



SINGHAIYI GROUP LTD

REGISTRATION NUMBER: 198803164K

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2018

PART I

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

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

	Notes	Group First quarter ended		Change %
		30.06.2018 \$'000	30.06.2017 (Restated) \$'000	
Revenue	A	26,065	283,982	(90.8)
Cost of sales		(23,255)	(252,822)	(90.8)
Gross profit		2,810	31,160	(91.0)
Other income	B	3,566	262	>100
Selling and marketing expenses	C	(967)	(5,057)	(80.9)
Administrative expenses		(2,110)	(1,927)	9.5
Other operating expenses		(267)	(266)	0.4
Results from operating activities		3,032	24,172	(87.5)
Finance income	D	1,077	161	>100
Finance costs	E	(2,336)	(193)	>100
Share of results of equity-accounted investees, net of tax		(261)	251	NM
Profit before tax	F	1,512	24,391	(93.8)
Tax expense		(171)	(4,976)	(96.6)
Profit for the period		1,341	19,415	(93.1)
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in fair value of financial assets of fair value through other comprehensive income		3,397	-	NM
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Share of currency translation differences of equity-accounted investees		210	882	(76.2)
Currency translation differences relating to foreign operations		5,926	(2,661)	NM
Other comprehensive income for the period, net of tax		9,533	(1,779)	NM
Total comprehensive income for the period		10,874	17,636	(38.3)
Net profit attributable to:				
Owners of the Company		1,237	15,339	(91.9)
Non-controlling interests		104	4,076	(97.4)
		1,341	19,415	(93.1)
Total comprehensive income attributable to:				
Owners of the Company		10,770	13,560	(20.6)
Non-controlling interests		104	4,076	(97.4)
		10,874	17,636	(38.3)

NM – Not Meaningful.

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Notes to Income Statement:

	Group		Change
	First quarter ended		
	30.06.2018	30.06.2017 (Restated)	
	\$'000	\$'000	%
[A] Revenue			
Property development income	23,788	281,579	(91.6)
Rental income	1,874	2,048	(8.5)
Management fee income	403	355	13.5
	26,065	283,982	(90.8)
[B] Other income			
Investment income ⁽¹⁾	1,534	-	NM
Gain on disposal of financial assets through profit or loss	-	1	NM
Net foreign exchange gain	890	-	NM
Write-back of allowance on diminution of value in development properties	1,098	-	NM
Others	44	261	(83.1)
	3,566	262	>100
[C] Selling and marketing expenses			
Commission	797	4,666	(82.9)
Advertising and marketing	170	391	(56.5)
	967	5,057	(80.9)
[D] Finance income			
Interest income	430	161	>100
Dividend income ⁽²⁾	647	-	NM
	1,077	161	>100
[E] Finance cost			
Interest on bank loans	501	193	>100
Interest on related company's loan	552	-	NM
Changes in fair value of financial assets through profit or loss ⁽²⁾	1,283	-	NM
	2,336	193	>100
[F] Profit before tax includes the following:			
Depreciation of property, plant and equipment	83	164	(49.4)
Net foreign exchange loss	-	244	NM
Professional fees	63	35	80.0

Note 1: Investment income

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

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

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

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

	Group		Company	
	30.06.2018	31.03.2018 (Restated)	30.06.2018	31.03.2018 (Restated)
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	1,813	1,806	708	734
Investment properties	102,409	99,157	-	-
Interests in subsidiaries	-	-	148,302	186,892
Interests in associates	51,295	52,329	-	-
Interests in joint ventures	76,510	74,648	-	-
Amounts due from subsidiaries	-	-	198,193	128,661
Financial assets at fair value through other comprehensive income	68,935	65,420	68,935	65,420
	<u>300,962</u>	<u>293,360</u>	<u>416,138</u>	<u>381,707</u>
Current assets				
Development properties	536,388	268,493	-	-
Trade and other receivables	60,381	108,615	4,198	4,365
Financial assets at fair value through profit or loss	57,517	58,601	57,517	58,601
Amounts due from subsidiaries	-	-	48,505	59,044
Cash and cash equivalents	185,936	194,029	142,732	161,378
	<u>840,222</u>	<u>629,738</u>	<u>252,952</u>	<u>283,388</u>
Total assets	<u>1,141,184</u>	<u>923,098</u>	<u>669,090</u>	<u>665,095</u>
Non-current liabilities				
Loans and borrowings	253,333	64,125	-	9
Amounts due to non-controlling interests	69,197	39,916	-	-
Deferred tax liabilities	6,393	6,147	-	-
	<u>328,923</u>	<u>110,188</u>	<u>-</u>	<u>9</u>
Current liabilities				
Trade and other payables	32,623	32,774	1,965	1,573
Loans and borrowings	59,531	69,224	59,028	59,720
Loan from a related company	32,586	32,964	-	-
Current tax payable	9,953	9,753	-	-
	<u>134,693</u>	<u>144,715</u>	<u>60,993</u>	<u>61,293</u>
Total liabilities	<u>463,616</u>	<u>254,903</u>	<u>60,993</u>	<u>61,302</u>

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	Group		Company	
	30.06.2018	31.03.2018 (Restated)	30.06.2018	31.03.2018 (Restated)
	\$'000	\$'000	\$'000	\$'000
Share capital	526,433	526,433	526,433	526,433
Accumulated profits	126,445	125,208	68,501	66,353
Reserves	11,773	3,481	13,163	11,007
Equity attributable to owners of the Company	664,651	655,122	608,097	603,793
Non-controlling interests	12,917	13,073	-	-
Total equity	677,568	668,195	608,097	603,793
Total liabilities and equity	1,141,184	923,098	669,090	665,095

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

	As at 30.06.2018	As at 31.03.2018 (Restated)
	\$'000	\$'000
Unsecured		
Amount repayable in one year or less, or on demand	32,586	32,964
Amount repayable after one year	69,197	39,916
(a)	101,783	72,880
Secured		
Amount repayable in one year or less, or on demand	59,531	69,224
Amount repayable after one year	253,333	64,125
(b)	312,864	133,349
Gross borrowings	(a) + (b) 414,647	206,229

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

Details of any collateral as at 30 June 2018

Where secured, borrowings are collateralised by:

- (i) the borrowing subsidiaries' investment properties, development properties and motor vehicles;
- (ii) assignment of all rights and benefits to sale, lease and insurance proceeds in respect of investment properties and development properties;
- (iii) corporate guarantees by the Company;
- (iv) a charge over financial assets at fair value through profit or loss with an amount equivalent to \$57,517,000;
- (v) a charge over financial assets at fair value through other comprehensive income with an amount equivalent to \$68,935,000.

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

	Group	
	First quarter ended	
	30.06.2018	30.06.2017
	\$'000	(Restated)
		\$'000
Cash flows from operating activities		
Profit before tax	1,512	24,391
Adjustment for:		
Changes in fair value of financial assets at fair value through profit or loss	1,283	-
Depreciation of property, plant and equipment	83	164
Gain on disposal of financial assets at fair value through profit or loss	-	(1)
Interest expense	1,053	193
Interest and dividend income	(1,077)	(161)
Net unrealised foreign exchange loss	(646)	326
Write-back of allowance of diminution in value of a development property	(1,098)	-
Share of results of equity-accounted investees, net of tax	261	(251)
	<u>1,371</u>	<u>24,661</u>
Changes in:		
Development properties	(261,151)	234,406
Trade and other receivables	46,738	38,500
Trade and other payables	(116)	(113,911)
Cash (used in) / generated from operations	<u>(213,158)</u>	<u>183,656</u>
Tax paid	(65)	-
Net cash (used in) / generated from operating activities	<u>(213,223)</u>	<u>183,656</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(51)	(305)
Capital expenditure on investment properties	(510)	(226)
Interest and dividends received	1,645	3,521
Investment income received	1,534	-
Investment in joint venture	(1,840)	-
Net proceeds from disposal of investment in financial assets at fair value through profit or loss	-	6,759
Net cash generated from investing activities	<u>778</u>	<u>9,749</u>

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	Group	
	First quarter ended	
	30.06.2018	30.06.2017
	\$'000	(Restated)
		\$'000
Cash flows from financing activities		
Acquisition of non-controlling interests	-	(80)
Dividend paid to non-controlling interests	(260)	-
Interest paid	(1,053)	(193)
Payment of transaction costs in relation to rights issue	(22)	-
Proceeds from bank borrowings	189,345	5,813
Proceeds of loan from a related company	1,987	-
Proceeds of loans from non-controlling interests	29,250	-
Repayment from an associate	-	173
Repayment of loan from controlling shareholder of the Company	-	(15,000)
Repayment of loan to related companies	(3,975)	-
Repayment of bank borrowings	(9,954)	(79,293)
Purchase of treasury shares	(1,219)	-
Net cash generated from / (used in) in financing activities	204,099	(88,580)
Net (decrease) / increase in cash and cash equivalents	(8,346)	104,825
Cash and cash equivalents at beginning of the period	194,029	51,701
Effect of exchange rate fluctuations on cash held	253	(337)
Cash and cash equivalents at end of the period	185,936	156,189

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

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

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

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	Share Capital	Capital reserve	Translation reserve	Fair value reserve	Accumulated profits	Non- controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Prior period:							
The Group							
At 1 April 2017	382,918	5,416	3,069	-	98,441	3,681	493,525
Adoption of SFRS (I) 1 & 15	-	-	(3,069)	-	6,951	951	4,833
As at 1 April 2017 (restated)	382,918	5,416	-	-	105,392	4,632	498,358
Profit for the period	-	-	-	-	15,339	4,076	19,415
Other comprehensive income							
Share of currency translation differences of equity-accounted investee	-	-	882	-	-	-	882
Currency translation differences relating to foreign operations	-	-	(2,661)	-	-	-	(2,661)
Other comprehensive income, net of tax	-	-	(1,779)	-	-	-	(1,779)
Total comprehensive income for the period	-	-	(1,779)	-	15,339	4,076	17,636
Transactions with owners, recognised directly in equity							
Distributions to and distribution by owners							
Dividends paid	-	-	-	-	(8,611)	(4,156)	(12,767)
Capital contribution from non-controlling interest	-	-	-	-	-	1,500	1,500
Total transactions with owners	-	-	-	-	(8,611)	(2,656)	(11,267)
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests without a change in control	-	(442)	-	-	-	1,425	983
Total transactions with owners	-	(442)	-	-	-	1,425	983
At 30 June 2017	382,918	4,974	(1,779)	-	112,120	7,477	505,710

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

	Share Capital \$'000	Capital reserve \$'000	Fair Value reserve \$'000	Accumulated profits \$'000	Total equity \$'000
Current period:					
The Company					
At 1 April 2018	526,433	5,116	5,891	66,353	603,793
Profit for the period	-	-	-	2,148	2,148
Other comprehensive income					
Change in fair value of financial assets at fair value through other comprehensive income	-	-	3,397	-	3,397
Other comprehensive income, net of tax	-	-	3,397	-	3,397
Total comprehensive income for the period	-	-	3,397	2,148	5,545
Changes in ownership interests in subsidiaries					
Transaction costs in relation to right issue	-	(22)	-	-	(22)
Treasury shares	-	(1,219)	-	-	(1,219)
Total transactions with owners	-	(1,241)	-	-	(1,241)
At 30 June 2018	526,433	3,875	9,288	68,501	608,097
Prior period:					
The Company					
At 1 April 2017	382,918	5,416	-	14,639	402,973
Profit for the period	-	-	-	32,908	32,908
Total comprehensive income for the period	-	-	-	32,908	32,908
At 30 June 2017	382,918	5,416	-	47,547	435,881

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

Share capital

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

Convertible securities and share options

There were no convertible securities and share options outstanding as at 30 June 2018 and 30 June 2017.

There were 13,056,900 treasury shares held by the Company, representing 0.30% of the shares outstanding of 4,293,078,875 as at 30 June 2018 (30 June 2017: 689,000 representing 0.02% of the shares outstanding of 2,870,297,850).

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

	30.06.2018	31.03.2018
Total number of issued shares excluding treasury shares	4,293,078,875	4,305,446,775

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

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

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

Not applicable.

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with the audited financial statements for the financial year ended 31 March 2018.

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

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS (I)s), which comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) issued by the International Accounting Statutory Board. The Group's financial statements for the financial year ending 31 March 2019 will be prepared in accordance with SFRS (I).

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the period ended 30 June 2018, except for the adoption of the SFRS (I) framework as described above and the new/revised SFRS (I) applicable for the financial period beginning 1 April 2018 as follows:

- SFRS (I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)
- SFRS (I) 15 Revenue from Contracts with Customers
- SFRS (I) 9 Financial instruments

a) SFRS (I) 1

In adopting the new framework, the Group is required to apply the specific transition requirements in SFRS (I). The Group has applied SFRS (I) with 1 April 2017 as the date of transition for the Group and the Company, on a retrospective basis, as if such accounting policies had always been applied. SFRS (I) 1 provides mandatory exceptions and optional exemptions from retrospective application. The Group has elected various optional exemptions in SFRS (I) 1, including those set out below which impact the financial statements:

- Resetting the foreign current translation reserve to zero

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b) SFRS (I) 15

SFRS (I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognized as separate assets when specified criteria are met.

The Group adopted SFRS (I) 15 using the retrospective approach with practical expedients.

Success-based sales commissions

The Group pays sales commission to both external and internal property sales agents for securing property sales contracts for the Group on a success basis. In the past, the Group recognized sales commissions as an expense when incurred. Under SFRS (I) 15, the Group capitalizes such incremental costs as a contract cost asset as they are recoverable. These costs are amortised to profit or loss as the Group recognises the related revenue.

Financing component

Under SFRS(I) 15, the Group also recognizes finance income or finance expenses, depending on the arrangement, for payments received from customers for sale of residential projects when the difference between timing of receipts of payments and the transfer of control of the property to the buyer is 12 months or more.

c) SFRS (I) 9

SFRS (I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

The adoption of SFRS (I) 9 has resulted in the reclassification of certain equity investments as financial assets measured at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) and loans and receivables as financial assets measured at amortised cost.

SFRS (I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime expected losses on all trade receivables. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

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Impact on the comparatives for the financial statements of this reporting quarter on adoption of SFRS (I) framework and new/revised accounting standards

	Three months ended
	30.06.2017
	\$'000
<u>Income Statement</u>	
Increase in revenue	1,079
Increase in cost of sales	(1,079)
Increase in selling and marketing expenses	(3,584)
Net impact on adoption of SFRS(I)	<u>(3,584)</u>
Decrease in profit attributable to owners of the Company	(2,852)
Decrease in profit attributable to non-controlling interests	(732)
	<u>(3,584)</u>
Decrease in basic and diluted earnings per share (cents)	<u>(0.100)</u>
	As at
	31.03.2018
	\$'000
<u>Statements of Financial Position</u>	
Increase in development properties	41
Increase in accumulated profits	3,110
Increase in financial assets at fair value through other comprehensive income	65,420
Decrease in available-for-sales financial assets	(65,420)
Decrease in translation reserves	<u>(3,069)</u>

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

	Three months ended	
	30.06.2018	30.06.2017 (Restated)
Based on weighted average number of shares (cents)	0.029	0.534
Weighted average number of shares	4,304,316,350	2,870,297,850
On a fully diluted basis (cents)	0.029	0.534
Adjusted weighted average number of shares	4,304,316,350	2,870,297,850

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

	Group		Company	
	30.06.2018	31.03.2018 (Restated)	30.06.2018	31.03.2018 (Restated)
Net asset value per ordinary share (cents)	15.48	15.22	14.16	14.02
Number of issued shares excluding treasury shares	4,293,078,875	4,305,446,775	4,293,078,875	4,305,446,775

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

Review of Group Performance

	First quarter ended	
	30.06.2018 \$'000	30.06.2017 \$'000 (Restated)
Property development income	23,788	281,579
Rental income	1,874	2,048
Management fee income	403	355
	<u>26,065</u>	<u>283,982</u>

	Singapore		US	
	First quarter ended		First quarter ended	
	30.06.2018 \$'000	30.06.2017 \$'000 (Restated)	30.06.2018 \$'000	30.06.2017 \$'000
Property development income	23,788	280,431	-	1,148
Rental income	211	125	1,663	1,923
Management fee income	403	355	-	-
	<u>24,402</u>	<u>280,911</u>	<u>1,663</u>	<u>3,071</u>

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1Q2019 vs 1Q2018

The Group recorded total revenue of \$26.1 million for 1Q2019 as compared to 1Q2018 of \$284.0 million, a decrease of \$257.9 million year-on-year, mainly due to the decrease of \$273.8 million revenue recognised for the Group's completed Executive Condominium ("EC") project, The Vales. In 1Q2019, revenue contribution mainly arose from the sales of the Group's completed private condominium project, City Suites. The lower rental income in 1Q2019 was mainly attributable to ongoing Asset Enhancement Initiative ("AEI") program underwent by Tri-County Mall in US. Management fee income pertained to project management services rendered in Singapore.

Cost of sales decreased by \$229.5 million year-on-year, in line with the decrease in property development income as mentioned in the previous paragraph.

Gross profit margin for 1Q2019 was fairly consistent as compared to 1Q2018.

Other income increased by \$3.3 million, from \$0.3 million in 1Q2018 to \$3.6 million in 1Q2019, mainly due to the investment income (see note 1 on page 2) of \$1.5 million and net foreign exchange gain of \$0.9 million. The write-back of allowance of a diminution in value of the development project, City Suites of \$1.1 million also contributed to the increase. The write-back of allowance of a diminution in value was made with reference to the units sold during the financial period and the most recent enbloc transaction of comparable properties and location.

Selling and marketing expenses decreased by \$4.1 million, from \$5.0 million in 1Q2018 to \$0.9 million in 1Q2019, mainly due to lower commission incurred on development project of \$3.9 million.

Finance income increased by \$0.9 million, from \$0.2 million in 1Q2018 to \$1.1 million in 1Q2019, mainly due to the dividend income (see note 2 on page 2) of approximately \$0.6 million and the increase in interest income of \$0.3 million.

Finance costs increased by \$2.1 million year-on-year, mainly due to interest costs incurred on completed units in Phase 2 of Vietnam Town of approximately \$0.6 million and the fair value loss on financial assets (see note 2 on page 2) of \$1.3 million.

Share of results of equity-accounted investees, net of tax went from a gain of \$0.3 million in 1Q2018 to a loss of \$0.3 million in 1Q2019, mainly due to the share of loss from ARA Harmony Fund III, L.P. ("H3") of approximately \$0.3 million as compared to the share of profits from H3 of approximately \$0.2 million in 1Q2018. The loss from H3 was mainly attributable to the rental incentives given to tenant to improve the occupancy rates of Malaysia Assets.

Tax expense decreased by \$4.8 million year-on-year mainly due to lower income tax expense incurred in relation to the Group's EC project, The Vales.

Review of Consolidated Statement of Financial Position

Development properties

Development properties increased by \$267.9 million, from \$268.5 million as at 31 March 2018 to \$536.4 million as at 30 June 2018, mainly due to the completion of development property from enbloc acquisition of 5A How Sun Drive of \$271.0 million in during the financial period.

Trade and other receivables

Trade and other receivables decreased by \$48.3 million, from \$108.6 million as at 31 March 2018 to \$60.3 million as at 30 June 2018, mainly due to the collection of trade receivables of approximately \$12.8 million from The Vales and the transfer of the 10% deposit and stamp duties in relation to the enbloc acquisition of 5A How Sun Drive of \$35.2 million to development property.

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Cash and cash equivalents

Cash and cash equivalents decreased by \$8.1 million, from \$194.0 million as at 31 March 2018 to \$185.9 million as at 30 June 2018, mainly due to cash movements as explained in the cash flow statements below.

Amount due to non-controlling interests

Amount due to non-controlling interests increased by \$29.3 million, from \$39.9 million as at 31 March 2018 to \$69.2 million as at 30 June 2018, mainly due to the loan of \$29.3 million from non-controlling interest. The loan was primarily used for payment of the land cost in relation to the completion of the enbloc acquisition of 5A How Sun Drive.

Loans and borrowings

Loans and borrowings increased by \$179.6 million, from \$133.3 million as at 31 March 2018 to \$312.9 million as at 30 June 2018, mainly due to drawdown of land loan of \$189.3 million for the Group's development projects. This was offset by the repayment of secured bank loans of \$10.0 million.

Cash flow statements

Cash flows used in operating activities for 1Q2019 amounted to \$213.2 million. This was mainly due to operating profit of \$1.4 million and the decrease in development properties of \$261.2 million. This was offset by the decrease in trade and other receivables of \$46.7 million.

Cash flows generated from investing activities for 1Q2019 amounting to \$0.8 million mainly due the receipt of investment income of \$1.5 million and interest and dividend income of \$1.6 million. This was offset by investment in joint venture of \$1.8 million and capital expenditure on investment properties of \$0.5 million.

Cash flows generated from financing activities for 1Q2019 amounted to \$204.1 million mainly due to drawdown of land loan of \$189.3 million and proceeds of loan from non-controlling interest of \$29.3 million. This was offset by the repayment of secured bank loans of \$10.0 million and repayment of loan from a related company of \$4.0 million.

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

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

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

SINGAPORE

Development work for the Group's Grade A commercial building at 9 Penang Road (formerly known as Park Mall) has been on-going since October 2016 and is targeted to complete by the end of 2019.

The Group expects to launch the freehold projects of 5A How Sun Drive and 25-63 How Sun Road, which are strategically located in close proximity to Bartley MRT station and several prestige schools

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and suburban malls, by the first quarter of 2019. The 2 freehold projects will offer estimated 330 quality condominium units in total.

For the enbloc acquisition of 2-20 Jalan Lempeng (f.k.a Park West), the Group had obtained the Sales Order from Strata Title Board on 30 April 2018. Subject to approval from relevant authorities, the completion of the enbloc acquisition is expected to be in the next 3 to 6 months. Park West is a 99 years leasehold residential property located in an established residential area along Jalan Lempeng in Clementi that is in close proximity to the Clementi MRT station, the One-North R&D Park, Singapore's second Central Business District at Jurong Lake, as well as a number of prestige schools and institutions. The land area is 58,867.0 square metres with a permissible gross floor area of 135,982.8 square meters which will allow the Group to build different types of dwelling to cater to market demand.

US

Following the bulk sale of Phase 2 of Vietnam Town, a 141-unit commercial condominium project in San Jose in December 2017, the Group has collected the deposit of US\$7.5 million up to date and the bulk sale agreement is to be completed by the end of September 2018. The bulk sale will have a positive impact on the Group's net tangible assets per share and earnings per share for the financial year ending 31 March 2019 when the transaction is completed.

Redevelopment works to transform the existing office building at 5 Thomas Mellon Circle in San Francisco into a waterfront lifestyle residential property is on-going and the Group is currently in the midst of applying for its site permit.

Tri-County Mall in Cincinnati is currently undergoing asset enhancement works to enhance patron traffic. As a result, the rental income is expected to be lower while enhancement work is still in progress.

OUTLOOK

The Singapore Government introduced new property cooling measures that took effect on 6 July 2018, which comprised higher Additional Buyer's Stamp Duty (ABSD) rates and tighter Loan-to-Value (LTV) limits on residential property purchases.

While the new measures are expected to soften demand for new homes, the effects are expected to be more moderate for first-time homebuyers and upgraders. However, the property market could be impacted by economic headwinds on the back of slowing exports and trade tensions between the US and China. The Group expects the impact of these measures on buying demand to be more apparent in the months ahead and will closely monitor the property market and review its strategies for its upcoming property launches.

In the US, the real estate market remains reasonably stable, and the Group remains focused on delivering its pipeline of development projects.

The Group is well-placed to grow with a healthy pipeline of development projects up till 2023 slated for completion in Singapore and the US. At the same time, the Group will continue to be selective and prudent about its land acquisition strategy, while pursuing opportunities to deliver growth and strengthen its earnings base through yield-accretive acquisitions and quality property developments.

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11 Dividend

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

No.

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommended in the current period reported on.

13 Disclosure of interested person transactions

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

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

		1 April 2018 to 30 June 2018 \$'000
1	Transactions with American Pacific International Capital ("APIC") ⁽¹⁾	95 ⁽²⁾
2	Interest paid/payable to APIC	552 ⁽³⁾
	Total	647 ⁽⁴⁾

Note

(1) APIC is an entity controlled by Mr. Gordon Tang and Mrs. Celine Tang, who collectively own Haiyi, the controlling shareholder of the Company.

(2) This amount represents the consultancy fees to APIC. APIC provided consultancy services to the Company's subsidiaries.

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

(4) The amount represents the aggregate value of the interested person transactions entered into with the same interested person during the financial period.

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

		1 April 2018 to 30 June 2018 \$'000
1	Transactions with Huajiang International Corporation Pte. Ltd. ("HICPL") ⁽¹⁾	28,800 ⁽²⁾
2	Transactions with Huajiang Properties II Pte. Ltd. ("HPIL") ⁽¹⁾	450 ⁽³⁾
	Total	29,250 ⁽⁴⁾

Note

- (1) HICPL and HPIL are entities controlled by Mr. Gordon Tang and Mrs. Celine Tang, who collectively own Haiyi, the controlling shareholder of the Company.
- (2) This amount represents the equity participation and shareholders' loan in respect of the joint venture entered into by SingHaiyi Properties Pte. Ltd. ("SPPL"), a wholly owned subsidiary of the Company and HICPL for the enbloc acquisition of 5A How Sun Drive. SPPL and HICPL each took up a 50% equity interest in the joint venture. Please refer to the Company's announcement dated 21 September 2017 for further details.
- (3) This amount represents the equity participation and shareholders' loan in respect of the joint venture entered into by Corporate Bridge Pte. Ltd. ("CBPL"), a wholly owned subsidiary of the Company and HPIL for the enbloc acquisition of 25-63 How Sun Road. CBPL and HPIL each took up a 50% equity interest in the joint venture. Please refer to the Company's announcement dated 28 November 2017 for further details.
- (4) The amount represents the aggregate value of the interested person transactions entered into with the same interested person during the financial period.

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

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

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15 Confirmation by Directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial statements for the first quarter ended 30 June 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Celine Tang
Group Managing Director

Mao Jinshan
Executive Director

26 July 2018