in the US and a decrease in income tax expense associated to the Group's PRO project of approximately S$4.7 million. However, these were offset by an increase in income tax expense of S$1.3 million incurred in relation to the profit from the sale of Vietnam Town units.

In view of our FY2017 performance, we have proposed a final dividend of 0.3 Singapore cents per ordinary share. This represents a total annual dividend payout of S$8.6 million.

FINANCIAL POSITION

As at 31 March 2017, we hold a healthy balance sheet with cash and cash equivalents standing at S$51.7 million, compared with S$41.0 million as at 31 March 2016. The improved cash standing mainly resulted from the operating cash inflow of S$29.7 million and net cash generated from investing activities of S$129.2 million. The net cash generated from investing activities was mainly due to the sale of financial assets of S$140.3 million and net proceeds from the disposal of investment in associate and other investments of S$5.0 million, offset by the additional investment in a joint venture company of S$16.8 million for the development of the 9 Penang Road project in Singapore. The positive cash inflow from operating activities and investing activities is minimised by the cash outflow from financing activities of S$148.5 million, mainly due to net repayment of bank loans of S$100.1 million and full redemption of S$100.0 million notes, offset by proceeds of loan from a related company of S$37.7 million, and proceeds of a loan from controlling shareholder of the Company of S$15.0 million.

Investment properties declined by S$16.2 million from S$117.0 million as at 31 March 2016 to S$100.8 million as at 31 March 2017, mainly due to a valuation loss of approximately S$21.1 million on TCM which was offset by a foreign exchange translation gain of S$3.7 million.

Interest in associates dropped from S$87.9 million as at 31 March 2016 to S$71.9 million as at 31 March 2017. This was mainly due to the disposal of Group's 20.0% equity stake in Perennial Somerset Investors Pte. Ltd., an entity that holds, through its wholly-owned subsidiary, the TripleOne Somerset property.

Interests in joint ventures saw a rise of S$19.5 million to S$70.7 million as at 31 March 2017, as the Group injected additional capital of S$16.8 million in a joint venture company to develop the 9 Penang Road project.

Development properties soared by S$136.2 million to S$551.5 million as at 31 March 2017 as there was an increase in cumulative project development costs of approximately S$92.0 million and S$42.7 million in The Vales and the Vietnam Town projects respectively.

Trade and other receivables increased by S$66.2 million to S$114.1 million as at 31 March 2017, largely due to an increase in other receivables of approximately S$95.0 million and S$9.2 million, arising from the disposal of the 20.0% equity stake in Perennial Somerset Investors Pte. Ltd. and the disposal of financial assets respectively. This was partially offset by the collection of trade receivables amounting to approximately S$38.1 million for the PRO project.

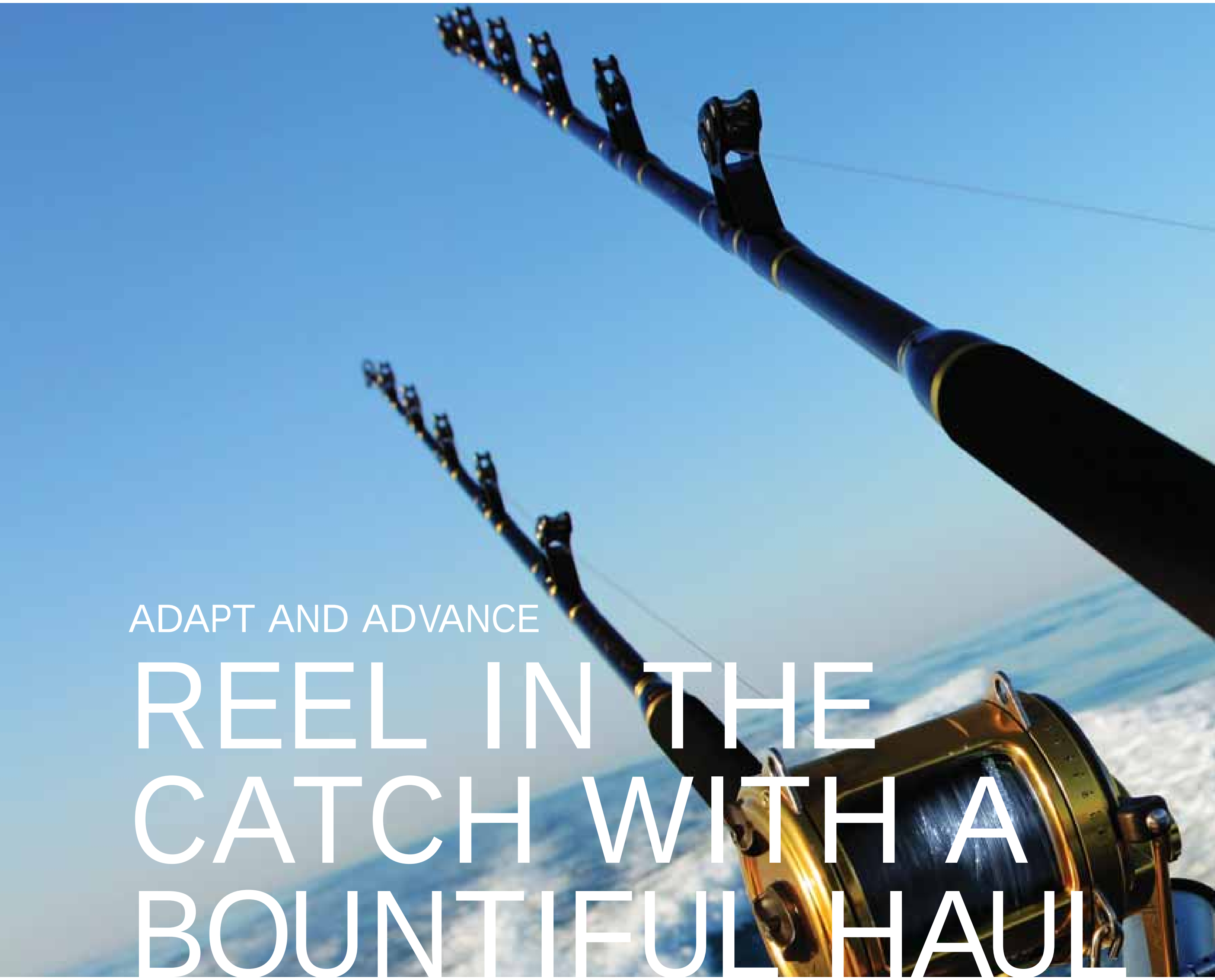
Deferred tax liabilities decreased by S$5.8 million from S$20.2 million as at 31 March 2016 to S$14.4 million as at 31 March 2017, arising mainly from the reduction in fair value of TCM.

Amount due to non-controlling interests dropped by S$10.8 million from 31 March 2016, mainly due to repayment made to non-controlling interests following the completion of the PRO project.

Loan from a related company pertains to a US-denominated loan from American Pacific International Capital, an entity controlled by the controlling shareholders of the Company; whereas the loan from controlling shareholder of the company pertains to a loan from the controlling shareholder of the Company, Haiyi. The Company has fully repaid the loan on 10 April 2017.

Trade and other payables increased by S$124.1 million from S$72.6 million as at 31 March 2016 to S$196.7 million as at 31 March 2017 mainly due to project claims and progress billings of approximately S$114.7 million made for The Vales project.

As at 31 March 2017, the Group managed to reduce loans and borrowings by S$200.0 million to S$198.4 million as we pared down secured bank loans of S$166.8 million and fully redeemed our S$100.0 million notes. However, this was offset by a drawdown of construction loan of S$50.7 million for The Vales and City Suites project and working capital loan of S$16.0 million.

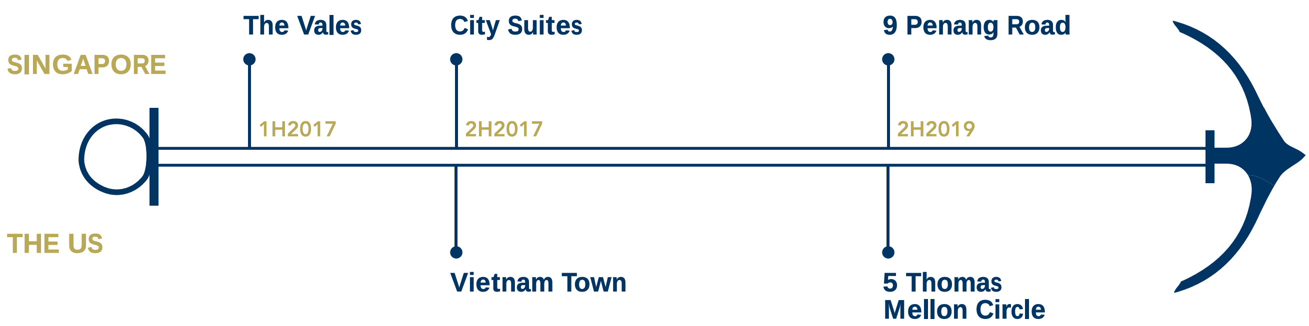


ADAPT AND ADVANCE

REEL IN THE CATCH WITH A BOUNTIFUL HAUL

With clear focus, resilience and perseverance, we are confident that we can prevail through calm and rough seas. We are determined to deliver attractive returns to our stakeholders and accelerate our expansion beyond borders and boundaries.

STEADY PIPELINE OF DEVELOPMENT PROJECTS



9 PENANG ROAD (SINGAPORE)

DEVELOPMENT PROPERTIES

Ongoing

Type	Stake	Total Development Cost
Mixed commercial/retail	35%	~ S$800.0 million
Location	**Committed Equity Participation**	**Tenure**
9 Penang Road, Singapore	S$134.4 million	Leasehold – extended for 99 years from 8 December 2016, expiring 7 December 2115

Successfully marking our maiden foray into commercial property redevelopment, SingHaiyi, together with our joint venture partners, acquired the property at 9 Penang Road in December 2015. Then known as Park Mall, a commercial and retail development comprising a 15-storey office cum retail space, the Group has since commenced redevelopment of the property in October 2016.

Located in close proximity to the Orchard Road commercial and shopping belt and easily accessible from the nearby Dhoby Ghaut MRT station, the property will be transformed into two Grade A office buildings upon completion in 2019.

Net Lettable Area (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)

Project & Development Management Services
SingHaiyi Development Pte. Ltd.

Commencement of Redevelopment
October 2016

Expected Completion of Redevelopment
2H2019

Comprising two wings and eight levels of office space and one floor of retail space, the property will also feature comprehensive facilities for pedestrians and cyclists. These include walking and cycling paths around the building, as well as bicycle parking facilities, shower rooms and lockers. This is aligned with the Land Transport Authority and Urban Redevelopment Authority's Walking and Cycling Plan requirement that took effect in July 2016.

Our wholly-owned subsidiary, SingHaiyi Development Pte. Ltd., has been appointed to lead the redevelopment of 9 Penang Road and will provide professional project and development management services. At the same time, ARA Managers (Harmony V) Pte Ltd and APM Property Management Pte Ltd have been appointed as asset manager and property manager of the property respectively; while ARA Harmony V Limited is the strategic advisor to the JV entity and JV partners.

CITY SUITES (SINGAPORE)

DEVELOPMENT PROPERTIES

Ongoing

Type
Private Apartments

Location
Balestier, Singapore

Stake
100%

Tenure
Freehold

Units (Number)
56

Expected Completion
3Q2017

Gross Development Value (**"GDV"**)
~ S$41.0 million

Gross Floor Area (**"GFA"**) (sq ft)
~ 31,875

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 breath-taking panoramic city skyline views, fully-fitted open kitchens and designer bathrooms.

THE VALES (SINGAPORE)

DEVELOPMENT PROPERTIES

Completed

Type Executive Condominium	Tenure Leasehold – 99 years	GDV ~ S$430.0 million
Location Sengkang, Singapore	Units (Number) 517	GFA (sq ft) ~ 525,709
Stake 80%	Completion May 2017	

The Vales is our 2nd Executive Condominium property development project in Singapore with 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.

CITYLIFE@TAMPINES (SINGAPORE)

DEVELOPMENT PROPERTIES

Completed

Type Executive Condominium	Tenure Leasehold – 99 years	GDV ~ S$528.0 million
Location Tampines, Singapore	Units (Number) 514	GFA (sq ft) ~ 625,398
Stake 24.5%	Completion Year 2016	

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 stone's throw 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 also received the Building and Construction Authority Green Mark GoldPlus award.

PASIR RIS ONE (SINGAPORE)

DEVELOPMENT PROPERTIES

Completed

Type Design, Build and Sell Scheme	Tenure Leasehold – 99 years	GDV ~ S$270.0 million
Location Pasir Ris, Singapore	Units (Number) 447	GFA (sq ft) ~ 441,002
Stake 80%	Completion Year 2015	

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 just minutes away from White Sands shopping centre and schools in the neighbourhood.

5 THOMAS MELLON CIRCLE (THE US)

DEVELOPMENT PROPERTIES

Ongoing

Type Residential Condominium	Stake 100%	GDV ~ US$420.0 million
Location San Francisco, California	Tenure Freehold	Total Land Area (sq ft) ~ 204,300
Acquisition Cost US$24.4 million	Expected Completion 2H2019	

5 Thomas Mellon Circle is our third real estate project in the US market. SingHaiyi holds a 100% stake in the asset which was acquired from APIC at cost, through the exercise of the right of first refusal, in February 2014.

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 on waterfront living, active lifestyle, convenience and value.

Project entitlement approval from the San Francisco Planning Commission was received in December 2016.

VIETNAM TOWN (THE US)

DEVELOPMENT PROPERTIES

Ongoing

Type Commercial Condominium	Stake 100%	Expected Completion Phase Two - 2H2017
Location San Jose, California	Tenure Freehold	GDV ~US$105.6 million[1]
Acquisition Cost US$33.1 million	Units (Number) 192	Total Land Area (sq ft) 853,502

Vietnam Town, a partially completed commercial condominium development project in San Jose, California, is SingHaiyi's second real estate venture into the US market, with a 100% equity stake acquired in November 2013.

Strategically located in a mixed-use neighbourhood with convenient access to transportation networks, retail and commercial facilities, Vietnam Town consists of nine blocks with a parking structure and each condominium unit has an average size of 1,000 sq ft.

Out of the 256 planned condominium units, 115 units have been built, 64 of which have been sold. Our stake consists of 192 units, comprising 51 completed units and 141 uncompleted units.

[1] *Relates to our stake of 192 units comprising 51 completed units and uncompleted 141 units.*

TRI-COUNTY MALL (THE US)

INVESTMENT PROPERTIES

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 Leasable Area (sq ft)
~ 1,261,502[1]

Tri-County Mall, which is one of the most popular shopping destinations in Cincinnati, Ohio, marks our first venture into the US real estate market. This debt-free project was acquired with a 100% stake in September 2013.

Most of Tri-County Mall is leased by large national retailers such as Sears and Macy's, the latter which owns around 227,072 sq ft of the mall's net leasable area. Tri-County Mall is fast transforming into a lifestyle mall for F&B, fashion and entertainment brands through AEI, which would further enhance patron traffic.

[1] *Macy's owns 227,072 sq ft.*

ARA HARMONY FUND III (MALAYSIA)

INVESTMENT PROPERTIES

Type	Stake	Overall Occupancy Rate
Fund	25%	93.3%
Location	**Aggregate GFA (sq ft)**	
Malaysia – various states	4,464,058	
Investment Cost	**Aggregate Net Leasable Area (sq ft)**	
S$43.9 million	2,744,697	






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.

	Location	GFA (sq ft)	Net Leasable Area (sq ft)	Year of Completion / Major Renovation	Land Tenure	Car Park Lots	Occupancy @ 31 Mar 2017 (%)
1 Mont Kiara (Office)	Kuala Lumpur	241,682	183,406	2009/NA	Freehold	1,445	93.2
1 Mont Kiara (Retail)	Kuala Lumpur	385,035	234,170	2009/2014	Freehold		95.5
AEON Mall	Malacca	955,865	623,429	2009/NA	99 years exp. 2095	1,905	100.0
Citta Mall	Petaling Jaya, Selangor	651,453	433,476	2011/NA	99 years exp. 2097	1,200	81.9
Ipoh Parade	Ipoh	975,016	615,526	1998/2014	999 years exp. 2885	1,150	98.0
Klang Parade	Klang	1,255,007	654,690	1995/2014	Freehold	1,374	89.5

At SingHaiyi, we strongly believe in giving back to society as a corporate citizen, and actively participating in the communities where we have an operating presence. Through our community efforts, we hope to create a positive impact on the society where we operate and improve the welfare of others.

"COUNT ME IN" CHARITY CONCERT 2016

Held on 18 November 2016 at The Capitol Theatre, SingHaiyi pledged our contribution as one of the corporate sponsors to the "Count Me In Charity Concert 2016" organised by the Society for the Physically Disabled ("**SPD**").

All funds raised go to a worthy cause – ensuring that people with disabilities can be self-reliant and independent.

"LOVE & GRATITUDE" CHARITY CONCERT 2017

This year, we had made a donation to the "Love & Gratitude" Charity Concert 2017 in support of their beneficiaries – the Ren Ci Hospital and the Assumption Pathway School ("**APS**"). The concert was organised by the Goh Lee Hiang Memorial Fund and the one-night only charity concert had raised over S$2.5 million.

Ren Ci Hospital is one of the few charity healthcare institutions in Singapore to provide 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.

UC HEALTH'S MAMMOGRAM MOBILE UNIT

In support of UC Health's initiative to provide mammography screenings and other wellness services to businesses and public settings throughout Greater Cincinnati, Tri-County Mall was honoured and this was the third year that we continued to provide a safe and convenient location for the Mobile Unit to be stationed on a recurring basis.

As we play an active role in doing our part to help bring health education and convenient screenings closer to our audiences, we believe that this meaningful cause will enable Tri-County Mall to foster stronger ties with the community.

"PRETTY IN PINK" CELEBRATION

Tri-County Mall also returned as an annual sponsor to Mix 94.9's Pretty in Pink celebration, where the community can nominate Breast Cancer survivors. We donated gift cards towards prizes, which are then purchased from our multiple tenants. This is a community event with great value as the mall was given radio air time and in-person mentioned in return.

"SMALL VOICES BIG HEARTS" FASHION SHOW

We had the pleasure of hosting the "Small Voices Big Hearts" Fashion Show at Tri-County Mall this year. The event brings together children with different abilities or disabilities, with local district law enforcement officers. Together, they walk the runway and raise funds for a local family in need.

The event was well-covered by many local television channels such as Fox 19, WLWT Channel 5 etc. which featured Tri-County Mall as a generous donor. We are heartened to be able to play an active role in helping local families.

SUMMER CAMP ADVENTURE FAIR & SAFETY TOWN PROGRAMME

Going the extra mile to engage the community and getting involved has always been the motto behind our community efforts. We actively participated in Cincinnati's Summer Camp Adventure Fair in Blue Ash this year, and also hosted a table to promote our Safety Town programme and connect with Cincinnati-area families.

We handed out information regarding our summer camp, as well as promotional items for kids, such as sunglasses and Springdale Police Department stickers. It was a wonderful opportunity for us to reach out to our community and spread awareness about the programme to the families. Our efforts are critical to ensure the young members of our community are well attuned to safety basics.

RESPONSIBILITY TOWARDS OUR SHAREHOLDERS

SingHaiyi has always strived to fulfil our responsibility towards our valuable shareholders by upkeeping our Investor Relations efforts. In order to ensure our shareholders receive balanced information, we aim to provide updates on our corporate and financial developments on a timely and transparent manner.

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

We believe that an effective shareholder communication programme would keep our shareholders well-informed, and provide a platform for shareholders to raise questions and concerns in order to avoid any misconceptions or misunderstandings about the Group's strategic direction or business. Apart from our annual general meetings, where our Board of Directors and senior management team meet and address shareholders' queries and gather feedback, we also welcome comments at any time.

We can be reached at:

SingHaiyi Group Ltd.
81 Ubi Ave 4
#02-20 UB.One
Singapore 408830
Tel: 65-6533 9023
Fax: 65-6532 7602
Email: info@singhaiyi.com

August Consulting
Contact: Foo Yiting / Silvia Heng
Tel: 65-6733 8873
Email: SingHaiyi@august.com.sg

Guest-of-Honour, Ms. Grace Fu, Minister for Culture, Community and Youth presented a token of appreciation to our CFO, Mr. Gregory Sim, for our donation this year.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive

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

Non-Executive

Neil Bush - Chairman
Gordon Tang
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

81 Ubi Avenue 4
#02-20 UB.One
Singapore 408830
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
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: SingHaiyi@august.com.sg

FINANCIAL CONTENTS

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 2017 ("**FY2017**") 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 Company 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 and social 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 annual 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.

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 FY2017, 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 FY2017, 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 FY2017			
	Board	AC	NC	RC
Neil Bush	4	-	-	-
Gordon Tang	0	-	-	0
Celine Tang	4	-	-	-
Yang Dehe [(1)]	0	-	-	-
Yang Manlin (Alternate Director to Yang Dehe) [(2)]	2	-	-	-
Mao Jinshan	4	-	-	-
Gn Hiang Meng	4	4	1	1
David Hwang Soo Chin	4	4	1	1
See Yen Tarn	4	4	1	1
Yang Manlin [(3)]	2	-	-	-
Number of meetings held in FY2017	4	4	1	1

(1) Resigned as Independent Non-Executive Director on 1 October 2016.

(2) Attended the meeting in the capacity of an Alternate Director to Mr. Yang Dehe. Ceased to be an Alternate Director to Mr. Yang Dehe on 1 October 2016.

(3) Appointed as Independent Non-Executive Director on 1 October 2016. Attended the meeting in the capacity of an Independent Non-Executive Director.

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-do-date?
The types of information and training provided are set out in the section under "Board Orientation and Training".

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. During the year, a formal letter of appointment was issued to Ms. Yang Manlin who was appointed as an Independent Non-Executive Director on 1 October 2016.

Directors are at liberty to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business issues 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. During the year, Ms. Yang Manlin who was appointed as an Independent Non-Executive Director, was given detailed briefings and an induction by Management.

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. Ms. Yang Manlin had attended courses organised by SID after her appointment as Independent Non-Executive Director on 1 October 2016.

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

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".

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".

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.

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 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 experience and contributions are invaluable to the Company.

(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".**	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:
(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".**	

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**").

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. The Company does not have a Chief Executive Officer. However, Mrs. Celine Tang, Group Managing Director ("**GMD**") and Mr. Mao Jinshan, Managing Director of the US Operations, the Executive Director of the Company, 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 Group Managing Director, 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 Group Managing Director, increases accountability and greater capacity of the Board for independent decision making.

Mr. Gn Hiang Meng ("**Mr. Gn**") is the Lead Independent 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 Chief Financial Officer or for which such contact is inappropriate. The Lead ID may call for meetings of Independent Directors from time to time without the presence of other directors and provide feedback to the Chairman after such meetings. In FY 2017, the Independent Directors had met separately without the presence of Management.

B. 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. The NC met once in FY2017.

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 and being mindful of 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 board.

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".

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 Board's existing attributes. 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.

CORPORATE GOVERNANCE REPORT

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.

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 and Listing Rules and real estate industry-related matters and other areas to enhance their performance as Board and Board Committees members.

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.

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 Company'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.

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")".

(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) Were 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 FY2017 pursuant to the RC's review of the individual's performance, the performance of the Group and industry practices.

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. The RC met once in FY2017.

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.

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, based on appraisal, performance assessment, competencies and potential of 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.

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 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 pages 126 to 128 of this annual report for details of the Scheme.

During FY2017, there were no share options granted to the 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.

No termination, retirement or post-employment benefits were granted to any Director or KMP of the Company during FY2017.

Remuneration of Directors for FY2017

Name of Director	(Resigned)/ Appointed	Directors' Fee %	Salary %	Bonus %	Others %	Total Remuneration %
Below S$250,000						
Neil Bush		100%	-	-	-	100%
Gordon Tang		100%	-	-	-	100%
Celine Tang		-	83%	7%	10%	100%
Mao Jinshan		-	100%	-	-	100%
Yang Dehe	(1/10/2016)	100%	-	-	-	100%
Gn Hiang Meng		100%	-	-	-	100%
David Hwang Soo Chin		100%	-	-	-	100%
See Yen Tarn		100%	-	-	-	100%
Yang Manlin	01/10/2016	100%	-	-	-	100%

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.

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 FY2017 (inclusive of those who had resigned during the year)" 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)
No. Please refer to the section under "Remuneration of KMPs for FY2017 (inclusive of those who had resigned during the year)" for the Company's reasons for non-disclosure of KMPs' remuneration.

Remuneration of KMPs for FY2017 (inclusive of those who had resigned during the year)

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

After careful deliberation, the Company has decided not to disclose the remuneration of its top five KMP as well as in aggregate the total remuneration paid to its top five 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.

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.

Remuneration of Directors' Immediate Family Members for FY2017

The Company does not have any employee who is an immediate family member of a Director or the GMD.

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 CFO 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".

Principle 10: Accountability

Accountability of the Board and Management

The Board is responsible for presenting a balanced and understandable assessment of the Company'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 62 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 Company'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 Company's levels of risk tolerance and risk policies. The Company 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 2017.

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 auditors 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 complaints received during FY2017. Report can be lodged via email at acm@singhaiyi.com. This policy has been published on the Company's website.

For FY2017, the GMD and Chief Financial Officer 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 Chief Financial Officer, 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 131 to 143 of this Annual 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 appropriately qualified to discharge their responsibilities. The AC met four times in FY2017.

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 affairs, 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.

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 has authority to meet with the external auditors during the financial year under review, without the presence of the Company's Management. The AC only met with the external auditors in AC meetings approving the quarterly/year-end results during the year.

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 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 have 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 FY2017 amounted to S$260,000 and S$90,000 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 27 July 2017. The AC has met the external auditors and with the internal auditors without the presence of Management during FY2017.

The details of the remuneration of the auditors of the Company during FY2017 are as follows:

	FY2017 (S$'000)	FY2016 (S$'000)
Auditors' remuneration paid/payable to:		
- Auditors of the Company	260	255
- Other auditors	76	32
Other fee paid/payable to:		
- Auditors of the Company	90	72

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

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 interested person transactions for FY2017 are as below:

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$100,00)
American Pacific International Capital Inc. ("**APIC**") (1)	S$ 659,000	-
Interest payable to APIC	S$ 2,946,000 (2)	-
Interest payable to Haiyi Holdings Pte Ltd ("**Haiyi**") (3)	S$ 232,000	-
David Hwang Soo Chin (4)	S$ 120,000	-

Note:

(1) APIC is an entity controlled by the controlling shareholders of the Company, Mr. Gordon Tang and Mrs. Celine Tang. APIC provided consultancy services to the Company's subsidiaries.

(2) This amount represents the total interest payable to APIC for the provision of loan to a wholly-owned subsidiary of the Company.

(3) Haiyi is the controlling shareholder of the Company. This amount represents the total interest payable to Haiyi for the provision of loan to the Company.

(4) David Hwang Soo Chin is an Independent Non-Executive Director of the Company. He provided consultancy services to the Company.

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 director, 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.

The internal auditors report to the AC Chairman on internal audit matters. 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 and external 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 FY2017 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.

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".

The minutes of general meetings are prepared with the names of the Directors, KMP, external auditor 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.

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:

(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".

- 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.

(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".

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 follow:

August Consulting
Tel: +65 6733 8873
Foo Yiting, yitingfoo@august.com.sg
Silvia Heng, silviaheng@august.com.sg

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 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 FY2017, the Company had recommended a final dividend of 0.3 cent per share which is subjected to Shareholder's 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 Singapore Exchange Securities Trading Limited's Listing Rules and the Securities and Futures Act, Chapter 289.

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 published on the Company's internal website, which is accessible by 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 FY2017.

G. NON-SPONSOR FEES

There were $15,000 non-sponsor fees paid to SAC Capital Pte Ltd for the financial year ended 31 March 2017.

H. USE OF PROCEEDS

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 net 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	67.81

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

DIRECTORS' STATEMENT

YEAR ENDED 31 MARCH 2017

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 2017.

In our opinion:

(a) the financial statements set out on pages 68 to 144 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 2017 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 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 (Appointed on 1 October 2016)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (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/ date of appointment	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	1,832,364,081
Celine Tang [(3)]		
- ordinary shares		
- deemed interests	1,612,364,081	1,612,364,081
David Hwang Soo Chin		
- ordinary shares		
- interests held	500,000	500,000
Yang Manlin [(4)]		
- ordinary shares		
- deemed interests	237,000,000	237,000,000
Mao Jinshan		
- ordinary shares		
- interests held	4,075,600	4,075,600

(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.

(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 of the financial year or, date of appointment if later, 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 2017.

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.

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.

On 29 July 2014, the Company granted 6,000,000 share options under the 2013 Share Option Scheme at an exercise price of $0.176. The options are convertible to new shares one year from the grant date.

The 6,000,000 share options has lapsed during the current financial year following the cessation of the share option holder as an employee of the Company.

In prior periods, the Company also granted a total of 20,000,000 share options to Mr. Yeo Wee Keong, an ex-director of the Company on 10 August 2011, following his appointment as business adviser to the Company. The number of share options was adjusted to 7,207,938 (pursuant to the terms and conditions of the share options agreement following the completion of several corporate actions) and the details are as follows:

(a) 3,603,969 share options are convertible into 3,603,969 new shares at $0.0836 per share at any time from the date of grant to 9 August 2016;

(b) 3,603,969 share options are convertible into 3,603,969 new shares at $0.0956 per share at any time from the date of grant to 9 August 2016, and

(c) the options granted expire 5 years after the date of grant.

On 19 April 2016, Mr. Yeo Wee Keong exercised 7,207,938 share options and total 7,207,938 new ordinary shares of the Company were issued to Mr. Yeo Wee Keong.

At the end of the financial year, there were no share options outstanding.

Except as disclosed above, there were no 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.

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).

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

23 May 2017

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 consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2017, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated 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 68 to 144.

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 2017 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.

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Valuation of investment properties ($100,842,000)
(Refer to Note 5 to the financial statements)

The key audit matter	How the matter was addressed in our audit
As at 31 March 2017, 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. 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.	**Our response** 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. We held discussions with the valuers to understand their valuation method and basis of valuation by comparing them with methodologies applied by other valuers for similar properties. 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. 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. **Our findings** We found no matter of concern regarding the competence, capability and objectivity of the external valuers. The valuation methodologies are in line with generally accepted market practices and the key assumptions are within range of market data.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Valuation of development properties ($551,534,000) **(Refer to Note 11 to the financial statements)**	
As at 31 March 2017, 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. 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. Change to these estimates can have a significant impact to the financial statements.	**Our response** We assessed the Group's processes for setting and monitoring selling prices and cost budgets. We assessed the Group's estimated selling prices of the development properties by comparing them to 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. We reviewed the estimated development costs by making enquiries with management and comparing the estimation to the historical cost incurred and the approved budget. **Our findings** We found that the management assessment of the estimated selling prices, development costs of the development properties and diminution in value to be balanced.

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- 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.

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
23 May 2017

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Note	Group		Company	
		2017	2016	2017	2016
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	4	5,880	5,420	218	278
Investment properties	5	100,842	116,960	–	–
Subsidiaries	6	–	–	189,004	184,336
Associates and joint ventures	7	142,598	139,102	–	–
Other investment	8	–	45,800	–	–
Amounts due from subsidiaries	9	–	–	159,821	197,618
Deferred tax assets	10	1,922	1,162	–	–
		251,242	308,444	349,043	382,232
Current assets					
Development properties	11	551,534	415,334	–	–
Trade and other receivables	12	114,147	47,869	9,332	811
Amounts due from subsidiaries	9	–	–	78,009	59,599
Amounts due from associates	13	173	23,573	–	–
Financial assets at fair value through profit or loss	14	6,758	154,957	6,758	154,957
Cash and cash equivalents	15	51,701	40,988	2,356	14,805
		724,313	682,721	96,455	230,172
Total assets		975,555	991,165	445,498	612,404
Non-current liabilities					
Loans and borrowings	16	8,911	171,656	36	78
Amounts due to non-controlling interests	18	15,885	15,885	–	–
Deferred tax liabilities	10	14,425	20,206	–	–
		39,221	207,747	36	78
Current liabilities					
Trade and other payables	19	196,672	72,610	1,668	2,424
Loans and borrowings	16	189,451	226,785	25,821	212,893
Loan from controlling shareholder of the Company	20	15,000	–	15,000	–
Loan from a related company	17	37,714	–	–	–
Amount due to non-controlling interests	18	–	10,758	–	–
Current tax payable		3,972	5,387	–	–
		442,809	315,540	42,489	215,317
Total liabilities		482,030	523,287	42,525	215,395
Equity attributable to owners of the Company					
Share capital	21	382,918	382,272	382,918	382,272
Accumulated profits		98,441	73,071	14,639	9,321
Reserves	21	8,485	6,971	5,416	5,416
		489,844	462,314	402,973	397,009
Non-controlling interests	22	3,681	5,564	–	–
Total equity		493,525	467,878	402,973	397,009
Total equity and liabilities		975,555	991,165	445,498	612,404

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 MARCH 2017

	Note	2017 $'000	2016 $'000
Revenue	23	44,189	269,104
Cost of sales		(22,516)	(227,545)
Gross profit		21,673	41,559
Other income	24	36,068	5,220
Selling and marketing expenses		(7,163)	(7,154)
Administrative expenses		(11,924)	(10,243)
Other operating expenses		(23,240)	(11,740)
Results from operating activities		15,414	17,642
Finance income	25	1,655	3,308
Finance costs	26	(5,587)	(7,873)
Share of results of equity-accounted investees, net of tax		14,883	28,451
Profit before tax		26,365	41,528
Tax credit/(expense)	27	4,406	(4,778)
Profit for the year	28	30,771	36,750
Profit attributable to:			
Owners of the Company		31,111	29,320
Non-controlling interests	22	(340)	7,430
Profit for the year		30,771	36,750
Earnings per share	30		
Basic earnings per share (cents)		1.084	1.024
Diluted earnings per share (cents)		1.084	1.023

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2017

	2017	2016
	$'000	$'000
Profit for the year	30,771	36,750
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss		
Share of foreign currency translation differences of equity-accounted investees	(5,206)	(1,630)
Currency translation differences relating to foreign operations	6,720	(3,460)
Other comprehensive income for the year, net of income tax	1,514	(5,090)
Total comprehensive income for the year	32,285	31,660
Total comprehensive income attributable to:		
Owners of the Company	32,625	24,230
Non-controlling interests	(340)	7,430
Total comprehensive income for the year	32,285	31,660

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2017

	Note	Attributable to owners of the Company						
		Share capital	**Capital reserve**	**Translation reserve**	**Accumulated profits**	**Total**	**Non-controlling interests**	**Total equity**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 April 2015		382,272	5,416	6,645	49,477	443,810	(446)	443,364
Total comprehensive income for the year								
Profit for the year		–	–	–	29,320	29,320	7,430	36,750
Other comprehensive income								
Share of currency translation differences of equity-accounted investees		–	–	(1,630)	–	(1,630)	–	(1,630)
Currency translation differences relating to foreign operations		–	–	(3,460)	–	(3,460)	–	(3,460)
Total other comprehensive income		–	–	(5,090)	–	(5,090)	–	(5,090)
Total comprehensive income for the year		–	–	(5,090)	29,320	24,230	7,430	31,660
Transactions with owners, recorded directly in equity								
Dividend paid	21	–	–	–	(5,726)	(5,726)	(1,420)	(7,146)
Total transactions with owners		–	–	–	(5,726)	(5,726)	(1,420)	(7,146)
At 31 March 2016		382,272	5,416	1,555	73,071	462,314	5,564	467,878

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

YEAR ENDED 31 MARCH 2017

	Note	Attributable to owners of the Company						
		Share capital	**Capital reserve**	**Translation reserve**	**Accumulated profits**	**Total**	**Non-controlling interests**	**Total equity**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'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 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	21	646	–	–	–	646	–	646
Dividend paid	21	–	–	–	(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 CASH FLOWS

YEAR ENDED 31 MARCH 2017

	2017 $'000	2016 $'000
Cash flows from operating activities		
Profit before tax	26,365	41,528
Adjustments for:		
Allowance for diminution in value of development property	–	3,900
Changes in fair value of financial assets at fair value through profit or loss	(567)	2,667
Changes in fair value of investment properties	22,282	6,403
Depreciation of property, plant and equipment	323	324
Gain on disposal of associated company and other investments	(30,450)	–
Gain on disposal of financial assets at fair value through profit and loss	(686)	(86)
Interest and dividend income	(1,088)	(5,975)
Interest expense	5,587	7,873
Investment income	(1,438)	(2,655)
Net unrealised foreign exchange gain	(434)	(4,227)
Share of profits of equity-accounted investees, net of tax	(14,883)	(28,451)
	5,011	21,301
Changes in:		
Development properties	(132,392)	169,195
Trade and other receivables	35,765	(16,365)
Trade and other payables	125,604	(64,716)
Cash generated from operations	33,988	109,415
Tax paid	(4,283)	(2,402)
Net cash generated from operating activities	29,705	107,013
Cash flows from investing activities		
Acquisition of property, plant and equipment	(763)	(409)
Advances to a joint venture	–	(31,861)
Capital expenditure on investment properties	(2,447)	(5,528)
Deposits pledged	–	50,000
Interest and dividend income received	3,282	6,226
Investment in a joint venture	(16,785)	(17,500)
Investment in an associate	–	(43,860)
Investment income received	609	–
Net proceeds from disposal of investment in financial assets at fair value through profit or loss	140,261	3,429
Net proceeds from disposal of investment in associate and other investment	5,000	–
Net cash generated from/(used in) investing activities	129,157	(39,503)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

YEAR ENDED 31 MARCH 2017

	Note	2017	2016
		$'000	$'000
Cash flows from financing activities			
Dividends paid to non-controlling interest		(1,543)	(1,420)
Dividends paid to owners of the Company		(5,741)	(5,726)
Interest paid		(7,130)	(6,653)
Proceeds from bank loans		66,748	68,851
Proceeds from issue of shares under share options		646	–
Proceeds of loan from a related company		37,714	–
Proceeds of loan from controlling shareholder of the Company		15,000	–
Repayment of bank loans		(166,827)	(194,202)
Redemption of medium term notes		(100,000)	–
Repayment from associated company		23,400	–
Repayment to non-controlling interests		(10,758)	(280)
Net cash used in financing activities		(148,491)	(139,430)
Net (decrease)/increase in cash and cash equivalents		10,371	(71,920)
Cash and cash equivalents at beginning of the year		40,988	113,077
Effect of exchange rate fluctuations on cash held		342	(169)
Cash and cash equivalents at end of the year	15	51,701	40,988

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 May 2017.

1 DOMICILE AND ACTIVITIES

SingHaiyi Group Ltd (the "Company") is incorporated in Singapore and has its registered office at 81 Ubi Avenue 4, #02-20 UB. One, Singapore 408830.

The financial statements of the Group as at and for the year ended 31 March 2017 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.

2 BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements (continued)

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 10 Utilisation of tax losses
- Note 11 Allowance for diminution in value of development properties
- Note 27 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:

2 BASIS OF PREPARATION (continued)

Measurement of fair values (continued)

- Note 5 Investment properties
- Note 14 Financial assets at fair value through profit or loss

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.

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Business combinations (continued)

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 interest's 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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

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

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.

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Foreign currency (continued)

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

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 other investment, trade and other receivables, amounts due from subsidiaries, amounts due from associates and cash and cash equivalents.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

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 securities that otherwise would have been classified as available for sale.

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, amounts due to non-controlling interests, trade and other payables, loan from controlling shareholder of the Company and loan from a related company.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

Share capital (continued)

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.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes denominated in Singapore dollars that can be converted to share capital at the option of the holder, where the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment (continued)

Recognition and measurement (continued)

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.

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 52 years
• Leasehold improvements	3 to 5 years
• Furniture and fittings	5 years
• Office equipment	5 years
• Motor vehicles	5 to 10 years
• Computers	3 to 5 years

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment (continued)

Non-financial assets (continued)

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Employee benefits (continued)

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Tax (continued)

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.

3.11 Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income and fair value gains or losses 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. 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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Revenue recognition (continued)

Sale of development properties (continued)

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 ratio of construction costs incurred to date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Inter-company interest-free loans (continued)

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 convertible notes and 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, corporate expenses and tax assets and liabilities.

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

3.18 New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2016 and earlier application is permitted. The Group has not early applied the following new or amended standards in preparing these statements.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for the adoption by the Group on 1 April 2018 and FRS 116 *Leases* which is mandatory for the adoption by the Group on 1 April 2019.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 New standards and interpretations not yet adopted (continued)

Applicable to 2019 financial statements

(a) FRS 115 *Revenue from Contracts with Customers*

FRS 115 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.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services.*

FRS 115 is effective for annual periods beginning on or after 1 April 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2019 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

Based on preliminary analysis, the Group does not expect any significant impact from the adoption of FRS 115. However, the Group will perform a detailed assessment of the impact resulting from the application of FRS 115.

(b) FRS 109 *Financial Instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 April 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 April 2018.

The actual impact of adopting FRS 109 on the Group's consolidated financial statements in 2019 is not known and cannot be reliably estimated because it will be dependent on the financial instruments that the Group holds and economic conditions at that time as well as accounting elections and judgements that it will make in the future.

However, the Group has performed a preliminary assessment of the potential impact of adoption of FRS 109 based on its positions at 31 March 2017. The Group's initial assessment of the three elements of FRS 109 is as described below.

Classification and measurement

The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 New standards and interpretations not yet adopted (continued)

Classification and measurement (continued)

For financial assets currently held at fair value, the Group expects to continue measuring most of these assets at fair value under FRS 109.

Impairment – Financial assets and contract assets

The Group plans to apply the simplified approach and record 12-month expected impairment losses on all trade receivables. On adoption of FRS 109, the Group does not expect a significant increase in impairment loss allowance.

Hedge accounting

Under the new model, it is possible that more risk management strategies, particularly those involving hedging a risk component (other than foreign currency risk) of a non-financial item, will be likely to qualify for hedge accounting. The Group currently does not undertake hedges of such risk components.

Convergence with International Financial Reporting Standards (IFRS)

The Accounting Standards Council ("ASC") announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange ("SGX") will apply a new financial reporting framework identical to IFRS ("IFRS – identical Financial Reporting Standards") for the financial year ending 31 December 2018 onwards.

The Group has performed a preliminary assessment of the impact of IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group expects that the impact on adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* will be similar to adopting FRS 115 and FRS 109 as described in this Note.

Other than arising from the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework.

The Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analyses.

Applicable to 2020 financial statements

(c) FRS 116 *Leases*

FRS 116 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.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 New standards and interpretations not yet adopted (continued)

Applicable to 2020 financial statements (continued)

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*; INT FRS 15 *Operating Leases – Incentives*; and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

FRS 116 is effective for annual periods beginning on or after 1 April 2019, with early adoption permitted if FRS 115 is also applied.

During 2017, the Group performed an initial assessment of the impact on the Group's financial statements. Based on its initial assessment, the Group does not expect the adoption of FRS 116 to have any significant effect on the financial statements of the Group.

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings $'000	Leasehold improvements $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
Cost							
At 1 April 2015	4,926	579	97	26	535	81	6,244
Additions	–	383	2	–	–	25	410
Translation differences	–	18	–	–	–	–	18
At 31 March 2016	4,926	980	99	26	535	106	6,672
Additions	–	219	81	425	32	6	763
Translation differences	–	20	–	–	–	–	20
At 31 March 2017	4,926	1,219	180	451	567	112	7,455
Accumulated depreciation							
At 1 April 2015	249	409	73	13	148	36	928
Depreciation charge for the year	87	112	19	5	83	18	324
At 31 March 2016	336	521	92	18	231	54	1,252
Depreciation charge for the year	87	116	35	12	39	34	323
At 31 March 2017	423	637	127	30	270	88	1,575
Carrying amounts							
At 1 April 2015	4,677	170	24	13	387	45	5,316
At 31 March 2016	4,590	459	7	8	304	52	5,420
At 31 March 2017	4,503	582	53	421	297	24	5,880

4 PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
Cost					
At 1 April 2015	23	11	390	54	478
Additions	–	–	–	23	23
At 31 March 2016	23	11	390	77	501
Additions	5	–	–	5	10
At 31 March 2017	28	11	390	82	511
Accumulated depreciation					
At 1 April 2015	12	3	125	22	162
Depreciation charge for the year	4	2	39	16	61
At 31 March 2016	16	5	164	38	223
Depreciation charge for the year	5	2	39	24	70
At 31 March 2017	21	7	203	62	293
Carrying amounts					
At 1 April 2015	11	8	265	32	316
At 31 March 2016	7	6	226	39	278
At 31 March 2017	7	4	187	20	218

At 31 March 2017, leasehold buildings of the Group with carrying amounts of $4,503,000 (2016: $4,590,000) are pledged as security to secure credit facilities (note 16).

At 31 March 2017, motor vehicles of the Group and the Company with carrying amounts of $187,000 (2016: $226,000) are held under finance lease (note 16).

5 INVESTMENT PROPERTIES

	Group	
	2017	2016
	$'000	$'000
Investment properties at fair value	100,842	116,960

The details of the Group's investment properties as at 31 March 2017 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	6,028	99 years commencing from 27 January 2006 to 26 January 2105
4 office units, 81 Ubi Avenue 4, #02-24, #02-26-28, UB. One, Singapore	5,574	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	1,216	99 years commencing from 21 January 2001 to 20 January 2100

The investment properties comprise a shopping mall and several office 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 $2,150,000 (2016: $1,240,000).

Security

At 31 March 2017, investment properties of the Group with carrying amounts of $14,530,000 (2016: $15,620,000) are pledged as security to secure credit facilities (note 16).

5 INVESTMENT PROPERTIES (continued)

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	
	2017	**2016**
	$'000	**$'000**
At beginning of the year	116,960	119,720
Additions	2,447	5,528
Change in fair value	(22,282)	(6,403)
Currency translation differences	3,717	(1,885)
At end of the year	100,842	116,960

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.

5 INVESTMENT PROPERTIES (continued)

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 Discount rate Terminal capitalisation rate	1.1% to 4.2% 11.0% 10.0%	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.
Market comparable approach	Price per square foot	$584 to $2,549	

6 SUBSIDIARIES

	Company	
	2017	2016
	$'000	$'000
Equity investment, at cost	149,222	142,363
Less: Allowance for impairment loss of investments	(1,000)	(1,000)
	148,222	141,363
Amount due from a subsidiary (non-current)	40,782	42,973
	189,004	184,336

The non-current 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.

6 SUBSIDIARIES (continued)

List of significant subsidiaries

The following are the Company's significant subsidiaries:

Company name	Principal activities	Principal place of business/Country of incorporation	Effective equity interest held by the Group	
			2017	2016
			%	%
Anchorvale Residences Pte Ltd	Real estate development	Singapore	80	80
SingXpress Kaylim Pte Ltd	Real estate development	Singapore	80	80
Corporate Residence Pte Ltd	Real estate development	Singapore	90	90
Charlton Residences Pte Ltd	Real estate development	Singapore	80	80
Vietnam Town Property LLC*	Real estate development	USA	100	100
SingHaiyi Capital Pte Ltd	Properties investment	Singapore	100	100
Tri-County Mall LLC*	Properties investment	USA	100	100
Ocean Landing LLC*	Properties investment	USA	100	100
Angel Investment Management Pte Ltd	Properties holding	Singapore	100	100
SXL Model Productions Pte Ltd	Properties holding	Singapore	100	100
Corporate Bridge International Pte Ltd	Investment holding	Singapore	100	100
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
Phoenix Real Estate Pte Ltd	Investment holding	Singapore	100	100
Phoenix 99 Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi TripleOne Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Development Pte Ltd	Property development advisory services	Singapore	100	100
Corporate Bridge Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Realtors Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Properties Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Investment Pte Ltd	Investment holding	Singapore	100	100
Asset Century International Limited*	Investment holding	British Virgin Islands	100	100
Golden Gulf Enterprises Limited*	Investment holding	British Virgin Islands	100	100

KPMG LLP are the auditors of all Singapore-incorporated subsidiaries.

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

7 ASSOCIATES AND JOINT VENTURES

(a) Associates

	Group	
	2017	**2016**
	$'000	**$'000**
Interest in associates	71,928	87,948
Interest in joint ventures	70,670	51,154
	142,598	139,102

Details of significant associates are as follows:

Name	**Principal activities**	**Country of incorporation**	**Effective equity interest held by the Group**	
			2017	**2016**
			%	%
Perennial Somerset Investors Pte Ltd ("PSIPL")[1]	Investment holding	Singapore	–	20
Tampines EC Pte Ltd[2]	Real estate development	Singapore	24.48	24.48
ARA Harmony Fund III[1]	Real estate investment	Cayman Islands	25	25

(1) Audited by KPMG LLP
(2) Audited by Moore Stephens LLP

7 ASSOCIATES AND JOINT VENTURES (continued)

(a) Associates (continued)

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.

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

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

7 ASSOCIATES AND JOINT VENTURES (continued)

	Perennial Somerset Investors Pte Ltd	Tampines EC Pte Ltd	ARA Harmony Fund III	Total
	$'000	$'000	$'000	$'000
2016				
Revenue	47,400	487,560	32,251	
Profit for the year/Total comprehensive income	2,782	72,264	24,699	
Attributable to investee's shareholders	2,782	72,264	24,699	
Non-current assets	7	–	602,108	
Current assets	1,026,441	212,095	32,876	
Non-current liabilities	(906,729)	–	(338,957)	
Current liabilities	(17,248)	(145,672)	(105,964)	
Net assets	102,471	66,423	190,063	
Attributable to investee's shareholders	102,471	66,423	190,063	
Group's interest in net assets of investee at beginning of the year	19,949	–	–	19,949
Cost of investment	–	–	43,860	43,860
Capital distribution during the year	–	–	(889)	(889)
Group's share of:				
- profit for the year/total comprehensive income	556	19,927	6,175	26,658
- currency translation differences	–	–	(1,630)	(1,630)
Carrying amount of interest in investee at end of the year	20,505	19,927	47,516	87,948

7 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures

	Group	
	2017	**2016**
	$'000	**$'000**
Unquoted shares in joint ventures, at cost	17,500	17,500
Share of post acquisition reserve	4,524	1,793
	22,024	19,293
Amount due from a joint venture (non-current)	48,646	31,861
	70,670	51,154

The non-current 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.

Details of the joint ventures are as follows:

Name of joint ventures	**Country of incorporation**	**Effective equity interest held by the Group**	
		2017	**2016**
		%	**%**
ARA Fund Management (Harmony III) Limited ("AFM")*	Cayman Island	35	35
Park Mall Investment Limited ("Park Mall")*	British Virgin Islands	35	35

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

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

7 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures (continued)

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.

	ARA Fund Management (Harmony III) Limited	Park Mall Investment Limited	Total
	$'000	$'000	$'000
2017			
Revenue	2,510	10,213	
Profit for the year/Total comprehensive income (1)	1,191	6,613	
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	1,960	60,966	
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	686	21,338	22,024
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)	

7 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures (continued)

	ARA Fund Management (Harmony III) Limited	Park Mall Investment Limited	Total
	$'000	$'000	$'000
2016			
Revenue	1,663	6,134	
Profit for the year/Total comprehensive income [(1)]	769	4,353	
Non-current assets	–	427,731	
Current assets [(2)]	779	9,313	
Non-current liabilities [(3)]	–	(374,433)	
Current liabilities	(10)	(8,257)	
Net assets	769	54,354	
Group's interest in net assets of investee at beginning of the year	–	–	–
Cost of investments	–	17,500	17,500
Share of total comprehensive income	269	1,524	1,793
Carrying amount of interest in investee at end of the year	269	19,024	19,293
Includes the following:			
[(1)] Income tax expense:	–	220	
[(2)] Cash and cash equivalents:	193	8,291	
[(3)] Non-current financial liabilities (excluding trade and other payables and provisions)	–	(374,433)	

In accordance with the agreement under which Park Mall was established, the Group agreed to make additional contributions in proportion to their interests for the purpose of redevelopment of the property acquired during the year, up to a maximum amount of $68,215,000 (2016: $85,000,000).

8 OTHER INVESTMENT

In 2016, other investment related to junior bonds issued by PSIPL with a principal amount of $45,800,000. The junior bonds were expected to mature in 2019, bore interest up to 10% per annum, and were secured by a legal mortgage over the TripleOne Property but subordinated to all senior borrowings of PSIPL.

During the year, the Group disposed of its investment in PSIPL and junior bonds.

9 AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2017	**2016**
	$'000	**$'000**
Non-current		
Loans to subsidiaries	173,171	210,968
Less: Allowance for impairment loss of loans	(13,350)	(13,350)
	159,821	197,618
Current		
Loans to subsidiaries	87,178	69,526
Less: Allowance for impairment loss of loans	(9,169)	(9,927)
	78,009	59,599

Non-current amounts due from subsidiaries are unsecured and bear interests ranging from 5.25% – 6.50% (2016: 5.25% – 6.50%) per annum. The amounts are not expected to be repaid within the next 12 months.

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

The Company's exposure to credit risk and impairment loss related to amounts due from subsidiaries are 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	Currency translation difference	Recognised in profit or loss (note 27)	Balance at end of the year
	$'000	$'000	$'000	$'000
Group				
2017				
Investment properties	(20,206)	(698)	6,479	(14,425)
Tax losses	1,162	–	760	1,922
	(19,044)	(698)	7,239	(12,503)
2016				
Investment properties	(20,421)	385	(170)	(20,206)
Tax losses	1,473	–	(311)	1,162
	(18,948)	385	(481)	(19,044)

Presented as follows:

	Group	
	2017	2016
	$'000	$'000
Deferred tax assets	1,922	1,162
Deferred tax liabilities	(14,425)	(20,206)
	(12,503)	(19,044)

10 DEFERRED TAX ASSETS AND LIABILITIES (continued)

Unrecognised deferred tax assets and liabilities

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

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Tax losses	22,092	16,961	–	1,966

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 $178,000 (2016: Nil) as it is not probable that these earnings will be repatriated in the foreseeable future.

11 DEVELOPMENT PROPERTIES

	Group	
	2017	**2016**
	$'000	**$'000**
Properties under development		
- Costs incurred	552,492	399,776
- Allowance for diminution in value	(14,400)	(14,400)
	538,092	385,376
Completed properties	13,442	29,958
Total development properties	551,534	415,334
Finance costs capitalised during the year	4,454	4,700

11 DEVELOPMENT PROPERTIES (continued)

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

As at 31 March 2017, development properties of the Group with carrying amounts of $400,062,000 (2016: $298,609,000) are pledged as security to secured credit facilities (note 16).

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 $14,400,000 (2016: $14,400,000) as at 31 March 2017.

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	Expected completion date	Interest held by the Group
235 Balestier Road, Singapore	Freehold	11,384	31,875	84%	2017	90%
Pasir Ris Central/ Pasir Ris Drive 1, Singapore	99 year leasehold	176,400	441,000	100%	Completed	80%
Anchorvale Crescent, Singapore	99 year leasehold	175,236	525,709	97%	2017	80%
Story Road, Santa Clara County, California, USA (Phase 1)	Freehold	410,766	160,878	100%	Completed	100%
Story Road, Santa Clara County, California, USA (Phase 2)	Freehold	442,736	223,990	65%	2017	100%
5 Thomas Mellon Circle, San Francisco, California, USA	Freehold	204,300	–	Planned development	–	100%

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Trade receivables	5,301	377	10	94
Less: impairment loss	(18)	(18)	–	–
	5,283	359	10	94
Accrued receivables	775	41,821	–	–
Other receivables	106,045	5,171	9,219	694
Deposits	189	110	80	–
	112,292	47,461	9,309	788
Prepaid expenses	1,855	408	23	23
Trade and other receivables	114,147	47,869	9,332	811

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 is an amount of $9,191,000 (2016: Nil) relating to sales proceeds from the disposal of financial assets at fair value through profit or loss.

Included in other receivables of the Group is an amount of $94,625,000 (2016: Nil) 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 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 AMOUNTS DUE FROM ASSOCIATES

The current amounts due from associates are unsecured, interest-free and are expected to be repaid within the next 12 months.

The Group's exposure to credit risk related to amounts due from associates is disclosed in note 32.

14 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 16).

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 related to financial assets at fair values through profit or loss is disclosed in note 32.

15 CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Amount held under "Project Account Rules – 1997 Ed" withdrawals from which are restricted to payments for expenditure incurred on projects	10,556	15,410	–	–
Short term bank deposits	579	13,482	46	12,953
Cash at banks and in hand	40,566	12,096	2,310	1,852
Cash and cash equivalents	51,701	40,988	2,356	14,805

The Group's and the Company's short term deposits bear interest at rates ranging from 0.48% to 0.70% (2016: 0.14% to 1.50%) 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.

16 LOANS AND BORROWINGS

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Secured				
Bank loans	198,284	298,872	25,779	113,402
Finance lease liabilities	78	119	78	119
	198,362	298,991	25,857	113,521
Unsecured				
Medium term notes	–	99,450	–	99,450
	198,362	398,441	25,857	212,971
Repayable:				
Within 1 year	189,451	226,785	25,821	212,893
After 1 year but within 5 years	2,653	164,210	36	78
After 5 years	6,258	7,446	–	–
	8,911	171,656	36	78
	198,362	398,441	25,857	212,971

(i) Bank loans

The bank loans are secured by:

- the borrowing subsidiaries' leasehold buildings, investment properties, motor vehicles 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; and
- a charge over financial assets at fair value through profit or loss with an amount equivalent to $6,758,000 (2016: $154,957,000).

The effective interest rates of the bank loans for the Group and the Company are 2.10% (2016: 1.81%) and 1.50% (2016: 1.13%) per annum respectively.

16 LOANS AND BORROWINGS (continued)

(ii) Medium term notes

In prior period, the Company established a $500,000,000 Multicurrency Debt Issuance Programme and issued notes amounting to $100,000,000 with a maturity on 10 January 2017 and bore a fixed interest rate of 5.25% per annum payable semi-annually in arrear. The notes were fully repaid on 10 January 2017.

	Group and Company	
	2017	**2016**
	$'000	**$'000**
Medium term notes	–	100,000
Less: Unamortised transaction costs	–	(550)
	–	99,450

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

17 LOAN FROM A RELATED COMPANY

The loan from a related company is unsecured with an effective interest rate of 6.15% per annum. The loan is due 14 calendar months from the first draw down on 11 November 2016.

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

18 AMOUNTS DUE TO NON-CONTROLLING INTERESTS

The non-current amounts due to non-controlling interests are unsecured, interest-free and are not expected to be repaid within the next 12 months. The carrying amounts approximate their fair value as the effects of discounting are not material.

In 2016, the current amounts due to non-controlling interests are unsecured, interest-free and repayable on demand.

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

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables	29,292	24,572	282	83
Other payables	1,260	607	184	856
Deferred income	159,554	41,324	–	–
Accrued expenses	5,571	5,166	1,202	1,485
Accrued real estate taxes	995	941	–	–
	196,672	72,610	1,668	2,424

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.

20 LOAN FROM CONTROLLING SHAREHOLDER OF THE COMPANY

The loan from controlling shareholder of the Company is unsecured with an effective interest rate of 5.25% per annum with maturity date falling one year after the draw down on 9 January 2017.

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

21 SHARE CAPITAL AND RESERVES

Ordinary shares

	2017		2016	
	No. of shares		**No. of shares**	
	'000	**$'000**	**'000**	**$'000**
Company				
At beginning of the year	2,863,779	382,272	2,863,779	382,272
Exercise of share options	7,208	646	–	–
At end of the year	2,870,987	382,918	2,863,779	382,272

21 SHARE CAPITAL AND RESERVES (continued)

Ordinary shares (continued)

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.

During the 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 special tax exempt (one-tier) dividends were declared by the Company:

	2017	2016
	$'000	$'000
For the year ended 31 March		
$0.002 per qualifying ordinary share (excluding treasury shares) (2016: $0.002)	5,741	5,726

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:

	2017	2016
	$'000	$'000
$0.003 per qualifying ordinary share (excluding treasury shares) (2016: $0.002)	8,611	5,741

Reserves

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

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Translation reserve	3,069	1,555	–	–
Capital reserve	5,416	5,416	5,416	5,416
At 31 March	8,485	6,971	5,416	5,416

Translation reserve

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

21 SHARE CAPITAL AND RESERVES (continued)

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 the cost of the Company's shares held by the Group as treasury shares.

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	
	2017	**2016**
	$'000	**$'000**
Gross borrowings	198,362	398,441
Cash and cash equivalents	(51,701)	(40,988)
Net debts	146,661	357,453
Total capital employed	493,525	467,878
Net debt equity ratio	0.30	0.76

No changes were made to the above objectives, policies and processes during the years ended 31 March 2017 and 2016.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

22 NON-CONTROLLING INTERESTS ("NCI")

The following subsidiaries have material NCI:

	Principal place of business/Country of incorporation	Ownership interests held by NCI	
		2017	2016
Name		%	%
Anchorvale Residences Pte Ltd	Singapore	20	20
SingXpress Kaylim Pte Ltd	Singapore	20	20
Corporate Residence Pte Ltd	Singapore	10	10
Charlton Residences Pte Ltd	Singapore	20	20
SingXpress Property Development Pte Ltd	Singapore	18.4	18.4

22 NON-CONTROLLING INTERESTS ("NCI") (continued)

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	Charlton Residences Pte Ltd	Corporate Residence Pte Ltd	SingXpress Kaylim Pte Ltd	SingXpress Property Development Pte Ltd	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2017						
Revenue	–	–	–	6,076	–	
(Loss)/profit and total comprehensive income	(3,675)	468	570	391	905	
(Loss)/profit and total comprehensive income attributable to NCI	(735)	94	57	78	166	(340)
Non-current assets	1,922	–	–	–	–	
Current assets	380,858	1,021	34,329	18,017	21,311	
Non-current liabilities	(220,196)	–	–	–	–	
Current liabilities	(171,013)	(28)	(48,521)	(4,199)	(529)	
Net (liabilities)/assets	(8,429)	993	(14,192)	13,818	20,782	
Net (liabilities)/assets attributable to NCI	(1,686)	199	(1,419)	2,763	3,824	3,681
Cash flows from operating activities	16,124	330	(10,007)	37,327	–	
Cash flows from investing activities	–	–	–	–	–	
Cash flows from financing activities (dividends to NCI: $1,543,200)	(15,961)	(916)	10,118	(40,591)	–	
Net increase/(decrease) in cash and cash equivalents	163	(586)	111	(3,264)	–	

22 NON-CONTROLLING INTERESTS ("NCI") (continued)

	Anchorvale Residences Pte Ltd	Charlton Residences Pte Ltd	Corporate Residence Pte Ltd	SingXpress Kaylim Pte Ltd	SingXpress Property Development Pte Ltd	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2016						
Revenue	–	–	–	249,278	–	
(Loss)/profit and total comprehensive income	(3,725)	(11)	(4,339)	24,730	19,921	
(Loss)/profit and total comprehensive income attributable to NCI	(745)	(2)	(435)	4,946	3,666	7,430
Non-current assets	1,162	–	–	–	–	
Current assets	286,574	2,799	20,518	65,354	43,800	
Non-current liabilities	(236,157)	–	–	–	–	
Current liabilities	(56,333)	(1,358)	(35,279)	(45,127)	(23,923)	
Net (liabilities)/assets	(4,754)	1,441	(14,761)	20,227	19,877	
Net (liabilities)/assets attributable to NCI	(951)	288	(1,476)	4,045	3,658	5,564
Cash flows from operating activities	(1,343)	4,036	(427)	94,660	–	
Cash flows from investing activities	–	–	–	–	–	
Cash flows from financing activities (dividends to NCI: $1,420,000)	6,672	(7,100)	(9)	(97,121)	–	
Net increase/(decrease) in cash and cash equivalents	5,329	(3,064)	(436)	(2,461)	–	

23 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.

23 OPERATING SEGMENTS (continued)

	Property development		Property investment		Others		Segment total		Unallocated items		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group												
External revenue	34,114	254,632	9,983	13,288	92	1,184	44,189	269,104	–	–	44,189	269,104
Profit/(Loss) from operating activities	9,175	20,677	8,418	(1,027)	1,293	1,229	18,886	20,879	(3,472)	(3,237)	15,414	17,642
Share of results of equity accounted investees, net of tax	3,226	19,927	11,657	8,524	–	–	14,883	28,451	–	–	14,883	28,451
Interest income	9	4	5	4	1,641	3,300	1,655	3,308	–	–	1,655	3,308
Interest expense	(167)	(108)	(485)	(258)	(4,874)	(7,438)	(5,526)	(7,804)	(61)	(69)	(5,587)	(7,873)
Reportable segment profit/ (loss) before tax	12,243	40,500	19,595	7,243	(1,940)	(2,909)	29,898	44,834	(3,533)	(3,306)	26,365	41,528
Depreciation of property, plant and equipment	2	4	200	158	–	–	202	162	121	162	323	324
Other material items:												
Change in fair value of investment properties	–	–	22,282	6,403	–	–	22,282	6,403	–	–	22,282	6,403
Allowance for diminution in value of development property	–	3,900	–	–	–	–	–	–	–	–	–	3,900
Interests in associates	20,838	19,927	51,090	68,021	–	–	71,928	87,948	–	–	71,928	87,948
Interests in joint ventures	69,984	–	686	19,293	–	–	70,670	19,293	–	–	70,670	19,293
Capital expenditure*	–	–	3,210	5,937	–	–	3,210	5,937	–	–	3,210	5,937
Reportable segment assets	695,996	525,687	256,827	287,258	12,074	156,003	964,897	968,948	10,658	22,217	975,555	991,165
Reportable segment liabilities	433,247	281,443	34,738	117,620	10,444	120,367	478,429	519,430	3,601	3,857	482,030	523,287

* Capital expenditure comprises property, plant and equipment of $763,000 (2016: $409,000) and investment properties of $2,447,000 (2016: $5,528,000)

23 OPERATING SEGMENTS (continued)

Reconciliations of reportable segments, profit or loss, assets and liabilities

	Group	
	2017	**2016**
	$'000	**$'000**
Profit or loss		
Total profit for reportable segments	29,898	44,834
Unallocated items:		
- Net unrealised foreign exchange gains/(losses)	342	(169)
- Corporate expenses	(3,814)	(3,068)
- Interest expense	(61)	(69)
Consolidated profit before tax	26,365	41,528
Assets		
Total assets for reportable segments	964,897	968,948
Unallocated items:		
- Property, plant and equipment	4,732	4,894
- Cash and cash equivalents	5,926	17,323
Consolidated total assets	975,555	991,165
Liabilities		
Total liabilities for reportable segments	478,429	519,430
Unallocated items:		
- Borrowings	2,668	2,812
- Trade and other payables	933	1,045
Consolidated total liabilities	482,030	523,287

23 OPERATING SEGMENTS (continued)

Geographical information

The property development, property investment and others segments are managed and operated in Singapore, USA and Malaysia. 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	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group						
Revenue	9,560	251,017	34,629	18,087	–	–
Current assets	548,486	557,501	169,893	109,246	–	–
Non-current assets#	108,655	154,295	86,087	100,390	51,776	47,516

Include property, plant and equipment, investment properties, associates and joint ventures, other investment and deferred tax assets.

Major customer

There are no major customers that solely account for 10% or more of the Group's revenue.

24 OTHER INCOME

	Group	
	2017	**2016**
	$'000	**$'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	686	86
Investment income	1,438	2,655
Net foreign exchange gain	1,445	1,858
Others	2,049	621
	36,068	5,220

25 FINANCE INCOME

	Group	
	2017	**2016**
	$'000	**$'000**
Dividend income	747	5,386
Interest income	341	589
Net change in fair value of financial assets at fair value through profit or loss	567	(2,667)
	1,655	3,308

26 FINANCE COSTS

	Group	
	2017	**2016**
	$'000	**$'000**
Interest on bank loans	800	1,960
Interest on finance lease liabilities	3	5
Interest on loan from controlling shareholder of the Company	217	–
Interest and amortisation of transaction cost on medium term notes	4,567	5,908
	5,587	7,873

27 TAX EXPENSE

	Group	
	2017	2016
	$'000	$'000
Current tax expense		
Current year	2,649	4,814
Under/(Over) provision in prior year	184	(517)
	2,833	4,297
Deferred tax (credit)/expense		
Origination and reversal of temporary differences	(7,239)	481
	(4,406)	4,778

Reconciliation of effective tax rate

	Group	
	2017	2016
	$'000	$'000
Profit before tax	26,365	41,528
Tax using Singapore tax rate of 17% (2016: 17%)	4,482	7,060
Income not subject to tax	(5,786)	(945)
Non-deductible expenses	1,282	2,609
Effect of tax rates in foreign jurisdictions	(3,837)	(2,160)
Effect of unrecognised deferred tax assets	2,614	2,899
Tax effect of losses not allowed to be set off against future taxable profits	927	1,363
Effect of results of equity-accounted investees presented net of tax	(2,530)	(4,837)
Tax incentives	–	(39)
Recognition of tax effect of previously unrecognised tax losses	(1,742)	(655)
Under/(Over)provided in prior year	184	(517)
	(4,406)	4,778

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.

28 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Group	
	2017	**2016**
	$'000	**$'000**
Audit fees payable to:		
- Auditors of the Company	260	255
- Other auditors	76	32
Non-audit fees payable to:		
- Auditors of the Company	90	72
Employee benefits expense (exclude Directors' fees)		
- Salaries and wages	6,075	5,341
- Defined contribution benefits	254	212
- Other short-term benefits	10	6
- Director's remuneration	479	474
Changes in fair value of financial assets at fair value through profit or loss	(567)	2,667
Changes in fair value of investment properties	22,282	6,403
Allowance for diminution in value of development properties	–	3,900
Depreciation of property, plant and equipment	323	324

29 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.

29 SHARE-BASED PAYMENT ARRANGEMENTS (continued)

Share option scheme (continued)

On 29 July 2014, the Company granted 6,000,000 share options under the 2013 Share Option Scheme at an exercise price of $0.176. The options are convertible to new shares one year from the grant date.

The 6,000,000 share options has lapsed during the current financial year following the cessation of the share option holder as an employee of the Company.

In prior periods, the Company also granted a total of 20,000,000 share options to Mr. Yeo Wee Keong, an ex-director of the Company on 10 August 2011, following his appointment as business adviser to the Company. The number of share options was adjusted to 7,207,938 (pursuant to the terms and conditions of the share options agreement following the completion of several corporate actions) and the details are as follows:

(a) 3,603,969 share options are convertible into 3,603,969 new shares at $0.0836 per share at any time from the date of grant to 9 August 2016;

(b) 3,603,969 share options are convertible into 3,603,969 new shares at $0.0956 per share at any time from the date of grant to 9 August 2016; and

(c) the options granted expire 5 years after the date of grant.

On 19 April 2016, Mr. Yeo Wee Keong exercised 7,207,938 share options and a total of 7,207,938 new ordinary shares of the Company were issued to Mr. Yeo Wee Keong.

At the end of the financial year, there were no share options outstanding.

Except as disclosed above, there were no 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.

29 SHARE-BASED PAYMENT ARRANGEMENTS (continued)

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price per share 2017	Number of options 2017	Weighted average exercise price per share 2016	Number of options 2016
	$	'000	$	'000
Outstanding at the beginning of the year	0.1290	13,208	0.1290	13,208
Forfeited during the year	0.1760	(6,000)	–	–
Exercised during the year	0.0896	(7,208)	–	–
Outstanding at end of the year	–	–	0.1290	13,208
Exercisable at end of the year	–	–	0.1290	13,208

In the last financial year, options outstanding had a weighted average exercise price of $0.1290 per share and contractual life of 0.36 to 8.33 years.

30 EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 March 2017 was based on profit attributable to ordinary shareholders of $31,111,000 (2016: $29,320,000) and weighted average number of ordinary shares outstanding of 2,869,923,000 (2016: 2,863,090,000), calculated as follows:

(i) Profit attributable to ordinary shareholders

	Group	
	2017	2016
	$'000	$'000
Profit attributable to ordinary shareholders	31,111	29,320

30 EARNINGS PER SHARE (continued)

Basic earnings per share (continued)

(ii) Weighted average number of ordinary shares

	Group	
	2017	**2016**
	'000	**'000**
Issued ordinary shares at beginning of the year	2,863,779	2,863,779
Effect of own shares held	(689)	(689)
Effect of exercise of share options	6,833	–
Weighted average number of ordinary shares during the year	2,869,923	2,863,090

Diluted earnings per share

The calculation of diluted earnings per share at 31 March 2017 was based on profit attributable to ordinary shareholders of $31,111,000 (2016: $29,320,000) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 2,869,923,000 (2016: 2,864,825,000), calculated as follows:

(i) Profit attributable to ordinary shareholders (diluted)

	Group	
	2017	**2016**
	$'000	**$'000**
Profit attributable to ordinary shareholders	31,111	29,320

(ii) Weighted average number of ordinary shares (diluted)

	Group	
	2017	**2016**
	'000	**'000**
Weighted average number of ordinary shares (basic)	2,869,923	2,863,090
Effect of share options on issue	–	1,735
Weighted average number of ordinary shares (diluted) during the year	2,869,923	2,864,825

The average market value of the Company's shares, for purposes of calculating the dilutive effect of share options, was based on quoted market prices for the period during which the options were outstanding.

31 COMMITMENTS

Operating lease commitments

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	
	2017	**2016**
	$'000	**$'000**
Within 1 year	6,889	7,242
After 1 year but within 5 years	11,343	11,496
After 5 years	7,150	6,001
	25,382	24,739

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, an amount of $4,496,000 (2016: $5,340,000) was recognised as an expense in profit or loss in respect of operating leases.

Other commitments

	Group	
	2017	**2016**
	$'000	**$'000**
Estimated development expenditure contracted but not provided for	31,936	88,635

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.

32 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

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	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Amounts due from subsidiaries	–	–	237,830	257,217
Other investment	–	45,800	–	–
Trade and other receivables*	112,292	47,461	9,309	788
Amounts due from associates	173	23,573	–	–
Financial assets at fair value through profit or loss	6,758	154,957	6,758	154,957
Cash and cash equivalents	51,701	40,988	2,356	14,805
	170,924	312,779	256,253	427,767

* Excludes prepaid expenses of $1,855,000 (2016: $408,000) and $23,000 (2016: $23,000) for the Group and the Company, respectively.

The Group and the Company do not hold any collateral in respect of their financial assets. As at the reporting date, the Group's credit risk is concentrated in receivables from the Group's disposal of investment in associate, PSIPL, and junior bonds. The Company's credit risk is concentrated in amounts due from subsidiaries.

(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	
	2017	**2016**
	$'000	**$'000**
At beginning of the year	23,277	19,319
Impairment loss recognised	–	5,545
Reversals of impairment losses	(758)	(1,587)
At end of the year	22,519	23,277

32 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(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
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Not past due	3,993	320	10	94
Past due 1 – 30 days	564	7	–	–
Past due 30 – 60 days	142	8	–	–
Past due 60 – 90 days	390	3	–	–
Past due over 90 days	194	21	–	–
	5,283	359	10	94

32 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(ii) Trade and other receivables (continued)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
At 1 April 2016	18	–
Impairment loss recognised	–	18
At 31 March 2017	18	18

(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 assets.

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.

32 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The following are the contractual maturity of the Group's and the Company's financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flows	Within 1 year	After 1 year but within 5 years	After 5 years
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group					
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	–	–
Amounts due to non-controlling interests	15,885	15,885	–	15,885	–
	304,079	312,407	285,897	18,794	7,716
2016					
Non-derivative financial liabilities					
Bank loans	298,872	309,566	133,290	167,071	9,205
Medium term notes	99,450	104,156	104,156	–	–
Finance lease liabilities	119	119	41	78	–
Trade and other payables*	31,286	31,286	31,286	–	–
Amounts due to non-controlling interests	26,643	26,643	10,758	15,885	–
	456,370	471,770	279,531	183,034	9,205
Company					
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	–	–
	42,525	43,084	43,048	36	–

32 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

	Carrying amount	Contractual cash flows	Within 1 year	After 1 year but within 5 years	After 5 years
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Company					
2016					
Non-derivative financial liabilities					
Bank loans	113,402	114,689	114,689	–	–
Medium term notes	99,450	104,706	104,706	–	–
Finance lease liabilities	119	119	41	78	–
Trade and other payables	2,424	2,424	2,424	–	–
	215,395	221,938	221,860	78	–

* Excludes deferred income of $159,554,000 (2016: $41,324,000).

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 $241,215,000 (2016: $320,728,000). 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	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Within 1 year	–	8,254	148,519	8,644
After 1 year but within 5 years	–	–	–	223,214
After 5 years	1,187	–	13,315	12,128
	1,187	8,254	161,834	243,986

32 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values (continued)

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	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	–	–	214,506	191,438
Financial liabilities	(15,000)	(99,569)	(15,000)	(99,569)
	(15,000)	(99,569)	199,506	91,869
Variable rate instruments				
Financial assets	579	13,482	46	12,953
Financial liabilities	(236,076)	(298,872)	(25,857)	(113,402)
	(235,497)	(285,390)	(25,811)	(100,449)

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.

32 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values (continued)

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 2016.

	Profit before tax	
	100 bp increase	**100 bp decrease**
	$'000	**$'000**
Group		
2017		
Variable rate instruments	(2,355)	2,355
2016		
Variable rate instruments	(2,854)	2,854
Company		
2017		
Variable rate instruments	(258)	258
2016		
Variable rate instruments	(1,004)	1,004

Foreign currency risk

The Group has no exposure to foreign currency risk on sales, purchases 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 Euro ("EUR").

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 EUR. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

32 FINANCIAL INSTRUMENTS (continued)

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		EUR	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Group and Company				
Trade and other receivables	–	–	9,191	–
Financial assets at fair value through profit or loss	6,758	13,684	–	19,362
Cash and cash equivalents	281	8,902	–	–
Loans and borrowings	–	–	(9,779)	(29,212)
	7,039	22,586	(588)	(9,850)

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	10% weakening
	$'000	$'000
2017		
USD	704	(704)
EUR	(59)	59
2016		
USD	2,259	(2,259)
EUR	(985)	985

32 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values (continued)

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.

	Carrying amount				Fair value
	Loans and receivables	**Financial assets at fair value through profit or loss**	**Other financial liabilities**	**Total carrying amount**	**Level 1**
	$'000	**$'000**	**$'000**	**$'000**	**$'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*	112,292	–	–	112,292	
Amounts due from associates	173	–	–	173	
Cash and cash equivalents	51,701	–	–	51,701	
	164,166	–	–	164,166	
Financial liabilities not measured at fair value					
Loans and borrowings	–	–	198,362	198,362	
Loan from a related company	–	–	37,714	37,714	
Amounts due to 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	
	–	–	304,079	304,079	

32 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values (continued)

	Carrying amount				Fair value
	Loans and receivables	**Financial assets at fair value through profit or loss**	**Other financial liabilities**	**Total carrying amount**	**Level 1**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Company					
2016					
Financial assets measured at fair value					
Financial assets at fair value through profit or loss	–	154,957	–	154,957	154,957
Financial assets not measured at fair value					
Other investment	45,800	–	–	45,800	
Trade and other receivables*	47,461	–	–	47,461	
Amounts due from associates	23,573	–	–	23,573	
Cash and cash equivalents	40,988	–	–	40,988	
	157,822	–	–	157,822	
Financial liabilities not measured at fair value					
Loans and borrowings	–	–	398,441	398,441	
Amounts due to non-controlling interests	–	–	26,643	26,643	
Trade and other payables#	–	–	31,286	31,286	
	–	–	456,370	456,370	

32 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values (continued)

	Carrying amount				Fair value
	Loans and receivables	Financial assets at fair value through profit or loss	Other financial liabilities	Total carrying amount	Level 1
	$'000	$'000	$'000	$'000	$'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	

32 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values (continued)

	Carrying amount				Fair value
	Loans and receivables	Financial assets at fair value through profit or loss	Other financial liabilities	Total carrying amount	Level 1
	$'000	$'000	$'000	$'000	$'000
2016					
Financial assets measured at fair value					
Financial assets at fair value through profit or loss	–	154,957	–	154,957	154,957
Financial assets not measured at fair value					
Amounts due from subsidiaries	257,217	–	–	257,217	
Trade and other receivables*	788	–	–	788	
Cash and cash equivalents	14,805	–	–	14,805	
	272,810	–	–	272,810	
Financial liabilities not measured at fair value					
Loans and borrowings	–	–	212,971	212,971	
Trade and other payables	–	–	2,424	2,424	
	–	–	215,395	215,395	

* Excludes prepaid expenses of $1,855,000 (2016: $408,000) and $23,000 (2016: $23,000) for the Group and the Company, respectively.

Excludes deferred income of $159,554,000 (2016: $41,324,000) for the Group.

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	
	2017	2016
	$'000	$'000
Short-term employee benefits	2,305	2,311
Contributions to defined contribution plans	62	54
	2,367	2,365

Other related party transactions

	Transaction value for the year ended 31 March	
	2017	2016
	$'000	$'000
Property consultancy fees payable to American Pacific International Capital, Inc ("APIC")	659	490
Interest payable to APIC	365	–
	1.024	490

SHAREHOLDERS INFORMATION

AS AT 27 JUNE 2017

Class of equity securities	:	Ordinary
Number of equity securities	:	2,870,986,850
Number of equity securities (excluding Treasury Shares)	:	2,870,297,850
Number / Percentage of Treasury Shares	:	689,000 / 0.02%
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	8	0.22	279	0.00
100 - 1,000	375	10.19	156,109	0.00
1,001 - 10,000	872	23.68	5,808,494	0.20
10,001 - 1,000,000	2,371	64.39	204,538,995	7.13
1,000,001 and above	56	1.52	2,659,793,973	92.67
	3,682	100.00	2,870,297,850	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%*
1	Citibank Nominees Singapore Pte Ltd	1,662,269,800	57.91
2	Phillip Securities Pte Ltd	331,404,581	11.55
3	Acquire Wealth Limited	220,000,000	7.66
4	DBS Nominees Pte Ltd	144,806,736	5.05
5	Raffles Nominees (Pte) Ltd	57,257,500	1.99
6	Maybank Kim Eng Securities Pte Ltd	49,350,006	1.72
7	United Overseas Bank Nominees Pte Ltd	24,292,100	0.85
8	Goh Bee Lan	23,600,000	0.82
9	DBS Vickers Securities (S) Pte Ltd	18,630,200	0.65
10	Lee Che Hung	10,560,700	0.37
11	OCBC Securities Private Ltd	8,441,300	0.29
12	Fong Kim Chit	8,440,700	0.29
13	Chean Sock Hoon	6,155,100	0.21
14	Ong Kian Kok	6,000,000	0.21
15	UOB Kay Hian Pte Ltd	5,772,600	0.20
16	Tan Tong Chee	4,100,000	0.14
17	Mao Jinshan	4,075,600	0.14
18	Tan Chong Meng	3,979,500	0.14
19	CIMB Securities (S) Pte Ltd	3,944,520	0.14
20	Goi Seng Hui	3,792,000	0.13
		2,596,872,943	90.46

* The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 27 June 2017, excluding 689,000 ordinary shares held as treasury shares as at that date.

SHAREHOLDERS INFORMATION

AS AT 27 JUNE 2017

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF PUBLIC

27.74% 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 SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 27 June 2017)

	Direct Interest		Deemed Interest	
	No. of Shares	**%[1]**	**No. of Shares**	**%[1]**
Haiyi Holdings Pte. Ltd.	1,612,364,081	56.17	-	-
Gordon Tang [2]	-	-	1,832,364,081	63.84
Celine Tang [3]	-	-	1,612,364,081	56.17
Hai Run Pte. Ltd.	237,000,000	8.26	-	-
Yang Manlin [4]	-	-	237,000,000	8.26
Acquire Wealth Limited	220,000,000	7.66	-	-
New Palace Developments Limited [5]	-	-	220,000,000	7.66
Neil Bush [6]	-	-	220,000,000	7.66

Notes:

(1) Calculated as a percentage of the total number of issued Shares, excluding 689,000 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.

(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 5, Vanda Ballroom Marina Mandarin Singapore, 6 Raffles Boulevard Marina Square, Singapore 039594 on Thursday, 27 July 2017 at 1.30 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 2017 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 2017. **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Article 77 and Article 95 of the Constitution of the Company:

   Ms Yang Manlin (Retiring under Article 77) **(Resolution 3)**
   Mr Neil Bush (Retiring under Article 95) **(Resolution 4)**
   Mr Gn Hiang Meng (Retiring under Article 95) **(Resolution 5)**

   Ms Yang Manlin will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director and will be considered independent.

   Mr Gn Hiang Meng will, upon re-election as a Director of the Company, remain as Lead Independent Non-Executive Director, Chairman of the Audit Committee and members of the Remuneration and Nominating Committees respectively and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

4. To approve the payment of Directors' fees of S$347,000.00 for the financial year ending 31 March 2018, to be paid quarterly in arrears. **(Resolution 6)**

5. To re-appoint Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**

6. To transact any other ordinary business which may properly be transacted at an AGM.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **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 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

(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 treasury shares) 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 treasury shares) 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 treasury shares) shall be based on the total number of issued shares (excluding treasury shares) 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 8)

8. **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 treasury shares) 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 9)

9. **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 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;

"**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

(d) 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 10)

By Order of the Board

Cho Form Po
Company Secretary
Singapore, 12 July 2017

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) The Ordinary Resolution 8 in item 7 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 treasury shares) 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 treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) 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.

(ii) The Ordinary Resolution 9 in item 8 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 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, from time to time.

(iii) The Ordinary Resolution 10 in item 9 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 12 July 2017.

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 81 Ubi Avenue 4, #02-20 UB.One, Singapore 408830 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.

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.

SINGHAIYI GROUP LTD.
(Company Registration No.: 198803164K)
(Incorporated in the Republic of Singapore)

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 5, Vanda Ballroom Marina Mandarin Singapore, 6 Raffles Boulevard Marina Square, Singapore 039594 on Thursday, 27 July 2017 at 1.30 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 2017 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 2017.		
3.	Re-election of Ms. Yang Manlin as a Director.		
4.	Re-election of Mr. Neil Bush as a Director.		
5.	Re-election of Mr. Gn Hiang Meng as a Director.		
6.	Approval of the payment of Directors' fees of S$347,000.00 for the financial year ending 31 March 2018, to be paid quarterly in arrears.		
7.	Re-appointment of Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.		
8.	Authority to allot and issue shares.		
9.	Authority to allot and issue shares under the SingHaiyi Share Option Scheme 2013.		
10.	Renewal of Share Buy-Back Mandate.		

Dated this ______________ day of ______________ 2017

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

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 81 Ubi Avenue 4, #02-20 UB.One, Singapore 408830 **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. The Company shall be entitled to reject the form of proxy 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 form of proxy (including any related attachment). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any form of proxy lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time fixed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

9. 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 12 July 2017.

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.

This page has been intentionally left blank.

This page has been intentionally left blank.