SINGHAIYI
GROUP

Annual Report 2019

NOURISHING GROWTH
CULTIVATING STRENGTHS

精诚存信　佳业传承

BUILDING FOR GENERATIONS

VISION

To be a premier, well-rounded real estate 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.

Keep up with the times

Pragmatism

Integrity

Strive for excellence

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 that has deep insights and strong connections that enables 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.

Backed by the philosophy of "精诚存信, 佳业传承", SingHaiyi is founded on business excellence and integrity, and endeavours to build a trustworthy and reliable brand for enduring growth and a legacy for generations.

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

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NOURISHING GROWTH CULTIVATING STRENGTHS

The Lilium plants flourish in many parts of the world. Their flowers come in many colours. Some species, like the Lilium Golden Splendor, are award-winners and are prolific, producing clusters of 12-20 blossoms per stem.

Like the Lilium, Singhaiyi, a fast-growing diversified company focused on property development, investment and management services, flourishes with a quality portfolio of diversified asset classes and wide geographic reach.

We are cultivating our strengths of proven track record, strong connections and deep expertise, adapting to evolving landscape and capitalising on strategic investment opportunities to nourish robust and stable growth so as to deliver healthy returns to stakeholders.

DIVERSIFIED PORTFOLIO,
QUALITY ASSETS

The Group's investment in Cromwell Property Group, a real estate investment company listed on the Australia Securities Exchange, with access to a diversified portfolio of high-quality income-producing properties in Australia, New Zealand and Europe, marked another milestone in our strategy of diversifying our income streams and geographic exposure.

Lilium

An Adaptable and Resilient Flower

There are more than 100 species of Lilium across the world, many of which are recognised for their beauty and are winners of prestigious horticultural awards.

CORPORATE MILESTONES

FY2019 & BEYOND

MAY 2019
> Official sales launch of The Gazania & The Lilium

OCTOBER 2018
> The Vales (EC), SG was awarded by PropertyGuru:
- Best Executive Condo Development
- Best Executive Condo Interior Design
- Best Executive Condo Architectural Design

APRIL 2019
> Secured anchor tenant, UBS Singapore, for the entire office space for 9 Penang Road

APRIL & JUNE 2018
> CONQUAS Star rating for The Vales (EC), & City Suites conferred by BCA

DECEMBER 2018
> Increase of stake in Cromwell to 3.16%

FY2013 – FY2018 (KEY EVENTS)

COMPLETED DEVELOPMENT PROJECTS
> Charlton Residences, SG
> Pasir Ris One (DBSS), SG
> CityLife @ Tampines (EC), SG
> The Vales (EC), SG
> City Suites, SG
> Vietnam Town, San Jose, US

PROPERTY ACQUISITIONS
> **SG property acquisitions** (on-going developments):
- 9 Penang Road (f.k.a. Park Mall)
- The Gazania (f.k.a. Sun Rosier)
- The Lilium (f.k.a. How Sun Park)
- Parc Clematis (f.k.a. Park West)

> **US property acquisitions** (on-going developments):
- Tri-County Mall (commercial/retail), Cincinnati, Ohio
- 5 Thomas Mellon Circle (residential condominium), San Francisco, California

INVESTMENTS & DIVESTMENT
> 25.0% stake in ARA Harmony Fund III, Malaysia
> 3.08% stake in Cromwell Property Group ("**Cromwell**") for A$59.1 million
> Divestment of 20.0% equity interest in TripleOne Somerset

CORPORATE ACTIONS
> Rights Issue and Share Placement to raise S$226.0 million in proceeds
> Establishment of S$500.0 million Multi-currency Debt Issuance Programme. Issuance of S$100 million notes in July 2014 and fully redeemed in January 2017
> Transferred to the Mainboard of the SGX-ST
> 2-for-1 Rights Issue at S$0.10 per share to raise S$143.5 million in proceeds

BCA	–	*Building and Construction Authority*
CONQUAS	–	*Construction Quality Assessment System*
DBSS	–	*Design, Build & Sell Scheme*
EC	–	*Executive Condominium*
SGX-ST	–	*Singapore Exchange Securities Trading Limited*

OUR BUSINESS STRATEGY

Our 4 Pronged Business Strategy

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

1 BUILDING A PORTFOLIO OF QUALITY PROPERTY DEVELOPMENTS

- 6 development projects completed since 2013
- 5 development projects in Singapore and US expected to be completed by 2024

2 OPTIMISING PORTFOLIO THROUGH YIELD-ACCRETIVE ACQUISITIONS AND DIVESTMENTS

- Identifying pockets of opportunities at reasonable prices to ensure attractive returns
- 7 development project acquisitions since 2013
- Divested our stake in TripleOne Somerset with a return of 60.8% in 3 years

3 MANAGING OUR PROPERTIES PROACTIVELY

- 9 Penang Road:
  We are managing the redevelopment project with a 35.0% stake, which we secured an anchor tenant, UBS Singapore for the entire office space
- Tri-County Mall:
  We are undertaking asset enhancement initiatives to improve shopper footfall
- Malaysia malls:
  We have a 35.0% stake through the general partner of the ARA Harmony Fund III, with whom we actively engage to manage tenant mix

4 CREATING VALUE SUSTAINABLY

- Strong project pipeline with clear earnings visibility
  - Launch of The Gazania and The Lilium
  - Upcoming launch of Parc Clematis
  - Full occupation of the office space at 9 Penang Road by UBS Singapore
- Leveraging the resources and network of our controlling shareholder for enhanced deal flow
- Optimising our capital structure through strategic partnerships with Haiyi Holdings, our controlling shareholder, and by tapping capital markets
- Diversifying income with a 3.16% stake in Cromwell Property Group to which we receive quarterly dividend income
- Malaysia malls: We have a 25.0% stake through the limited partner of the ARA Harmony Fund III, which we receive quarterly dividend income

OUR PROJECTS PIPELINE

SINGAPORE

2H 2019
9 Penang Road

2H 2021
The Lilium

1H 2022
The Gazania

1H 2023
Parc Clematis

THE US

1H 2024
5 Thomas Mellon Circle, San Francisco

Development Projects

Based on expected completion dates

JOINT MESSAGE BY CHAIRMAN AND GROUP MANAGING DIRECTOR

Dear Shareholders,

Amidst the challenging global operating environment and the Singapore government's property cooling measures unveiled in July 2018, the Group remained focused on executing our growth strategy as we diligently nurtured our projects and investments in preparation for them to bloom and flourish in the coming seasons.

The 12 months ended 31 March 2019 ("**FY2019**") marked SingHaiyi's second year as a Mainboard-listed company on the SGX-ST since our transfer from the Catalist board which came into effect on 26 May 2017. FY2019 also marked the sixth year that our controlling shareholder, Haiyi Holdings has come onboard. Under their leadership, the Group planted seeds of growth consistently over the years through strategic and yield-accretive acquisitions, quality property developments and astute investments. This enabled the Group to reap returns progressively and work towards our ultimate objective to achieve long-term sustainable growth for all our shareholders.

At SingHaiyi, we have built a solid track record in property development locally, where our quality residential properties – The Vales and City Suites, both received the "CONQUAS Star" rating by the Building and Construction Authority ("**BCA**"); and in the commercial space, where the redevelopment of 9 Penang Road (formerly known as Park Mall) was granted BCA's Green Mark Platinum award. During the year, we are honoured to be further recognised for our quality residential development with the awards won at the 2018 PropertyGuru Property Awards (Singapore), which pays further tribute to our property development endeavours and pursuit of excellence. In particular, The Vales received three awards across the Development Award and Design Award categories, namely the Best Executive Condo Development Award, Best Executive Condo Interior Design Award and the Best Executive Condo Architectural Design Award.

In addition to the property awards, Celine broke new ground by being named "2018's Singapore Real Estate Personality of the Year" and is the first female business leader to receive this award in Singapore. We are delighted that Celine's contributions to the Singapore real estate industry have been recognised.

RESILIENT PERFORMANCE AND DIVIDEND

The Group's resilient financial performance in FY2019 attests to the success of our geographical diversification strategy, which allowed us to continue to deliver on our financial performance even as we worked on the smooth delivery of our existing pipeline of residential and commercial projects in Singapore.

The Group recorded a total revenue of S$75.9 million and a profit attributable to owners of S$22.6 million in FY2019, compared to $460.3 million and S$28.4 million respectively in the previous corresponding year.

Due to lumpy revenue recognition associated with property development, the Group saw a lower topline in FY2019 largely attributed to the decrease of S$408.3 million in revenue recognised for the Group's completed EC project, The Vales which was completed the year before. In FY2019, the Group recognised S$22.0 million revenue from the sale of the Group's completed private condominium project, City Suites in Singapore, and another S$30.6 million from the sale of commercial condominium project, Vietnam Town Phase II units in the US.

In recognition of our shareholders' continuous support and to reward our shareholders, the Board has proposed a final, one-tier tax exempt dividend of 0.15 Singapore cent per share. This translates into a pay-out ratio of 27.9% of the Group's profit attributable to owners in FY2019.

TO IRRIGATE – NOURISHING GROWTH

The better part of FY2019 was spent keeping a close eye on market conditions as we navigated against the backdrop of a soft property market. We continued to focus on strengthening our fundamentals and ensuring the smooth progression of our pipeline property projects.

In Singapore, we began the financial year by completing the enbloc acquisition of the former Sun Rosier - now named The Gazania, in April 2018. This came soon after completing the enbloc acquisition of the former How Sun Park – now named The Lilium in March 2018.

The Group continued our momentum and obtained the Certificate of Statutory Completion on 3 May 2018 for City Suites, a BCA CONQUAS Star rated private condominium, comprising of 56 units located at Balestier Road, which had contributed to our FY2019 revenue.

We completed our third enbloc acquisition – Parc Clematis (formerly known as Park West) in February 2019, which is on track to launch in the third quarter of 2019.

In the US, sale of Vietnam Town Phase II units in San Jose is progressing well, and the selling price is within expectation.

> “We will continue to pursue suitable property developments and acquisitions to expand the Group’s portfolio and deliver sustainable growth and profitability.”

Despite concerns over trade war, the overall US economy is healthy according to key economic indicators. Demographic trends such as improving labour market and stable core inflation are expected to support demand for real estate this year.

In San Francisco, we continue to channel our efforts in redeveloping the existing office building at 5 Thomas Mellon Circle into a 585-unit waterfront lifestyle residential property. Currently, it is pending authority approval of the site permit.

Asset enhancement works are underway to transform the Tri-County Mall in Cincinnati into a lifestyle hub for F&B, fashion and furniture brands. Due to the challenging environment on the retail market in US and on-going enhancement works, the rental income is expected to be lower in the coming quarters.

In Malaysia, ARA Harmony Fund III continues to actively manage the five malls in the portfolio, which enjoy an overall occupancy rate of 95.4% as at 31 March 2019, as compared to 93.4% as at 31 March 2018.

TO BLOOM – CULTIVATING STRENGTHS

The seeds sown and efforts made were paid off as we launched our two freehold residential projects –The Gazania with 250 units and The Lilium with 80 units on 1 May 2019, which received positive responses from home buyers.

Within the first week of launch, the Group sold 15% out of the 165 units released in Phase One and continue to see keen interest from home buyers. The properties are strategically located in close proximity to Bartley MRT station, with easy access to amenities and reputable schools, targeted at the family-oriented and upgraders market. We are confident of the two projects’ appeal to home buyers in the vicinity.

We will continue to monitor the market conditions closely while preparing for the launch of our third pipeline residential project – Parc Clematis. Located near Clementi MRT station and One-North R&D Park, the residential project will offer 1,468 quality homes. Targeted at multi-generation living, we have incorporated creative communal facilities placing careful thought to ensure ample space and layout for the project, which will likely to bode well with potential home buyers.

Meanwhile, our first foray into commercial property redevelopment in Singapore – 9 Penang Road, a BCA Green Mark Platinum certified, Grade A commercial building, has also reaped good results as we secured UBS Singapore as its sole anchor office tenant. Redevelopment work has been progressing well and is on track for completion by the end of 2019.

As a diversified and well-rounded real estate company, SingHaiyi has a 3.08% stake in Australia-listed Cromwell Property Group (“**Cromwell**”), one of the largest real estate investment managers in Australia. In addition to our initial stake in Cromwell, SingHaiyi had on 12 December 2018 increased our stake to 3.16%. Through Cromwell, we enjoy a wide exposure to assets under management of A$11.5 billion as at 31 December 2018 across Australia, New Zealand and Europe. Besides an additional stable income stream to strengthen our income base, this investment also allows us access to potential business opportunities in Australia and beyond.

Over the years, we are pleased to have benefited from the strong support and integral partnership with our controlling shareholder, Haiyi Holdings, which has given us a competitive edge with its strong business connections and opportunities. In particular, our current three residential property acquisitions, redevelopment of 9 Penang Road as well as strategic investment in Cromwell are business ventures in collaboration/partnership with Haiyi Holdings and entities controlled by Mr. Gordon Tang and Mrs. Celine Tang. We will continue to work in tandem with each other, while leveraging strategically on each other’s strengths to further solidify our financial footing and ability to bid for larger scale projects.

Looking ahead, we will continue to ride on the positive momentum that we have generated thus far and look forward to achieving further growth. We will remain vigilant and selective when assessing fairly valued land plots at strategic locations to replenish our land bank in Singapore and overseas, whilst optimising our capital structure to ensure sustainable growth in a prudent manner. We will continue to pursue suitable property developments and acquisitions to expand the Group’s portfolio and deliver sustainable growth and profitability.

WORDS OF APPRECIATION

On behalf of the Board and the management of the company, we would like to take this opportunity to extend our appreciation and gratitude to our dedicated employees, customers, business partners and shareholders. Our achievements and growth would not be possible without your hard work, commitment, dedication, strong faith in our Group, as well as your steadfast support.

When mapping and executing SingHaiyi’s growth path, we will remain guided by the Group’s philosophy of “精诚存信，佳业传承”. SingHaiyi is founded on business excellence and integrity, and endeavours to build a trustworthy and reliable brand for enduring growth and a legacy for generations. We will continue to work hard to deliver results spearheaded by the Group’s philosophy in the years to come.

Neil Bush
Non-Executive Chairman

Celine Tang
Group Managing Director

JOINT MESSAGE BY CHAIRMAN AND GROUP MANAGING DIRECTOR

各位尊敬的股东：

在经济不明朗的全球运营环境下以及面对新加坡政府于2018年7月实施的房地产降温措施的挑战环境中，集团确立"精诚存信，佳业传承"的企业精神，继续致力于执行我们的增长战略，努力培育和发展我们的项目和投资，为来临季节丰收，蓬勃发展做好准备。

截至2019年3月31日（"2019财年"）标志着公司从新交所凯利板转战主板交易的第二年，也是集团的控股股东海逸集团（"海逸"）入股的第六年。在他们的领导下，集团通过战略和有增值潜力的收购、优质房地产开发和投资，多年来一直在播种增长的种子。这使集团能够逐步获得回报，并朝着我们为所有股东实现长期可持续增长的最终目标努力。

新海逸在新加坡兴建了一系列备受认可的开发项目，其中，已建的优质住宅项目——The Vales 和City Suites 均获得了新加坡建设局（BCA）的"CONQUAS STAR"评级；与此同时，我们位于9 Penang Road（前称家居坊）的重建工程也获得了新加坡建设局的"绿色建筑标志白金奖"（Green Mark Platinum）。

在过去的一年，集团很荣幸在2018年度的PropertyGuru新加坡亚洲地产大奖中，以The Vales住宅项目赢得最佳共管公寓开发项目奖、最佳共管公寓室内设计奖和最佳共管公寓建筑设计奖的三项荣衔。这奖项是对我们在房地产开发业界的努力与成就及追求卓越商业品质的精神给予有力的肯定。

除了房地产奖项，我们的集团董事经理陈怀丹女士也被PropertyGuru's Property Report杂志编辑评选为"2018年新加坡房地产年度人物"，成为荣获该奖项的首位女性。我们很高兴陈怀丹女士在新加坡房地产业界的贡献得到业界的赞誉和尊重。

稳健的业绩与股息

集团2019财年业绩稳健，印证了我们在业务上区城多元化战略的成功。该战略使我们能够确保本地住宅与商业开发项目的顺利进展的同时，继续实现稳健的财务业绩。

集团在2019财年总收入达7,590万新元，集团股东净利润为2,260万新元，相比去年同期（"2018财年"）的业绩，分别为4亿6,030万新元和2,840万新元。

由于房地产开发项目收入确认法的缘故，本集团在2019财年的较低收入主要归因于执行共管公寓The Vales在2018财年完工，收入减少了4亿830万新元。在2019财年里，本集团的收入主要来自本地建成的私人公寓City Suites以及美国加州圣何塞市的商业项目越南城（Vietnam Town）第二期的出售单位，分别贡献2,200万新元以及3,060万新元的收入。

为了感谢股东们的持续支持和作为对股东的回报，董事会提议派发每股0.15分新元的年终股息，股息支付率相等于集团股东净利润的27.9%。

灌溉成长，静待绽放

在2019财年里，本地房地产市场表现疲软，我们在此大环境下继续密切监测市场状况，并致力于加强团队实力与基础，同时确保房地产开发项目顺利进行。

在本地，我们分别于2018年3月与4月完成了前豪山园（现名莲逸轩）和前豪山村公寓（现名迎昕园）的集体收购。

本集团继续保持良好势头，并于2018年5月3日获得了City Suites的法定完工证书。City Suites荣获新加坡建设局（BCA）的"CONQUAS STAR"评级，位于马里士他路，共56个阁楼式公寓单位贡献于2019财年的收入。

在2019年2月，我们完成了第三项集体收购项目 – 前伟诗园，现名为錦泰門第，该项目预计将在2019年第三季度推出。

尽管贸易战的忧虑笼罩，但根据主要经济指标，美国整体经济依旧健康。就业市场改善及稳定的核心通胀等趋势预计将支持今年的房地产需求。位于美国加州圣何塞市的商业项目越南城（Vietnam Town）第二期的出售单位销售进展顺利，销售价格在预期之内。

在旧金山，我们继续致力于将5 Thomas Mellon现有的办公楼改造成585个单元的海滨生活式住宅。迄今为止，我们正等待政府审批工地许可证。

集团在位于俄亥俄州辛辛那提市的Tri-County Mall 正在进行资产增值工程，把它改造成一间融合餐饮、时尚和家居为一体的休闲购物中心。由于美国零售市场的环境严峻，加上增值工程正在进行，预计租金收入在未来数季将降低。

在马来西亚， ARA Harmony Fund III将继续积极管理旗下的五座购物中心，截止2019 年3月31日，五座购物中心占用率达到95.4%， 同比增长2%。

努力耕耘，蓄势待发

我们于2019年5月1日推出的两个永久地契新项目—250单位的迎昕园（The Gazania）和80单位的莲逸轩（The Lilium），收到了购房者的积极响应，证明了我们辛勤努力并没有白费。

在推出项目的第一周内，集团售出了第一阶段发布的165套房产中的15%，并继续受到购房者的强烈兴趣。这两个项目皆与巴特礼地铁站近在咫尺，周边设施完备名校聚集，目标客户群锁定为家庭和提升型的买家。我们相信这两个项目对附近的购房者具有吸引力。

我们将继续密切关注市场情况，同时准备推出第三项住宅开发项目 – 錦泰門第(Parc Clematis)。该项目位于金文泰地铁站和纬壹科技城 (One-North R&D Park）附近，共有1,468 套优质公寓，配有共享空间和设施，以满足购房者的多元化需求。我们将迎合各年龄层的生活需求，结合创意社区设施，精心规划项目的空间和布局，以吸引买家和投资者。

与此同时，我们进军本地商业房地产开发领域的首个项目 9 Penang Road，不但获得建设局绿色建筑标志白金奖，也成功吸引瑞士银行新加坡分行作为这栋甲级商业大楼的唯一办公楼租户。项目重建工作进展顺利，预计在2019年底前完工。

作为一家多元化、全方位发展的房地产公司，我们拥有澳大利亚上市公司Cromwell Property Group (“Cromwell”) 3.08 %的股权，该集团是澳大利亚最大的房地产投资管理公司之一。除了集团在Cromwell的初始股权外，我们于2018年12月12日将股权增加到3.16%。截至2018年12月31日， Cromwell在澳州、新西兰和欧洲的产业总额达到115亿澳元。这为我们集团提供了额外稳定的收入来源，也让我们更好地了解澳大利亚、新西兰和欧洲的市场，为我们提供了潜在的商机。

多年来，我们受惠于集团控股股东海逸对于集团的大力支持。海逸的广泛人脉和商务网络加强了我们的竞争优势。我们目前的三项住宅收购与开发项目、9 Penang Road的重建项目以及对Cromwell的战略投资，都是与海逸控股合作的商业投资。我们将继续相互配合，凭借彼此的优势，进一步巩固集团的资金实力，争取更大规模的项目。

展望未来，我们将继续保持目前的积极势头，期待未来的增长与收获。在选择新加坡和海外的土地资源储备时，我们将谨慎选择估价合理，位置优越的地段。同时，我们也将优化我们的资本结构，以确保可持续增长。我们将继续探讨适合的房地产开发和收购项目，扩大集团的投资组合，实现可持续增长和盈利能力。

致意与感谢

我们的成就离不开各位对集团的努力、奉献和支持。我们谨代表董事会和公司管理层，向我们全体员工、客户、商业合作伙伴及股东致以诚挚谢意。

新海逸将继续秉承“精诚存信, 佳业传承”的理念，以卓越的商业品质和诚信为基础，致力打造一个值得信赖的公司品牌，让我们的品牌永续成长，世代相传。

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

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

PROACTIVE ENHANCEMENT,
VIBRANT GROWTH

With our deep expertise and broad industry knowledge, we will continue our strategy of implementing asset enhancement initiatives for long-term vibrant growth. In this respect, we are transforming 9 Penang Road, a quality asset in the heart of shopping and civic districts in the bustling Orchard Road belt, into a swanky Grade A commercial building, providing strong impetus to drive long-term growth.

Gazania

Prolific and Endearing Blooms

The Gazania grows fast in different geographic habitats and their blooms come in a variety of brilliant colours which can brighten up gardens and various landscapes.

BOARD OF DIRECTORS

NEIL BUSH
Non-Executive Chairman

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

Mr. Bush is a director of American Pacific International Capital, Inc. ("**APIC**") and a business partner of Mr. Gordon Tang (a former Non-Executive Director) through the Company. Mr. Bush has been involved in energy and international business development for over three decades beginning in 1980 where he worked with Amoco Production Company (now known as BP plc) 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 29 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, education, healthcare and manufacturing business.

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

Present Directorships in other listed companies (as at 31 March 2019):
- Hong Kong Finance Investment Holding Group Limited (f.k.a. Hoifu Energy Group Ltd) (Deputy Chairman), listed on the Stock Exchange of Hong Kong

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

Other major appointments/ Principal commitments:
- Points of Light (Chairman)
- Barbara Bush Houston Literacy Foundation (Chairman)
- Houston Salvation Army (Board member)
- Bush School of Government and Public Service (Board member)
- George HW Bush Foundation for US China Relations (Chairman)

CELINE TANG
Group Managing Director

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

Mrs. Tang was first appointed as Non-Executive Director of the Company and re-designated as Executive Director on 1 February 2013 before being appointed as Group Managing Director on 1 December 2013. Since 2003, Mrs. Tang has been serving as the Managing Director of Haiyi Holdings Pte Ltd ("**Haiyi**"), where she oversees its daily operations and decision-making. In October 2018, Mrs. Tang was the first female recipient of the "Singapore Real Estate Personality of the Year" Award conferred by PropertyGuru.

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

Mrs. Tang graduated with a Bachelor's Degree in Literature from China People's University for Police Officers (now known as People's Public Security University of China). She is the spouse of Mr. Gordon Tang, the founder of Haiyi and an esteemed entrepreneur with a stellar track record in real estate and investments.

Present Directorships in other listed companies (as at 31 March 2019):
- OKH Global Ltd. (Non-Executive Chairman)
- Chip Eng Seng Corporation Ltd. (Non-Executive Chairman)

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

Other major appointments/ Principal commitments:
- JuYing Secondary School - Advisory Committee (Member)

BOARD OF DIRECTORS

MAO JINSHAN, JASON
Managing Director, The US Operations

Date first appointed: 22 April 2013
Date last re-elected: 26 July 2018

Mr. Mao Jinshan oversees the Group's development projects and operations in the US. He was Vice President of APIC between 2012 and 2016 and currently serves as its President overseeing all aspects of APIC's development projects, including the apartment development and the large-sized shopping centre development.

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

Present Directorships in other listed companies (as at 31 March 2019):
Nil

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

GN HIANG MENG
Lead Independent Non-Executive Director

Date first appointed: 1 December 2013
Date last re-elected: 27 July 2017
Chairman: Audit Committee
Member: Nominating Committee and Remuneration Committee

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

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

Present Directorships in other listed companies (as at 31 March 2019):
- Haw Par Corporation Limited (Independent Non-Executive Director)
- Centurion Corporation Limited (Lead Independent Non-Executive Director)
- Koh Brothers Group Limited (Independent Non-Executive Director)
- TEE International Limited (Independent Non-Executive Director)

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

DAVID HWANG SOO CHIN
Independent Non-Executive Director

Date first appointed: 29 July 2013
Date last re-elected: 28 July 2016
Chairman: Remuneration Committee
Member: Audit Committee and Nominating Committee

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

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

Present Directorships in other listed companies (as at 31 March 2019):
- LCT Holdings Limited (Independent Non-Executive Director)

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

SEE YEN TARN
Independent Non-Executive Director

Date first appointed: 1 October 2015
Date last re-elected: 28 July 2016
Chairman: Nominating Committee
Member: Audit Committee and Remuneration Committee

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

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

Present Directorships in other listed companies (as at 31 March 2019):

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

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

YANG MANLIN
Independent Non-Executive Director

Date first appointed: 1 October 2016
Date last re-elected: 27 July 2017

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

Present Directorships in other listed companies (as at 31 March 2019):
Nil

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

Other major appointments/ Principal commitments:

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

EXECUTIVE MANAGEMENT

SIM CHEE WAH, GREGORY
Deputy Chief Executive Officer, Singapore

Mr. Sim has more than 20 years of accounting, finance and management experience. He was appointed as Chief Financial Officer ("**CFO**") of the Group for the period from 4 January 2016 to 31 March 2019. Mr. Sim has been serving as Deputy Chief Executive Officer ("**CEO**") of the Group since 1 April 2018. As Deputy CEO, he supports the Group Managing Director in the daily operations including formulation and implementation of strategies for the growth of the Group's businesses and investor relations. Mr. Sim also oversees the project developments, sales and marketing, human resources and administration. Simultaneously, he undertakes an advisory role to the overall treasury, financial, taxation and reporting functions.

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

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

KOK JIA CHEUN
Chief Financial Officer, Singapore

Mr. Kok joined the Group since September 2013 as Finance Manager before his subsequent promotions to Financial Controller and Finance Director in January 2015 and April 2018 respectively. With effect from 1 April 2019, he serves as the CFO of the Group overseeing the treasury, financial, taxation and reporting functions.

Prior to joining the Group, Mr. Kok was an audit manager at Deloitte & Touche LLP, Singapore and had managed a portfolio of listed companies and delivered high quality audit and assurance services before joining Super Bean International Pte Ltd (also known as Mr Bean) as its Group Financial Controller.

He holds a Bachelor of Business in Accountancy Degree from RMIT University, Australia and is a Certified Practising Accountant ("**CPA**") of CPA Australia.

CHANG SOY LEE, CATHERINE
General Manager (Project Development), Singapore

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

Ms. Chang has a strong track record in planning and developing projects from conceptualisation to handover. Prior to property development, she accumulated over 10 years of working experience in the construction industry working as an engineer, in consultancy firms.

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

MICHAEL CHIA-MIN LIU
Vice President (Project Development), US

Mr. Liu has over 22 years of experience in various management roles of real estate development. He brings extensive experience and insight across all development phases starting from feasibility, acquisition, entitlement, design, construction, financing, joint venture, marketing and sales to occupancy, operational startup and final contract resolution. Mr. Liu was appointed 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 holds a Master of Business Administration degree from the University of Texas at Austin. Mr. Liu has been a licensed Professional Engineer (Civil) in California since 1997 and is also a Leadership in Energy and Environmental Design Accredited Professional.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Non-Executive
Neil Bush - Chairman, Non-Independent
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

COMPANY SECRETARY

Kevin Cho

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Audit Partner In Charge: Teo Han Jo
Date of Appointment: Since financial year ended 31 March 2019

PRINCIPAL BANKERS

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

SHARE REGISTRAR

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

INVESTOR RELATIONS

Citigate Dewe Rogerson Singapore Pte Ltd
105 Cecil Street
#09-01 The Octagon
Singapore 069534
Tel: +65 6534 5122
Email: IR@singhaiyi.com
Chia Hui Kheng/Samantha Koh

DIVERSE MARKETS, RESILIENT STRENGTH

Headquartered in Singapore, our businesses span diverse countries and regions, reducing concentration risks, strengthening our resilience and enhancing our value creation capacity.

Clematis

Clematis, also known as the 'queen of climbers' are among the most popular and attractive vines grown in homes around the world, loved for their versatility and beautiful flowers.

5-YEAR FINANCIAL SUMMARY

	Year	2019	2018[1]	2017[2]	2016	2015
(A)	**For the financial year (S$'000)**					
	Revenue	75,909	460,276	44,189	269,104	20,878
	Profit before tax	21,589	37,909	26,365	41,528	23,245
	Profit attributable to shareholders	22,646	28,426	31,111	29,320	21,181
(B)	**At 31 March (S$'000)**					
	Investment properties	87,221	99,157	100,842	116,960	119,720
	Development properties	1,389,355	268,470	552,990	415,334	586,479
	Associate and joint ventures	158,777	126,977	142,598	139,102	19,949
	Financial assets at fair value through profit or loss	29,293	58,601	6,758	154,957	160,738
	Cash and cash equivalents	101,030	194,029	51,701	40,988	163,077
	Other assets	88,502	175,882	126,956	123,824	104,374
	Total assets	1,854,178	923,116	981,845	991,165	1,154,337
	Equity attributable to owners of the Company	665,824	655,122	493,727	462,314	443,810
	Total borrowings	1,167,204	206,229	266,961	398,441	523,792
	Non-controlling interests and other liabilities	21,150	61,765	221,157	130,410	186,735
	Total equities & liabilities	1,854,178	923,116	981,845	991,165	1,154,337
(C)	**Per Share Information (cents)**					
	Earnings per share	0.530	0.967	1.084	1.024	0.740
	Net asset value per share	15.78	15.22	17.20	16.15	15.50
	Ordinary dividend per share	0.15	0.30	0.20	0.40	–
(D)	**Key Financial Ratios**					
	Debt equity ratio (net of cash) (times)	1.6	0.02	0.4	0.8	0.8
	Return on equity (%)	3.4	4.3	6.3	6.3	4.8
	Dividend payout ratio (times)	27.9	45.2	27.7	39.1	–

1 2018 comparative figures were adjusted to take into account retrospective adjustments arising from the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)). Refer to details in notes to the financial statements under Financial Contents.

2 2017 comparative figures were adjusted to take into account retrospective adjustments arising from the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)). Refer to details in notes to the financial statements under Financial Contents.

FINANCIAL HIGHLIGHTS

EARNINGS PER SHARE

0.53 cent

0.97 cent in FY2018 (restated)

REVENUE

S$75.9 million

S$460.3 million in FY2018 (restated)

NAV PER SHARE

15.78 cents

15.22 cents in FY2018 (restated)

PROFIT ATTRIBUTABLE TO OWNERS

S$22.6 million

S$28.4 million in FY2018 (restated)

DIVIDEND PER SHARE

0.15 cent

0.30 cent in FY2018

CASH RESOURCES

S$101.0 million

S$194.0 million in FY2018

TOTAL NET ASSETS

S$666.8 million

S$668.2 million in FY2018 (restated)

OPERATIONAL & FINANCIAL REVIEW

OVERVIEW

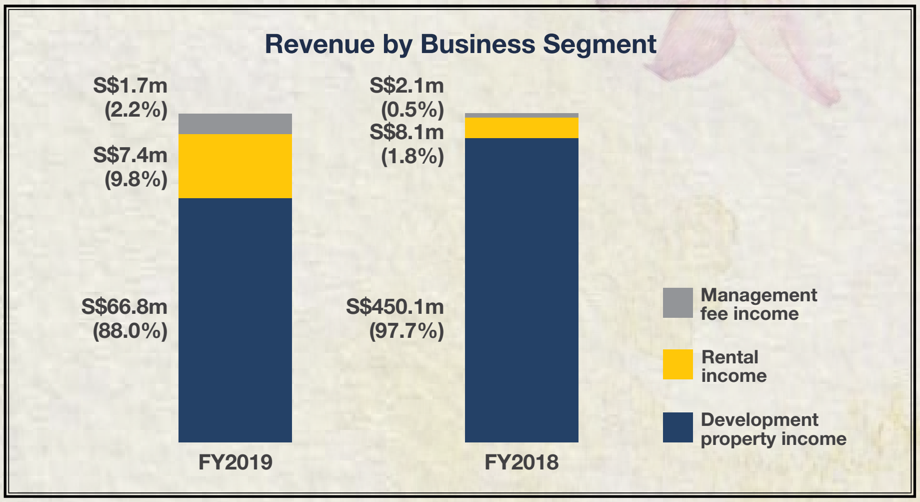
SingHaiyi delivered a resilient set of results for FY2019 with profit attributable to owners stood at S$22.6 million in FY2019, compared to S$28.4 million a year ago against the backdrop of the uncertain global economic outlook due to trade war and weak property market sentiment in Singapore. This was achieved through our geographical diversification strategy even as we focused on the smooth execution of our existing pipeline of residential and commercial projects in Singapore.

REVENUE

The Group recorded revenue of S$75.9 million in FY2019 as compared to $460.3 million in the previous corresponding year ("**FY2018**").

The Group's lower revenue was mainly attributable to the decrease of S$408.3 million revenue recognised for the Group's completed EC project, The Vales. In FY2019, the Group recognised revenue of S$22.0 million contributed from the sale of the Group's completed private condominium project, City Suites in Singapore, and another S$30.6 million from the sale of commercial condominium development project, Vietnam Town Phase II units in the US.

On a segmental basis, property development income remains the main revenue driver, having contributed S$66.8 million or 88.0% of the Group's total revenue in FY2019. Rental income accounted for S$7.4 million or 9.8% of the Group's revenue, while management fee income made up the balance 2.2% or S$1.7 million as a result of project management services rendered in Singapore. In FY2018, revenue from property development income, rental income, management fee income contributed 97.7%, 1.8% and 0.5% to the Group's topline respectively.

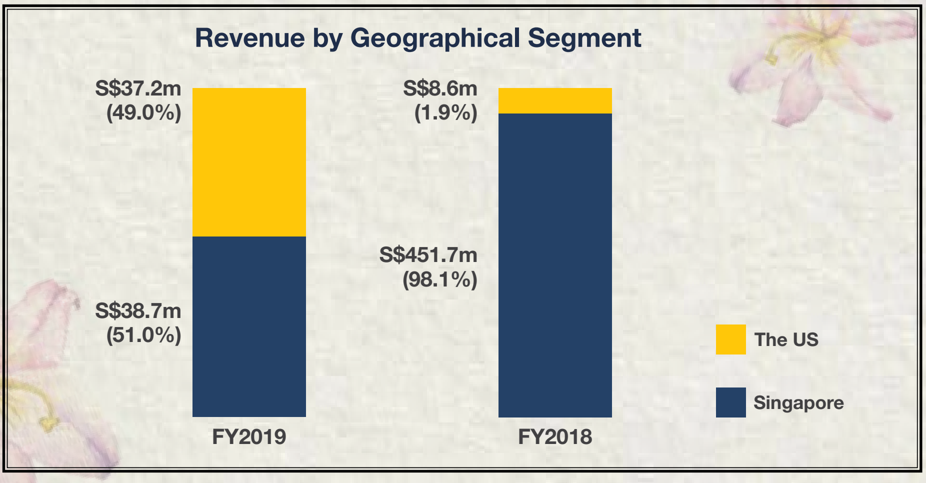


Revenue by Business Segment (S$ in million)	FY2019	FY2018 (restated)
Development property income	66.8	450.1
Rental income	7.4	8.1
Management fee income	1.7	2.1

OPERATIONAL & FINANCIAL REVIEW

In terms of geographical breakdown, revenue from the US contributed 49.0% or S$37.2 million in FY2019, up from S$8.6 million in FY2018. Revenue from Singapore in FY2019 was S$38.7 million or 51.0% as compared to S$451.7 million a year ago.

In terms of expenses, the Group's selling and marketing expenses declined by S$4.4 million to S$5.0 million in FY2019 from S$9.4 million in FY2018 mainly due to lower commission incurred, offset by a S$0.6 million increase in advertising and marketing expenses.



Revenue by Geographical Segment (S$ in million)	FY2019	FY2018 (restated)
Singapore	38.7	451.7
The US	37.2	8.6

FINANCIAL PERFORMANCE

Our gross profit margin increased by 15.5 percentage points year-on-year, largely due to the change in geographical revenue mix, with an increase in property development revenue in the US at a higher profit margin recognised in FY2019.

Additionally, other income decreased by S$1.7 million to S$11.6 million in FY2019, from S$13.3 million in FY2018. This was mainly due to the S$11.3 million decrease in write-back of allowance of a diminution in value of the development project, City Suites. The decrease was partially offset by the S$9.9 million income received from the forfeiture of non-refundable deposits arising from the termination of the bulk sale agreement for the Vietnam Town Phase II units.

Other operating expenses rose by S$3.7 million year-on-year, largely attributable to the increase in fair value loss on an investment property in the US. This was mainly due to the challenging retail market in the US, as well as lower occupancy rate.

With the adoption of the agenda decision by IFRS Interpretation Committee, finance costs increased by $9.8 million to $13.6 million in FY2019, up from $3.8 million in FY2018, mainly due to the borrowing costs of private residential projects should be expensed off when it is incurred instead of being capitalised.

Finance income rose by $7.0 million year-on-year, attributable to the increase in interest income of $1.9 million and the increase in investment income and dividend income of approximately $3.4 million and $1.8 million respectively.

Share of results of equity-accounted investees, net of tax, stood at a gain of $25.2 million in FY2019, up from a loss of S$1.3 million a year ago. This was largely attributable to the fair value gain recognised due to the reclassification of 9 Penang Road ("**9PR**") from development property to investment property.

In FY2019, tax expense rose by S$0.6 million from S$2.7 million in FY2018 to S$3.3 million in FY2019. This was mainly due to the S$5.3 million decrease in reversal of deferred tax expense in relation to the fair value loss on the Group's investment property in US. The decline was partially offset by the decrease in income tax expense of $4.7 million incurred for the Group's development projects.

FINANCIAL POSITION

Cash Flow Statement

As at 31 March 2019, the Group has cash and cash equivalents of S$101.0 million, a decline from the S$194.0 million recorded a year ago. This was mainly due to the operating cash outflow as a result of the increase in development properties, offset by the net cash generated from investing and financing activities.

Operating cash outflow in FY2019 amounted to S$1,036.6 million, mainly due to the S$1,113.7 million increase in development properties, as well as S$17.0 million decrease in contract liabilities and S$13.2 million used for the payment of income tax expenses. This was partially offset by an operating profit of S$13.1 million, coupled with the S$40.0 million decrease in contract assets and S$56.4 million decrease in trade and other receivables.

The net cash generated from investing activities in FY2019 amounted to S$20.9 million. This was largely attributable to the S$8.4 million receipt of interest and dividend income, S$4.9 million receipt of

OPERATIONAL & FINANCIAL REVIEW

investment income and S$28.8 million proceeds from the disposal of financial assets at fair value through profit or loss. This was offset by the Group's additional investment in quoted stapled securities issued by Cromwell of $9.1 million and investment in joint venture of $11.2 million.

Net cash generated from financing activities in FY2019 amounted to $922.2 million, mainly due to the drawdown of bank loans, net of transaction costs of $835.5 million and proceeds of loans from non-controlling interests of $153.5 million. This was offset by repayment of bank loans of $13.3 million, dividends paid to owners of the Company and non-controlling interests of $12.9 million and $7.5 million respectively and repayment of loan to a related company of $15.0 million.

Assets and Liabilities

Investment properties decreased by $12.0 million, from $99.2 million as at 31 March 2018 to $87.2 million as at 31 March 2019, mainly due to the fair value loss on investment property in the US.

Interest in joint ventures increased by $36.9 million, from $74.6 million as at 31 March 2018 to $111.5 million as at 31 March 2019. This was mainly due to the additional capital contribution of $11.0 million and share of profit of the 35% equity interest in Park Mall Pte. Ltd., the owner of the 9PR of approximately $25.9 million. The profit was mainly attributable to the fair value gain recognised upon reclassifying 9PR from development property to investment property.

Financial assets at fair value through other comprehensive income, which pertains to the Group's investment in Cromwell. The investment was accounted at its market value.

Development properties saw an increase of $1,120.9 million, from $268.5 million as at 31 March 2018 to $1,389.4 million as at 31 March 2019. This was mainly due to the completion of enbloc acquisitions of 5A How Sun Drive of $271.0 million and 2-20 Jalan Lempeng of $840.9 million during the financial year.

Contract assets decreased by S$40.0 million mainly due to collection of accrued receivables from The Vales of approximately S$30.9 million and City Suites of S$8.4 million.

In terms of trade and other receivables, there was a S$56.4 million decrease to S$10.0 million in FY2019 mainly due to the transfer of 10% deposit and stamp duties in relation to the enbloc acquisition of 5A How Sun Drive of $35.2 million and 2-20 Jalan Lempeng of $26.3 million to development properties also contributed to the decrease.

Financial assets at fair value through profit or loss, which pertains to portfolio of fixed income funds decreased by S$29.3 million due to divestment of certain fixed income funds during the financial year.

Amount due to non-controlling interest increased by S$153.5 million mainly due to proceeds of shareholders' loan from non-controlling interest. The loan was primarily used for payment of the land cost in relation to the completion of the enbloc acquisitions of 5A How Sun Drive and 2-20 Jalan Lempeng.

Deferred tax liabilities decreased by $2.0 million, from $6.1 million in FY2018 to $4.1 million in FY2019, mainly due to the reversal of deferred tax expense in relation to the fair value loss on the Group's investment property in US.

Contract liabilities decreased by S$17.0 million largely due to recognition of non-refundable deposit of $9.9 million arising from the termination of the bulk sale agreement for the Vietnam Town Phase II units to other income, as well as the reversal of deferred revenue of $9.0 million for the Group's private condominium project, City Suites upon sales completion.

Loans and borrowings increased by S$819.2 million, up from $133.3 million as at 31 March 2018 to $952.5 million as at 31 March 2019. This was due to the drawdown of bank loans for the Group's development projects.

Loan from a related company decreased due to repayment made to related company in FY2019.

Current tax payable decreased by $7.2 million to $2.6 million in FY2019, mainly due to payment of income tax expense of $13.2 million. This was offset by the provision of income tax payable in relation to the profit of the sale of the Group's development properties of approximately $5.5 million.

DIVIDEND

To thank our shareholders for the continuous support, we have proposed a final, one-tier tax exempt dividend of 0.15 Singapore cent per share. This represents a payout amounting to 27.9% of FY2019's profit attributable to owners.

ASSET PORTFOLIO

The Gazania

DEVELOPMENT PROPERTY SINGAPORE

{ Ongoing }

Located at 5 – 19 How Sun Drive and nestled amidst a serene private estate enclave, it is surrounded by an ensemble of amenities and easy access to nearby shopping malls, where banks, supermarkets and restaurants are aplenty. It is approximately 3-min walk from Bartley MRT station and in close proximity to elite schools.

TYPE
Private Residential (Condominium)

LOCATION
5 - 19 How Sun Drive, Singapore

ACQUISITION COST
S$271.0 million

STAKE
50%

TENURE
Freehold

UNITS
250

EXPECTED COMPLETION
1H 2022

GROSS DEVELOPMENT VALUE ("GDV")
~ S$448.4 million

GROSS FLOOR AREA ("GFA") (sq ft)
224,912

GROSS LAND AREA ("GLA") (sq ft)
146,046

The Lilium

DEVELOPMENT PROPERTY SINGAPORE
{ Ongoing }

Located at 29 – 33 How Sun Road, it is approximately 5-min walk from Bartley MRT station and is in close proximity to reputable schools and international schools. Commuting to nearby shopping malls, banks, supermarkets and restaurants will be a breeze as it is surrounded by a multitude of appealing amenities.

TYPE
Private Residential (Condominium)

LOCATION
29 - 33 How Sun Road, Singapore

ACQUISITION COST
S$81.1 million

STAKE
50%

TENURE
Freehold

UNITS
80

EXPECTED COMPLETION
2H 2021

GROSS DEVELOPMENT VALUE ("GDV")
~ S$159.4 million

GROSS FLOOR AREA ("GFA")
(sq ft)
84,604

GROSS LAND AREA ("GLA")
(sq ft)
54,942

ASSET PORTFOLIO

Parc Clematis

DEVELOPMENT PROPERTY SINGAPORE

{ Ongoing }

Located at 2 – 20 Jalan Lempeng, it is set in a mature estate locale surrounded by a plethora of amenities including supermarkets, banks and popular eating establishments. It is also within walking distance from Clementi MRT station and surrounded by prestigious schools.

It is a communal living theme residential development that cater to homebuyers' diverse needs.

TYPE
Private Residential (Apartment)

LOCATION
2 - 20 Jalan Lempeng, Singapore

ACQUISITION COST
S$840.9 million

STAKE
50%

TENURE
Leasehold – 99 years

UNITS
1,468

EXPECTED COMPLETION
1Q 2023

GROSS DEVELOPMENT VALUE ("GDV")
~ S$2.2 billion

GROSS FLOOR AREA ("GFA")
(sq ft)
1,330,642

GROSS LAND AREA ("GLA")
(sq ft)
633,639

9 Penang Road

INVESTMENT PROPERTY SINGAPORE

{ Ongoing }

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

Located in close proximity to the Orchard Road commercial and shopping belt and easily accessible from Dhoby Ghaut MRT station, 9 Penang Road will be transformed into a Grade A office building comprising two wings and eight levels of office space, as well as one floor of retail space. The property is a BCA Green Mark Platinum certified commercial development where its office tower offers column-free efficient floor plates with floor-to-ceiling height of 3.2 meters.

TYPE
Mixed commercial/retail use

LOCATION
9 Penang Road, Singapore

STAKE
35%

TOTAL DEVELOPMENT COST
S$800.0 million

GROSS DEVELOPMENT VALUE ("GDV")
~ S$920 million

TENURE
Leasehold – extended for 99 years, expiring 7 December 2115

NUMBER OF FLOORS
Office: 8 Levels (3rd to 10th floor)
Retail: 1 Level (1st floor)
Carpark: 2 Levels (Basement & 2nd floor)

NET LETTABLE AREA ("NLA") (APPROXIMATE)
(sq ft)
Office: 381,000 [1]
Retail: 15,000

EXPECTED COMPLETION OF REDEVELOPMENT
2H 2019

[1] *Secured anchor tenant, UBS Singapore for the entire office space*

ASSET PORTFOLIO

City Suites

DEVELOPMENT PROPERTY SINGAPORE

{ Completed }

City Suites is a 17-storey private freehold residential project located at Balestier Road, a prime rental area and residential haven surrounded by a multitude of urban amenities and well-connected to transportation infrastructure Designed with modern sophistication in mind, the BCA CONQUAS Star rated development 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.

TYPE Private Residential (Condominium)	**TENURE** Freehold	**GROSS DEVELOPMENT VALUE (“GDV”)** ~ S$52.1 million
LOCATION Balestier, Singapore	**UNITS** 56	**GROSS FLOOR AREA (“GFA”)** (sq ft) 31,875
STAKE 100%	**COMPLETION** August 2017	

The Vales

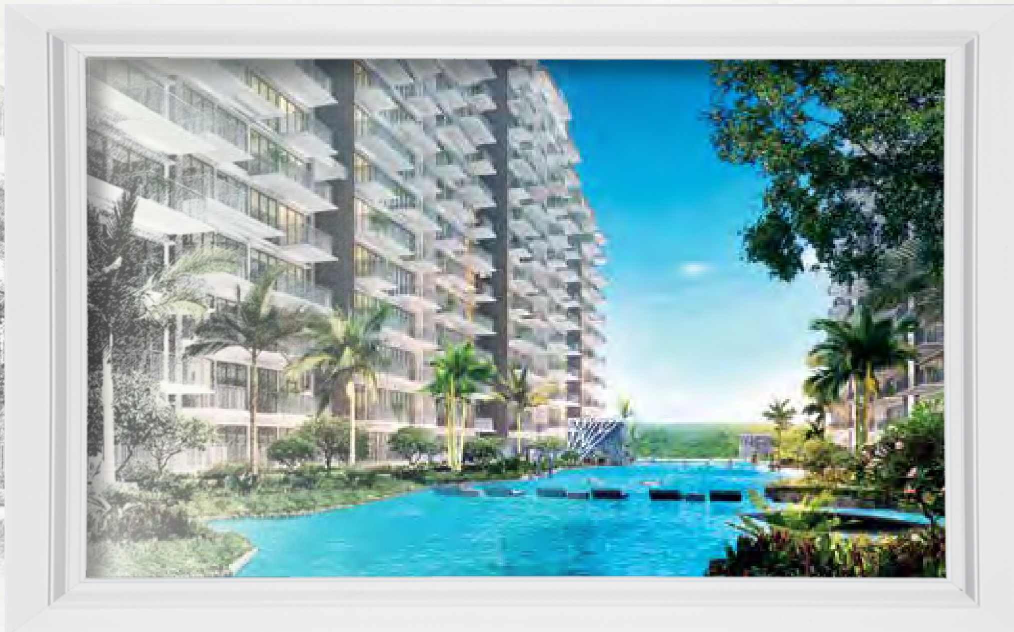
DEVELOPMENT PROPERTY SINGAPORE

{ Completed }

The Vales is our second Executive Condominium property development project in Singapore and has achieved the BCA Green Mark Gold Plus certification and BCA CONQUAS Star rating. Tucked away at Anchorvale Crescent, the multiple award-winning development 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.

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

ASSET PORTFOLIO



Citylife@Tampines

DEVELOPMENT PROPERTY SINGAPORE
{ Completed }

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

TYPE
Private Residential (Executive Condominium)

LOCATION
Tampines, Singapore

STAKE
24.5%

TENURE
Leasehold - 99 years

UNITS
514

COMPLETION
February 2016

GROSS DEVELOPMENT VALUE ("GDV")
S$528.4 million

GROSS FLOOR AREA ("GFA")
(sq ft)
625,398

Pasir Ris One

DEVELOPMENT PROPERTY SINGAPORE

{ Completed }

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

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

ASSET PORTFOLIO

Vietnam Town

DEVELOPMENT PROPERTY THE US

{ Completed }

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

Our stake in the project consists of 192 units, of which 51 units have been successfully completed and sold in Phase I in 2017. The remaining units in Phase II were completed on 31 March 2018.

TYPE Commercial Condominium	**STAKE** 100%	**GROSS DEVELOPMENT VALUE ("GDV")** ~ US$131.0 million
LOCATION San Jose, California	**TENURE** Freehold	**GROSS LAND AREA ("GLA")** (sq ft) 853,502
ACQUISITION COST US$33.1 million	**UNITS** 192	

5 Thomas Mellion Circle

DEVELOPMENT PROPERTY THE US

{ Ongoing }

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

The development is situated at the prestigious Candlestick Point, which is transforming into a prime retail, entertainment and residential neighbourhood area along San Francisco Bay, California. At present, there is an existing office building on this parcel of waterfront land. SingHaiyi plans to demolish the existing office building to develop a residential condominium with 585 units that will emphasise waterfront living, active lifestyle, convenience and value.

SingHaiyi received project entitlement approval from the San Francisco Planning Commission in December 2016 and is currently pending authority approval of the site permit.

TYPE Residential Condominium	**STAKE** 100%	**GROSS DEVELOPMENT VALUE ("GDV")** ~ US$420.0 million
LOCATION San Francisco, California	**TENURE** Freehold	**GROSS LAND AREA ("GLA")** (sq ft) 204,300
ACQUISITION COST US$24.4 million	**EXPECTED COMPLETION** 1H 2024	

ASSET PORTFOLIO

Tri-Country Mall

INVESTMENT PROPERTY THE US

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

Tri-County Mall is a lifestyle mall for F&B, fashion and furniture brands through active asset enhancement initiatives by SingHaiyi to enhance footfall. Renowned tenants such as Macy's, Starbucks, BJ's and Outback Steakhouse can be found in the mall.

TYPE Retail Mall	**STAKE** 100%	**CAR PARK LOTS** 7,118
LOCATION Cincinnati, Ohio	**TENURE** Freehold	**TOTAL LAND AREA** (sq ft) 3,314,916
ACQUISITION COST US$45.0 million	**MARKET VALUE** c.US$42.0 million	**NET LETTABLE AREA ("NLA")** (sq ft) 1,261,502 [1]

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

ARA Harmony Fund III

INVESTMENT PROPERTY FUND MALAYSIA

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

TYPE
Fund

LOCATION
Malaysia – various states

INVESTMENT COST
S$43.9 million

STAKE
25%

AGGREGATE GROSS FLOOR AREA (“GFA”)
(sq ft)
4,222,376

AGGREGATE NET LETTABLE AREA (“NLA”)
(sq ft)
2,561,291

OVERALL OCCUPANCY RATE
95.4%

Assets	Location	GFA (sq ft)	NLA (sq ft)	Completion/ Major Renovation (Year)	Land Tenure	Occupancy @ 31 March 2019 (%)
1 Mont Kiara Mall	Kuala Lumpur	385,035	234,170	2009/2014	Freehold	98.6
AEON Mall	Malacca	955,865	623,429	2009/NA	99 years exp. 2095	100.0
Citta Mall	Selangor	651,453	433,476	2011/NA	99 years exp. 2097	92.2
Ipoh Parade	Ipoh	975,016	615,526	1998/2014	999 years exp. 2885	93.7
Klang Parade	Klang	1,255,007	654,690	1995/2014	Freehold	93.6

CORPORATE SOCIAL RESPONSIBILITY

At SingHaiyi, we endeavour to make a positive impact on the lives of the communities which we operate in. We recognise the importance of giving back to society and endeavour to be a responsible corporate citizen through our active participation in community initiatives and efforts. We hope to make a difference in the society we live in, to contribute to the greater good in improving the lives and welfare of our local and global communities.

THE SINGAPORE SCOUT ASSOCIATION

In contribution to the advancement of scouting in Singapore, we made a donation to the Singapore Scout Association for additions and alterations works to its HQ building on 6 March 2019. The century-old organisation had embarked on upgrading and expansion works in mid-2017 to transform its HQ building into a hub for activities for youth and the larger community.

UOB CHINESE NEW YEAR CHARITY 2019

This year, we made a donation to the UOB Chinese New Year Charity in support of the less fortunate in our community. Over S$1.6 million was raised by UOB at their annual fundraising dinner.

All funds raised from the fundraising campaign this year goes towards the Central Singapore Community Development Council, The Business Times Budding Artists Fund, The Straits Times School Pocket Money Fund and The Red Pencil Singapore.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

At SingHaiyi, we believe in the importance of investor education and the promotion of good corporate governance practices and transparency. To this end, we have pledged our support and donated to Securities Investors Association (Singapore) or SIAS, a non-profit organisation and watchdog for investor rights in Singapore on 31 August 2018 and 24 May 2019.

As a Charity and an Institution of Public Character, and the largest organised investor group in Asia, SIAS is “the voice” for minority shareholders. It collaborates with financial institutions and listed companies interested in investor education as part of its corporate social responsibility agenda to provide a variety of investor education programmes.

LAW ENFORCEMENT EXPO

We are proud to host the Law Enforcement Expo at Tri-County Mall this year. The event is held annually to promote public awareness and concern about crime and educate the community on self-help in crime prevention.

Shoppers and visitors to the mall can get a chance to meet officers from agencies in the area and learn the importance of crime prevention and personal safety. This event also showcased numerous police departments from the surrounding areas and strengthened relationships between police officers and the community.

SAFETY TOWN PROGRAMME

The Safety Town Programme is an annual community programme with a rich 57-year history, which prepares children for pre-school by teaching them the basics of personal safety, road safety, and fire safety. Tri-County Mall is proud to be the host of this programme for the third year in a row. Held in the month of July in 2018, the Safety Town Programme is supported by the Springdale Police & Fire Departments, Girl Scouts of Western Ohio, and Tri-County Mall.

The programme was well-received with positive feedback from parents and our community partners. We are proud of yet another year of success in hosting this event and look forward to hosting this important community programme again next year.

HIGHSTEPPERS BREAST CANCER AWARENESS RALLY

In honor of Breast Cancer Awareness month in October 2018 and to raise awareness for breast cancer, we are proud to sponsor the Highsteppers Breast Cancer Awareness Rally at the Tri-County Mall, as part of Mix 94.9’s Pretty in Pink event.

The community was encouraged to nominate Breast Cancer survivors for the event, and shoppers were treated to a performance put up by the Highsteppers as part of the event.

UC HEALTH'S MAMMOGRAM MOBILE UNIT

As a keen supporter of UC Health's initiative in providing mammography screenings and other wellness services to the general public throughout Greater Cincinnati, Tri-County Mall is pleased to continue its support for UC Health's outreach programme for the fifth year since 2015.

Over the years, we have worked closely with the organisation in providing a safe and convenient location to host the Mammogram Mobile Unit and to raise awareness on wellness and healthcare for the community. We will continue to do our part by actively supporting and facilitating health education and convenient screenings, and in turn foster stronger ties with the community.

STUDENTS OF THE YEAR FUNDRAISING EVENT

To raise funds for the Leukemia and Lymphoma Society in the U.S. and bring attention to blood cancers, Tri-County Mall is pleased to support Jennifer Reckers, a leukemia survivor and a student of Bishop Fenwick High School in Ohio, in her participation in the Student of the Year fundraising campaign. We are heartened to have played a part by sponsoring an area within the Tri-County Mall for the event, where local vendors in the Tri-State area displayed their products for purchase.

Founded since 1949, the Leukemia and Lymphoma Society has invested nearly US$1.3 billion in groundbreaking research in search of a cure for blood cancer.

RESPONSIBILITIES TOWARDS OUR SHAREHOLDERS

At SingHaiyi, we believe in fulfilling our responsibilities towards our valued shareholders and are committed to provide timely updates and disclosures on our corporate and financial developments.

We endeavour to provide our current and potential investors with readily accessible material relating to the Group on our website http://www.singhaiyi.com/, which includes basic information, key developments and latest updates, as well as historical information, past announcements and annual reports in the dedicated Investor Relations section. As part of our shareholders' communications programme, we keep the investor community up-to-date on the Group's corporate developments through regular engagements with analysts.

We believe in providing viable channels for shareholders to raise questions and have their concerns addressed as part of an effective shareholder communication programme. Other than at our annual general meetings, where our Board of Directors and senior management team are present to address shareholders' queries and gather feedback, we can be reached at:

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Singapore 068809
Tel: +65 6533 9023
Fax: +65 6532 7602
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Citigate Dewe Rogerson Singapore Pte Ltd
Contact: Chia Hui Kheng / Samantha Koh
Tel: +65 6534 5122
Email: IR@singhaiyi.com

SUSTAINABILITY REPORT

Year ended 31 March 2019

ABOUT THIS REPORT

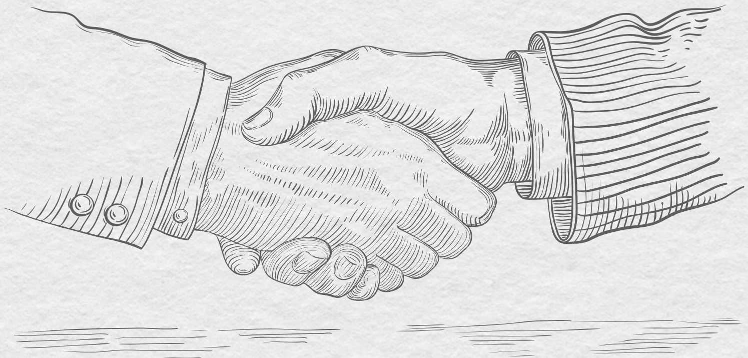
SingHaiyi Group Limited (the "**Group**" or the "**Company**") and the Board of Directors (the "**Board**") are pleased to present its sustainability report. The report covers the sustainability performance of the Group's real estate operations in Singapore from 1 April 2018 to 31 March 2019.

For this year, we focus on the most material aspects of our work, which we have defined as developments in which we have at least 50% ownership and operational control. In addition, we have decided to focus on our Singapore developments for this report in order to adopt a phased approach of reporting. Therefore, this report covers our three new development properties, The Gazania, The Lilium and Parc Clematis. For human resource related data, we refer to employees who are directly employed by the Group and based in Singapore.

SUSTAINABILITY AT THE GROUP

As part of the real estate industry, The Group recognises the environmental and social impacts of our activities and we are aware of such impacts. As we strive to learn and adapt to the changing business environment to meet the demands of our customers and investors, we continue to develop the integration of sustainability and business strategy for the long-term success of the Group. Our sustainability strategy is aligned with our philosophy of "精诚存信,佳业传承" which signifies "building a trustworthy and reliable brand for enduring growth and a legacy for generations". We believe that the adoption of forward-thinking innovation around environmental responsibility and ethical behaviour are the key contributors to our growth and success.

We take great pride in the quality of our developments, which is why we are working towards achieving the Building and Construction Authority (BCA) Quality Mark (QM) for our residential developments going forward. The QM scheme goes



beyond simply certifying the quality of the developer. It measures the quality of the workmanship of each newly completed residential unit. Our commitment to going above and beyond extends to the level of eco-efficiency in our developments. This is in line with the changing business environment, locally and globally, that has encouraged us to refine and formalise our approach to sustainability over the last year.

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

We can only succeed as an organisation if we have the right talent. Therefore, we place emphasis on investing in our staff's recruitment, training, development and wellbeing. Although we have only an indirect influence over the day to day operations at our development sites, we recognise the importance of choosing the right partners to work with us. For this reason, we carefully select and monitor our contractors to ensure the highest quality of work and the safest working conditions. We look forward to continue developing our sustainability approach over the coming years and reporting annually on our progress. This report is prepared to the best of our knowledge and has not been externally assured. We welcome all constructive feedback to help us improve our sustainability practices. Please send your comments or feedback to IR@singhaiyi.com.

BOARD STATEMENT

This is the Group's second year of sustainability reporting and as with our inaugural sustainability report, this report outlines our performance in relation to the identified economic, social and governance ("**ESG**") factors which are material to our Group. We established a Sustainability Steering Committee ("**SSC**") in 2018, consisting of senior management team to support the Board in steering the direction of sustainability and ensuring our continued progress in the areas of ESG. The SSC is supported by a "Sustainability Task Force" which implements the day to day sustainability activities.

The SSC played an active role in the development of this report, which includes a materiality assessment where the Group has focused its sustainability efforts. We constantly review and examine the development of performance indicators that will allow us to monitor the effectiveness of our efforts, as well as a set of targets that will direct our future achievements. We continue to work towards meeting our targets and outdoing ourselves this year and in the years ahead.

This report has been prepared in accordance with the requirements of the SGX-ST Listing Rules 711A, 711B and Practice Note 7.6 of the Sustainability Reporting Guidance issued by SGX-ST, with reference to the Global Reporting Initiative (GRI) Standards.

STAKEHOLDER ENGAGEMENT

When considering our sustainability direction, we felt it was necessary to consider the concerns and issues of our material stakeholders who are largely affected by our activities and operations and have vested interests and significant impact on our businesses.

Stakeholders also play an important role in determining the Company's long-term viability. The Company engages its material stakeholders regularly through the following channels to understand and address their needs and expectations:

SUSTAINABILITY REPORT

Year ended 31 March 2019

MATERIAL STAKEHOLDER	ENGAGEMENT CHANNELS	AREAS OF CONCERN	SECTION REFERENCE
Government/Regulators	• Participation in government initiatives and policy working group • Attend conferences/ seminars on new regulatory developments held by the relevant authorities • Annual report • Public consultations	• Compliance with laws and regulations • Robust corporate governance	Sustainability Report (Anti-Corruption and Corporate Compliance)
Employees	• Annual performance appraisals • Regular dialogue sessions within internal departments • Company gathering/team bonding activities	• Career advancement • Benefits and remuneration • Fair employment practices	Sustainability Report (Talent Retention and Development)
Investors/Shareholders/ Analysts/Media	• Annual general meeting • Annual report • Circulars and announcements via SGXNet • Regular analyst and investor meetings • Corporate website • Press releases/Media interviews	• Business continuity and long-term value • Company's performance • Profitability and returns	Joint Message by Chairman and Group Managing Director, Operational & Financial Review, 5-Year Financial Summary
Customers (home buyers, residents & tenants)	• Sales launches at show-flats • Advertisements in various media platform • Corporate website	• Quality and safety of our developments • Customer data protection	Sustainability Report (Materials and Design, Customer Health and Safety, Anti-Corruption and Corporate Compliance)
Contractors/Consultants	• Periodic meetings • Contractor/consultants evaluation exercises	• Transparent and fair supply chain performance • Ethical business practices, including working conditions • Compliance with terms and conditions of business contracts	Sustainability Report (Contractor Assessment)
Communities (Local & Overseas)	• Corporate social responsibilities initiatives	• Ethical business conduct • Environmental and social impacts	Sustainability Report (Sustainability at the Group), Corporate Social Responsibility

MATERIALITY

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

The materiality assessment began by identifying a universe of factors that may be relevant to us through looking at our peers as well as considering the key sustainability related risks and opportunities in our industry, our countries of operation and the world as a whole. This universe of factors was then prioritised during an internal stakeholder consultation session and the finalised material ESG factors were validated by senior management and the Board.

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

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

1 “Economic Performance” detailed in pages 17 – 21 of this annual report.

SUSTAINABILITY REPORT

Year ended 31 March 2019

MATERIALS AND DESIGN

Performance for FY2019	Target for FY2020
Application of BCA Green Mark Gold Plus certification for The Gazania and The Lilium (in progress)	Achieve BCA Green Mark Gold Plus as a minimum on all future new developments (including Parc Clematis)

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

One measure of the success of our attempts to incorporate eco-efficiency in our developments is the achievement of the BCA Green Mark. In order to achieve a BCA Green Mark certification, we need to receive a certain score in various areas including energy efficiency, water efficiency and the quality of materials used. We have achieved BCA Green Mark Platinum for 9 Penang Road and BCA Green Mark Gold Plus for The Vales EC during FY2018. We target to achieve BCA Green Mark Gold Plus for our new developments, namely, The Lilium, The Gazania and Parc Clematis during FY2020. We also target to achieve BCA QM Excellent ratings for the aforesaid new developments upon obtaining temporary occupation permit.

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

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

Energy efficiency

- Use of smart lighting to minimise energy consumption from lighting usage while maintaining proper lighting levels
- Use of lifts and escalators with AC variable voltage and VVVF (Variable Voltage Variable Frequency) motor drive and sleep mode features
- High frequency ballasts in the fluorescent luminaries in at least 90% of all applicable areas

Water management

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

Environmental friendly materials

- Use of sustainable construction materials and recycled materials such as dry wall partition, tile grouting and adhesives, water proofing systems, playground equipment and road kerbs
- Conservation of existing building structures and recovery of demolished building materials for reuse/recycling
- Reduced use of products and use only necessary and required products certified by approved local certification bodies to reduce waste and embodied carbon in buildings

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

TALENT RETENTION AND DEVELOPMENT

Performance for FY2019	Target for FY2020
100% of eligible employees received performance appraisals	100% of eligible employees to receive performance appraisals

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

As of 31 March 2019, we have 40 Singapore-based, permanent, full-time employees at the group compared to 34 last year. Some of our staff retention efforts include ensuring a competitive remuneration, bonuses and employee benefits and we regularly review these to ensure alignment with the market. We are careful to ensure that employees know what is expected of them at all times in regard to professional conduct and discipline and our Human Resources (HR) policies, which set out our processes and procedures in all areas including hiring and termination, are easily available to all staff members through the Employee Handbook.

Training and development

We encourage continuous professional development for all our employees. Our Training Policy, also detailed in the employee handbook, set out the Group's stand in this aspect. Employees are required to attend training courses, as and when deemed necessary by the Group, and the Group may impose a bond for sponsorship of certain courses, depending on the cost and duration.

The Training Policy also describes independent learning & development opportunities where employees are encouraged to attend workshops and seminars that will enhance their skills and knowledge.

Certain employees such as Resident Engineers, Resident Technical Officers and Accountants are required to complete mandatory training each year towards their professional qualification. We support this mandatory training and ensure employees are given the opportunities they need to achieve them. Employee development is closely monitored with all eligible employees receiving an annual performance appraisal during which learning needs are developed and stretch goals are set. Eligible employees are permanent, full-time staff, excluding non-executive staff.

Diversity and fair employment

We believe that a diverse staff base is stronger due to the different perspectives and opinions it brings. We are careful to follow Ministry of Manpower (MOM) Employment Regulations and Fair Employment Practices by Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP). We have a Fair Consideration Framework and practise fair employment practices. We ensure that all employment decisions are based on merit and any employees with questions or concerns about discrimination at the workplace are encouraged to bring these issues to the attention of their supervisor or HR. We have a strict no discrimination policy and any employees found to be engaging in discrimination shall be liable to disciplinary action, including dismissal.

SUSTAINABILITY REPORT

Year ended 31 March 2019

CUSTOMER HEALTH AND SAFETY

Performance for FY2019	Target for FY2020
No incidents of non-compliance with health and safety laws and regulations in relation to our completed buildings (including showflats)	Zero incidents of non-compliance with health and safety laws and regulations in relation to our completed buildings (including showflats)

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

Fire safety

Building fire safety is standard practice and various requirements as per the Fire Safety Act and from the Fire Safety and Shelter Department (FSSD) are built into our plans. Our plans are then submitted and approved by relevant regulators. On completion, a registered inspector is engaged to check that the approved plans have been followed and will then proceed to sign off.

BCA Regulations

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

For our development projects, our project team implements regular site visits to assess that safety measures are in place as well as including the discussion of safety issues in the monthly progress meetings.

For completed developments, there are regular meetings with the appointed managing agent to discuss and assess the safety performance of the development. The managing agent is also required to submit an incident report and maintenance record regularly.

During FY2019, there were no incidents of non-compliance with health and safety laws and regulations.

CONTRACTOR ASSESSMENT

Performance for FY2019	Target for FY2020
100% of relevant suppliers assessed via our Contractor Pre-Qualification exercise	100% of relevant suppliers assessed via our Contractor Pre-Qualification exercise

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

Tender and assessment process

When sending out a tender of work, we include the various needs, qualifications certifications and experience that are expected from our contractors. We include the BCA Green Mark score sheet as well as specific health and safety regulations that the contractors must adhere to.

When selecting the contractor, we conduct a Contractor Pre-Qualification Exercise. This assesses contractors on:

- Track record and quality performance
- Safety performance Workplace Safety and Health ("**WSH**") based on MOM regulations

- Awards (e.g. BCA Construction Excellence Award, BCA Green Mark Award, BCA Green and Gracious Builder Award)
- Financial Performance

Contractor Pre-Qualification exercise was conducted when assessing all relevant suppliers for The Gazania and The Lilium during FY2019.

During the contract

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

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

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

Regular meetings with main contractors are held to discuss progress as well as concerns, safety and energy and water conservation efforts amongst others. Finally, there is an end of project assessment before a final sign off of the project.

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

MARKETING COMMUNICATIONS

Performance for FY2019	Target for FY2020
No incidents of non-compliance in regard to marketing regulations resulting in a delay of sales launch	Zero incidents of non-compliance in regard to marketing regulations resulting in a delay of sales launch

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

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

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

Particularly strict regulations surround the setting up of our show flats, where we follow Housing Development Board rules and receive approval from them before launch. Any incidents of non-compliance with any marketing regulation can lead to a delay in the sales launch of a new development. We are delighted to inform that we have launched the sales of The Gazania and The Lilium in May 2019 without delays and all marketing regulations have been adhered to.

SUSTAINABILITY REPORT

Year ended 31 March 2019

ANTI-CORRUPTION AND CORPORATE COMPLIANCE

Performance for FY2019	Target for FY2020
No confirmed incidents of corruption	Zero confirmed incidents of corruption
No significant incidents of non-compliance with relevant laws and regulations	Zero significant incidents of non-compliance with relevant laws and regulations

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

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

- Code of Conduct & Ethics for Board of Directors
- Code of Ethics (for employees)
- Employee Conduct Policy (Outside Employment)
- Whistle-blowing policy
- Personal Use of Social Media
- Computer Usage Policy
- Entertainment & Gift-Giving Policy
- Grievance-Handling Policy
- PDPA Policy

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

In regard to anti-corruption, the Group has in place a standard operating procedure to prevent corruption in the procurement process. In regard to anti-money laundering policy, cash is not acceptable and all transactions must go through a lawyer. Banks will conduct various assessments and payments will not be accepted until the various checks are completed in accordance with the relevant rules and regulations. External consultants involved in the tender specifications and evaluations will be required to declare any conflict of interest and submit their professional indemnity. As developers, we also conduct checks against the Alert List provided by URA to comply with the existing legislative requirements on anti-money laundering and counter-financing of terrorism in the sale of our project developments.

SUSTAINABILITY REPORT

GRI STANDARDS CONTENT INDEX

UNIVERSAL STANDARDS		
GRI STANDARDS	**DESCRIPTION**	**ANNUAL REPORT SECTION REFERENCE/REMARKS**
ORGANISATIONAL PROFILE		
102-1	Name of the organisation	SingHaiyi Group Ltd.
102-2	Activities, brands, products, and services	Corporate Profile, Asset Portfolio, Notes to the Financial Statements
102-3	Location of headquarters	Corporate Information, Notes to the Financial Statements
102-4	Location of operations	Corporate Information, Notes to the Financial Statements
102-5	Ownership and legal form	Notes to the Financial Statements
102-6	Markets served	Operational & Financial Review, Notes to the Financial Statements
102-7	Scale of the organisation	Operational & Financial Review, 5-year Financial Summary
102-8	Information on employees and other workers	Sustainability Report (Talent Retention and Development)
102-9	Supply chain	Sustainability Report (Contractor Assessment)
102-10	Significant changes to the organisation and its supply chain	No significant changes during FY2019
102-11	Precautionary principle or approach	Sustainability Report (Board Statement) Materiality and management approach are discussed under each material topic
102-12	External initiatives	Sustainability Report (Materials and Design)
102-13	Membership of associations	Board of Directors, Executive Management
STRATEGY		
102-14	Statement from senior decision-maker	Joint Message by Chairman and Group Managing Director
102-15	Key impacts, risks, and opportunities	Joint Message by Chairman and Group Managing Director, Corporate Social Responsibility, Sustainability Report
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	Sustainability Report (Sustainability at the Group)
102-17	Mechanisms for advice and concerns about ethics	Sustainability Report (Anti-corruption and Corporate Compliance)
GOVERNANCE		
102-18	Governance structure	Corporate Information, Sustainability Report (Board Statement)
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Sustainability Report (Stakeholder Engagement)
102-42	Identifying and selecting stakeholders	Sustainability Report (Stakeholder Engagement)
102-43	Approach to stakeholder engagement	Sustainability Report (Stakeholder Engagement)
102-44	Key topics and concerns raised	Sustainability Report (Stakeholder Engagement)

SUSTAINABILITY REPORT

GRI STANDARDS CONTENT INDEX

UNIVERSAL STANDARDS		
GRI STANDARDS	**DESCRIPTION**	**ANNUAL REPORT SECTION REFERENCE/REMARKS**
	REPORTING PRACTICE	
102-45	Entities included in the consolidated financial statements	Notes to the Financial Statements
102-46	Defining report content and topic boundaries	Sustainability Report (Materiality)
102-47	List of material topics	Sustainability Report (Materiality)
102-48	Restatements of information	N.A.
102-49	Changes in reporting	N.A.
102-50	Reporting period	1 April 2018 - 31 March 2019
102-51	Date of most recent report	10 July 2018
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Sustainability Report (Sustainability at the Group)
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report (Board Statement)
102-55	GRI content index	Sustainability Report (GRI Standards Content Index)
102-56	External assurance	Sustainability Report (Sustainability at the Group)
103-1	Explanation of the material topic and its boundary	Sustainability Report (Board Statement) Materiality and management approach are discussed under each material topic
103-2	The management approach and its components	Sustainability Report (Board Statement) Materiality and management approach are discussed under each material topic
103-3	Evaluation of the management approach	Sustainability Report (Board Statement) Materiality and management approach are discussed under each material topic

TOPIC-SPECIFIC STANDARDS		
GRI STANDARDS	**DESCRIPTION**	**ANNUAL REPORT SECTION REFERENCE/REMARKS**
	ECONOMIC	
201-1	Direct economic value generated and distributed	Joint Message by Chairman and Group Managing Director, Operational & Financial Review
205-1	Operations assessed for risks related to corruption	Sustainability Report (Anti-corruption and Corporate Compliance)
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report (Anti-corruption and Corporate Compliance)
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report (Anti-corruption and Corporate Compliance)

TOPIC-SPECIFIC STANDARDS		
GRI STANDARDS	**DESCRIPTION**	**ANNUAL REPORT SECTION REFERENCE/REMARKS**
	ENVIRONMENTAL	
302-5	Reductions in energy requirements of products and services	Sustainability Report (Materials and Design)
307-1	Non-compliance with environmental laws and regulations	Sustainability Report (Contractor Assessment)
308-1	Percentage of new suppliers that were screened using environmental criteria	Sustainability Report (Contractor Assessment)
	SOCIAL	
401-1	New employee hires and employee turnover	Sustainability Report (Talent Retention and Development)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report (Contractor Assessment)
404-2	Programmes for upgrading employee skills and transition assistance programmes	Sustainability Report (Talent Retention and Development)
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report (Talent Retention and Development)
405-1	Diversity of governance bodies and employees	Sustainability Report (Talent Retention and Development)
406-1	Incidents of discrimination and corrective actions taken	Sustainability Report (Talent Retention and Development)
413-1	Operations with local community engagement, impact assessments, and development programmes	Corporate Social Responsibility
414-1	New suppliers screened using social criteria	Sustainability Report (Contractor Assessment)
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report (Customer Health and Safety)
417-3	Incidents of non-compliance concerning marketing communications	Sustainability Report (Marketing Communications)
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report (Anti-corruption and Corporate Compliance)
419-1	Non-compliance with laws and regulations in the social and economic area	Sustainability Report (Anti-corruption and Corporate Compliance)

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 2019 ("**FY2019**") 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

<u>The Primary Functions of the Board</u>

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

The principal roles and responsibilities of the Board include:

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

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

CORPORATE GOVERNANCE REPORT

Guideline 1.5
What are the types of material transactions which require approval from the Board?
Please refer to the section under "Board Approval".

Board Approval

The Company has adopted internal guidelines that require Board approval for investments, divestments and bank borrowings. The Company has adopted a framework of delegated authorisation, as set out in its limit of authority ("**LOA**"). The LOA defines the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditures. The LOA also contains a schedule of matters specifically reserved by the Board for approval. These include approval of annual business plans, operating budgets, statutory accounts, declaration of interim, special and final dividends, and material transactions, namely, major acquisitions and disposals, 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 FY2019, the Board met four times. The report on the Directors' attendance for Board and Board Committees meetings is set out 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 provides for participation in meetings via telephone and/or video conference where Directors are unable to be physically present at such meetings. During FY2019, 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 FY2019			
	Board	**AC**	**NC**	**RC**
Neil Bush	4	–	–	–
Celine Tang	4	–	–	–
Mao Jinshan	4	–	–	–
Gn Hiang Meng	4	4	1	1
Hwang Soo Chin	4	4	1	1
See Yen Tarn	4	4	0	0
Yang Manlin	3	–	–	–
Number of meetings held in FY2019	4	4	1	1

CORPORATE GOVERNANCE REPORT

Guideline 1.6
(a) Are new directors given formal training? If not, please explain why.
Yes. Please refer to the section under "Board Orientation and Training".

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

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

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

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

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

Directors may also attend other appropriate courses, conferences and seminars, at the Company's expense. These include programmes organised by the Singapore Institute of Directors ("**SID**"), Singapore Exchange Limited and Auditors. During the year, Directors attended briefings on changes to the Financial Reporting Standards by its Auditors.

No new directors were appointed during the year under review.

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

Guideline 2.1
Does the Company comply with the guideline 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".

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 seven (7) directors. All members of the Board, except for the Group Managing Director and Managing Director of the US Operations, are Non-Executive Directors. Four (4) of the Directors are Independent Non-Executive Directors.

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

CORPORATE GOVERNANCE REPORT

Guideline 2.3

(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.
No.

(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.
Not applicable.

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 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.

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.

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

Guideline 2.6

(a) What is the Board's policy with regard to diversity in identifying director nominees?
Please refer to the section under "Board Composition and Size".

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

(c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?
Please refer to the section under "Board Composition and Size".

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 (2) female Directors who have served for different tenures. The members of the Board have the core competencies, such as accounting or finance, business or management experience, industry knowledge, corporate actions and strategic planning experience required for the Board to be effective in all aspects of its roles. The objective judgement of the Independent and Non-Executive Directors on corporate affairs and their collective experiences and contributions are invaluable to the Company. The Company also has a board diversity policy in place to set out the approach to achieve diversity on the board composition and support the attainment of the Company's strategic objectives and its sustainable development.

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

Neil Bush	-	Non-Independent/Non-Executive Chairman
Celine Tang	-	Group Managing Director
Mao Jinshan	-	Managing Director of the US Operations
Gn Hiang Meng	-	Lead Independent Non-Executive Director
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 ("**AGM**") sets out the directors proposed for re-election at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

Principle 3: Chairman and Group Managing Director

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

There is a clear separation of responsibilities between the 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 and there is no immediate family relationship between them.

The Chairman leads the Board to ensure its effectiveness on all aspects of the Board's role and promotes high standards of corporate governance and ensures that Non-Executive Directors are able to speak freely and contribute effectively. The Chairman plays a significant leadership role by providing clear oversight, advice and guidance to the GMD, the Deputy CEO, Managing Director of the US operations 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 and promotes a culture of openness and debate on the Board.

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 and via 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 GMD, increases accountability and greater capacity of the Board for independent decision making.

Mr. Gn Hiang Meng ("**Mr. Gn**"), the Lead Independent Non-Executive Director ("**Lead ID**") serves as a sounding board to 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 Chairman, the GMD or the CFO for which such contact is inappropriate. The Lead ID may call for meetings of Independent Non-Executive Directors from time to time without the presence of other directors and Management and provide feedback to the Chairman after such meetings. In FY2019, the Independent Non-Executive Directors had met separately without the presence of Management.

CORPORATE GOVERNANCE REPORT

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. Hwang Soo Chin and Mr. Gn. The NC met once in FY2019.

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

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

Re-nomination of Directors

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

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

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

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

CORPORATE GOVERNANCE REPORT

Guideline 4.4

(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?
There is no maximum number prescribed.

(b) If a maximum number has not been determined, what are the reasons?
Please refer to the explanation in the section under "Directors' Time Commitment".

(c) What are the specific considerations in considering the capacity of Directors?
Please refer to the section under "Directors' Time Commitment".

Guideline 5.1

(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?
Please refer to the section under "Board Evaluation Process and Individual Director Evaluation Criteria"

(b) Has the Board met its performance objectives?
The Board has met its performance objectives and the Board and its Board Committees are operating effectively.

Criteria and Process for Nomination and Selection of New Directors

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

Directors' Time Commitment

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

Principle 5: Board Performance

Board Evaluation Process and Individual Director Evaluation Criteria

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

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

CORPORATE GOVERNANCE REPORT

Guideline 6.1
What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?
Please refer to the section under "Complete and Timely Information and Access to Management" and the section under "Accountability of the Board and Management" in Principle 10.

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 cognisant of the decisions and actions of the Group's executive management. All the Directors have unrestricted access to the Group's records and information. Board papers are prepared for each meeting of the Board and include sufficient information from Management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings. The Independent Non-Executive Directors have access to Management of 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 Management 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, Code of Corporate Governance 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")".

Principle 7: Procedures for Developing Remuneration Policies

The Composition and Role of RC

The RC comprises three members, namely Mr. Hwang Soo Chin (Chairman), Mr. See Yen Tarn and Mr. Gn (all of whom are independent). All of the members of the RC are Non-Executive Directors. The RC met once in FY2019.

The RC is regulated by a set of Terms of Reference and its principal functions are to *inter alia*:

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

CORPORATE GOVERNANCE REPORT

Guideline 9.6

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

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

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

(c) 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 FY2019 pursuant to the RC's review of the individual's performance, the performance of the Group and industry practices.

Guideline 9.2

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

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

The RC sets compensation to ensure that the Company is competitive and can attract, retain and motivate Directors and KMP of the required experience and expertise to run the Company successfully. In setting remuneration packages for Directors and KMP, the remuneration and other conditions within the industry and 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 aggregated fees of the Directors, subject to the approval of shareholders of the Company at its forthcoming AGM. The fee for each Director will take into account the level of responsibilities held. The compensation framework is made up of fixed pay and incentives. The Company links Executive Directors and KMP's remuneration to the Group's performance. Individual performance is based on performance assessment, competencies and potential of the individuals. The remuneration of Directors takes into account their level of contribution and respective responsibilities, including attendance, time and contribution at Board meetings and Board Committees meetings.

The Company has adopted a remuneration policy for employees 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 employees under the Scheme (as defined below) that is designed to motivate employees towards strategic business objectives and for retention of employees.

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 at the extraordinary general meeting held on 29 July 2013. Please refer to page 144 of this annual report for details of the Scheme.

During FY2019, there were no share options granted to the employees, directors and the controlling shareholders of the Company or their associates, or the parent company's directors or employees. No employee had received 5% or more of the total number of options available under the Scheme. In addition, no options had been granted under a discount.

CORPORATE GOVERNANCE REPORT

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 FY2019.

Remuneration of Directors for FY2019

Name of Director	Directors' Fee %	Salary %	Bonus %	Others %	Total Remuneration %
Below S$250,000					
Neil Bush	100%	–	–	–	100%
Gordon Tang*	100%	–	–	–	100%
Celine Tang	–	84%	7%	9%	100%
Gn Hiang Meng	100%	–	–	–	100%
Hwang Soo Chin	100%	–	–	–	100%
See Yen Tarn	100%	–	–	–	100%
Yang Manlin	100%	–	–	–	100%
S$250,000 - S$499,999					
Mao Jinshan	–	92%	8%	–	100%

* Retired on 26 July 2018 at FY2018 AGM.

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 the Board has decided to disclose remuneration in the bands of S$250,000 with further breakdowns in percentage or dollar terms. 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.

CORPORATE GOVERNANCE REPORT

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 KMP for FY2019" for the Company's reasons for non-disclosure of KMP's remuneration.

(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the GMD or CEO)
No. Please refer to the section under "Remuneration of KMPs for FY2019" for the Company's reasons for non-disclosure of KMPs' remuneration.

Remuneration of KMP for FY2019 (inclusive of those who had resigned during the year)

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

The Company has five (5) KMP (who are not directors or the GMD or CEO). After careful deliberation, the Company has decided not to disclose the names and remuneration of its top five (5) KMP as well as in aggregate the total remuneration (in percentage or dollar terms) paid to them, as the disadvantages to the Group's business interests would far outweigh the benefits of such disclosure, in view of the confidentiality 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 FY2019

The Company does not have any employee who is an immediate family member of a Director or the GMD, whose remuneration exceeds S$50,000 during FY2019.

CORPORATE GOVERNANCE REPORT

Guideline 11.3

(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board' view on the adequacy and effectiveness of the Company's internal controls and risk management systems. **Please refer to the section under "Risk Management and Internal Controls".**

(b) In respect of the past 12 months has the Board received assurance from the GMD and the Deputy CEO that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operation and finances; (ii) the Company's risk management and internal control system are effective? If not, how does the Board assure itself of points (i) and (ii) above? **Please refer to the section under "Accountability of the Board and Management" in Principle 10 and section under "Risk Management and Internal Controls".**

Principle 10: Accountability

Accountability of the Board and Management

The Board is responsible for presenting a balanced and understandable assessment of the Group's performance, position and prospects to its shareholders, the public and the regulators. Management is accountable to the Board and provides the Board with quarterly and full-year results, which are then reviewed and approved by the Board for release to the SGX-ST. Management also currently provides the Board with appropriately detailed management report 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 SGX-ST 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 73 of this Report. In presenting our quarterly and full-year financial results to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Group's performance, position and prospects.

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

Principle 11: Risk Management and Internal Controls

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

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

Based on the internal controls maintained by the Group, works performed by the internal and external auditors, review done by the management, various Board Committees and the Board, the Board with the concurrence of the AC, is satisfied that the Group's risk management systems and internal controls are adequate and effective in addressing financial, operational, compliance and IT risks as at 31 March 2019.

CORPORATE GOVERNANCE REPORT

The Board recognises the importance of maintaining a system of internal control processes to safeguard shareholders' interest and the Group's business and assets. The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities. The annual conduct of audits by the internal 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 whistleblowing policy which encourages employees and external parties such as vendors, clients, contractors and other stakeholders to raise concerns, in confidence, on possible irregularities to the AC. It aims to provide an avenue for employees and external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith within the ambit of the law.

The AC oversees the administration of the whistleblowing 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 whistleblowing policy are subject to the recommendation of the AC and approval by the Board prior to implementation. Changes will be notified when they are implemented. There were no reported incidents during FY2019. Report can be lodged via email at acm@singhaiyi.com. This policy has been published on the Company's website.

For FY2019, the GMD and Deputy CEO* 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 SGX-ST Listing Rules, the Board provides a negative assurance statement to shareholders in respect of the interim financial statements, which is supported by a negative assurance statement from the GMD and Deputy CEO*, 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 of the financial and business risks can be found on pages 146 to 155 of this Annual Report.

* The written confirmation ("**Confirmation**") to the Board and negative assurance statement ("**Statement**") should have been provided by the GMD and CFO of the Company. Prior to 1 April 2019, the Deputy CEO undertook the role of CFO, hence the required Confirmation and Statement were provided by the Deputy CEO for FY2019.

CORPORATE GOVERNANCE REPORT

Principle 12: Audit Committee

The Composition and Role of the AC

The AC consists of three Independent Non-Executive Directors, namely Mr. Gn (Chairman), Mr. Hwang Soo Chin and Mr. See Yen Tarn. The AC members and the AC Chairman have recent and relevant accounting knowledge or related financial management expertise and experience to discharge their 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 auditors, 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 have many years of experience in senior management positions and are appropriately qualified to discharge their responsibilities. The AC met four times in FY2019.

The AC is regulated by a set of written Terms of Reference and its principal functions include, *inter-alia*:

- To review the audit plans with the external auditor, 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 independence, 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 or professionals to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

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

CORPORATE GOVERNANCE REPORT

Guideline 12.6

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

(b) If the external auditors have supplied a substantial amount of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditor.
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 met with the external auditors in AC meetings approving the quarterly/year-end results during the year.

The AC has authority to meet with the external auditors during the financial year under review, without the presence of the Company's Management. The AC has met the external auditors and the internal auditor without the presence of Management during FY2019.

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 auditor, the technical competence of the audit team and the audit firm, ability to communicate issues and concerns to the AC, ability to meet deadlines and ability to work with Management while maintaining independence and objectivity. The Board and the AC consider it is appropriate to continue with the incumbent auditors.

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

The AC has reviewed and is satisfied that the independence and objectivity of the external auditor has not been compromised by the provision of non-audit services. The amount of audit and non-audit fees paid/payable to the external auditor in respect of FY2019 amounted to S$259,000 and S$83,000 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 25 July 2019.

The details of the remuneration of the external auditors of the Company during FY2019 are as follows:

	FY2019 (S$'000)	**FY2018 (S$'000)**
Auditors' remuneration paid/payable to:		
- Auditors of the Company	259	272
- Other auditors	28	98
Other fee paid/payable to:		
- Auditors of the Company	83	76

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

CORPORATE GOVERNANCE REPORT

Interested Person Transactions

The Company has established procedures to monitor and review Interested Person Transactions ("**IPTs**"), including ensuring compliance with the provisions of the Listing Manual related to IPTs. The AC and the Board review the IPTs on a quarterly basis. Any IPTs requiring disclosure are found in the Company's quarterly/full year results announcements and Annual Report. The Company has not obtained a general mandate from shareholders for IPTs.

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
American Pacific International Capital, Inc. ("**APIC**")[1]	S$685,000[2]	–
Interest paid/payable to APIC	S$1,981,000[3]	–
OKH Holdings Pte. Ltd. ("**OKH**")[4]	S$111,000[5]	–

Note:

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

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

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

(4) OKH is a wholly-owned subsidiary of OKH Global Ltd, which is 44.3% held by Haiyi, the controlling shareholder of the Company.

(5) This amount represents the monthly rental received/receivable from OKH.

CORPORATE GOVERNANCE REPORT

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Huajiang International Corporation Pte. Ltd. ("**HICPL**")[(1)]	S$32,975,000[(2)]	–
Huajiang Properties II Pte. Ltd. ("**HPII**")[(1)]	S$5,000,000[(3)]	–
Haiyi Wealth Pte. Ltd.("**HWPL**")[(1)]	S$115,480,000[(4)]	–

Note:

[(1)] HICPL, HPII and HWPL are entities controlled by Mr. Gordon Tang and Mrs. Celine Tang, who collectively own Haiyi, the controlling shareholder of the Company.

[(2)] This amount represents the shareholders' loan in respect of the joint venture entered into by SingHaiyi Properties Pte. Ltd. ("**SPPL**"), a wholly owned subsidiary of the Company and HICPL for the development of The Gazania. SPPL and HICPL each took up a 50% equity interest in the joint venture.

[(3)] This amount represents the shareholders' loan in respect of the joint venture entered into by Corporate Bridge Pte. Ltd. ("**CBPL**"), a wholly owned subsidiary of the Company and HPII for the development of The Lilium. CBPL and HPII each took up a 50% equity interest in the joint venture.

[(4)] This amount represents the shareholders' loan in respect of the joint venture entered into by SingHaiyi Land Pte. Ltd. ("**SLPL**"), a wholly owned subsidiary of the Company and HWPL for the enbloc acquisition of 2 – 20 Jalan Lempeng. SLPL and HWPL each took up a 50% equity interest in the joint venture.

CORPORATE GOVERNANCE REPORT

Guideline 13.1
Does the Company have an internal audit function? If not, please explain why.
Please refer to the section under "Role and Responsibilities of Internal Auditor".

Principle 13: Internal Audit

Role and Responsibilities of Internal Auditor

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

The internal auditor reports to the AC Chairman on internal audit matters. Internal auditor's performance and remuneration are reviewed by the AC. The internal audit plan is approved by the AC and the results of the audit findings are submitted to the AC for its review in its meeting. The internal auditor 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 auditor in this respect. The AC also reviews the independence, adequacy and effectiveness of the internal audit function annually. The Board and the AC are of the view that the internal audit function is adequately resourced, effective 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 Chairman of the AC, NC and RC, as well as the external auditor 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 newspapers, as well as posted on the Company's website.

CORPORATE GOVERNANCE REPORT

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 the forthcoming annual general meeting shall be conducted by poll. All polls are conducted in the presence of independent scrutineers. 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 provision under the Companies Act. Votes cast, for or against, and the respective percentages on each resolution are tallied and instantaneously announced at the meeting and announced via SGXNET on the same day of the meeting.

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

Guideline 15.4

(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?
Please refer to the section under "Communication with Shareholders".

(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs the role?
Please refer to the section under "Communication with Shareholders".

(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?
Please refer to the section under "Communication with Shareholders".

Principle 15: Communication with Shareholders

The Company is committed to maintaining sustainable and effective communications with its shareholders and investment community.

The Company has an investor relations policy in place. The policy outlines the channels and processes of the Company to ensure timely, effective, unbiased and transparent communication with its shareholders and investment community.

The Company actively engages its shareholders and the investment community via:

- Annual General Meeting ("**AGM**") and Extraordinary General Meeting ("**EGM**") if necessary;
- quarterly and full year financial results announced via SGXNet to SGX-ST and posted on the Company's website;
- site and property visits;
- roadshows;
- media interviews;
- analyst briefings;
- annual reports;
- press releases and statements;
- Notices of and explanatory notes for AGMs and EGMs;
- Company's website (www.singhaiyi.com)

Shareholders and investment community are also encouraged to contact or write to the Company's investor relations as follows:

Citigate Dewe Rogerson Singapore Pte Ltd
105 Cecil Street
#09-01 The Octagon
Singapore 069534
Tel: +65 6534 5122
Email: IR@singhaiyi.com
Chia Hui Kheng/Samantha Koh

CORPORATE GOVERNANCE REPORT

The Company has a dividend policy in place. The form, frequency and amount of dividends declared will depend on the Company's earnings, general financial and business condition, results of operations, projected capital requirements for business growth, cash flow, development plans and other factors as the Directors may deem appropriate.

In respect of FY2019, the Company had recommended a final dividend of S$0.0015 per ordinary share (one-tier tax exempt) which is subjected to shareholders' approval at the forthcoming AGM.

D. DEALINGS IN COMPANY'S SECURITIES

The Company has issued guidelines on dealing in the Company's securities. This point to the existence of insider trading laws and the rules and regulations with regard to dealings in the Company's securities by its Directors, officers and relevant employees. The Company sends out memoranda and e-mails to its Directors, officers and relevant employees to remind them that the Directors, officers and relevant employees 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, officers and relevant employees from dealing in the Company's securities on short-term considerations.

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

E. CODE OF CONDUCTS

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

F. MATERIAL CONTRACTS

Save for the IPTs as disclosed above, there were no material contracts entered into between the Company or any of its subsidiaries with any Director or controlling shareholder in FY2019.

CORPORATE GOVERNANCE REPORT

G. 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 gross proceeds of S$193.01 million be utilised to pursue the property investment in the US.

a. Rights Issue in July 2013

		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

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

b. Rights Issue in March 2018

	S$ million
Gross proceeds from Rights Issue	143.51
Less: Professional fees and related expenses of the Rights Issue	(0.35)
Net proceeds from Rights Issue	143.16

Use of proceeds in accordance with the intended use stated in circular dated 19 February 2018:

1.	Payment for acquisition of The Gazania (f.k.a. Sun Rosier)	27.10
2.	Payment for acquisition of Parc Clematis (f.k.a. Park West)	101.74
3.	General working capital [1]	11.13
	Balance of net proceeds as at date of this report	3.19

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

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

Year ended 31 March 2019

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 2019.

In our opinion:

(a) the financial statements set out on pages 81 to 158 are drawn up 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 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); 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
Mrs. Celine Tang
Mr. Mao Jinshan
Mr. Gn Hiang Meng
Mr. David Hwang Soo Chin
Mr. See Yen Tarn
Ms. Yang Manlin

DIRECTORS' INTERESTS

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

Name of director and corporation in which interests are held	**Holdings at beginning of financial year**	**Holdings at end of financial year**
Neil Bush [(1)]		
- ordinary shares		
- deemed interests	220,000,000	220,000,000
Celine Tang [(2)]		
- ordinary shares		
- deemed interests	2,779,213,367	2,779,213,367

DIRECTORS' STATEMENT (CONT'D)

Year ended 31 March 2019

Name of director and corporation in which interests are held	Holdings at beginning of financial year	Holdings at end of financial year
Mao Jinshan		
- ordinary shares		
- interests held	4,075,600	4,075,600
Gn Hiang Meng		
- ordinary shares		
- interests held	750,000	750,000
David Hwang Soo Chin		
- ordinary shares		
- interests held	1,500,000	1,500,000
Yang Manlin (3)		
- ordinary shares		
- deemed interests	237,000,000	207,000,000

(1) Mr. Neil Bush and his spouse are ultimate shareholders of New Palace Developments Limited ("NPDL"). NPDL is, or its directors are accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of Mr. Neil Bush. NPDL owns 30% in Acquire Wealth Limited ("AWL"), a shareholder of SingHaiyi Group Ltd. 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) 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 Holdings Pte Ltd ("Haiyi"). She is therefore deemed to have interest in the shares which Haiyi is interested in by virtue of Section 7 of the Act. In addition, Senz Holdings Limited ("Senz") is a shareholder of SingHaiyi Group Ltd, and she is a director of Senz, and accordingly she is also deemed to have interest in the shares which Senz is interested in by virtue of Section 7 of the Act.

(3) Ms. Yang Manlin is a shareholder and a director of Hai Run Pte. Ltd., a shareholder of SingaHaiyi Group Ltd. Accordingly, she is deemed to have interest in the shares held by Hai Run Pte. Ltd. by virtue of Section 7 of the Act.

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2019.

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.

DIRECTORS' STATEMENT (CONT'D)

Year ended 31 March 2019

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Company or its subsidiaries.

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

AUDIT COMMITTEE

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

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

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

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

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;

- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

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 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.

DIRECTORS' STATEMENT (CONT'D)

Year ended 31 March 2019

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

22 May 2019

INDEPENDENT AUDITORS' REPORT

Members of the Company
SingHaiyi Group Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SingHaiyi Group Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2019, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 81 to 158.

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 Singapore Financial Reporting Standards (International) (SFRS(I)s) 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 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key audit matters

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

Valuation of investment properties ($87,221,000) **(Refer to Note 5 to the financial statements)**	
The key audit matter	***How the matter was addressed in our audit***
As at 31 March 2019, 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. Where applicable, we evaluated the reasonableness of the estimated selling prices implied in valuation reports by comparing them with recent transacted prices of comparable properties in the vicinity. We also tested key inputs such as rental income and occupancy rate used in the valuation to actual rental income and assessed discount rates and terminal capitalisation rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. We enquired with management on their development plan to ascertain if the assumptions used in the valuation are appropriate. ***Our findings*** The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies are in line with generally accepted market practices and the key assumptions are within range of market data.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Valuation of development properties ($1,389,355,000)
(Refer to Note 11 to the financial statements)

The key audit matter	***How the matter was addressed in our audit***
As at 31 March 2019, 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/actual 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. Changes to these estimates can have a significant impact to the financial statements. For new development properties, the Group determined the estimated net realisable value of the properties based on independent external valuation.	***Our response*** We assessed the Group's processes for setting and monitoring selling prices and cost budgets/actual costs. For completed properties, we assessed the Group's estimated selling prices of the development properties by comparing them to the units that have been sold and recently transacted prices of comparable properties located in the vicinity. We have also read industry reports on industry outlook and considered their potential impact on management's estimates. For new development properties where independent external valuers were engaged, 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 understand the valuation method and basis of valuation by comparing them with methodologies applied by other valuers. Where applicable, we evaluated the reasonableness of the estimated selling prices implied in valuation reports by comparing them with recent transacted prices of comparable properties in the vicinity. We also reviewed the estimated development costs by making enquiries with management and comparing the estimation to the historical cost incurred and the approved budget. For actual costs incurred, we vouched to supporting documents. ***Our findings*** We found that the Group's assessment of the estimated selling prices, development costs of the development properties and allowance for diminution in value to be balanced. The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies are in line with generally accepted market practices and the estimated values are within range of market data.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Interests in joint ventures ($111,501,000)
(Refer to Note 7 to the financial statements)

The key audit matter	***How the matter was addressed in our audit***
The carrying value of the Group's interest in joint ventures amounted to $111,501,000 as at 31 March 2019. The main underlying asset of one of the joint ventures is property under construction. The property under construction was reclassified from property development to investment property by the joint venture due to a change of use during the year. The property was measured at cost when it was classified as development property. It was remeasured at fair value based on independent external valuation at the date when it was reclassified to investment property. The reclassification resulted in a fair value gain of $73.9 million. The Group's share of the gain was $25.9 million. Judgement is involved in determining the appropriate classification of the property. The valuation process also involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. A change in the assumptions can have a significant impact on the valuation.	***Our response*** We evaluated the reasonableness of the property's classification by inspecting the relevant documents and correspondences and making enquiry with management on the usage of the property. We assessed the qualifications and competence of the external valuer. We also read the terms of engagement of the valuer with the Group to determine whether there were any matters that might have affected his objectivity or limited the scope of his work. We held discussions with the valuer to understand their valuation method and basis of valuation by comparing them with methodologies applied by other valuer. Where applicable, we evaluated the reasonableness of the estimated selling prices implied in the valuation report by comparing them with recent transacted prices of comparable properties in the vicinity. We assessed key underlying assumptions applied such as discount rates and capitalisation rates used in the valuation by comparing them against available industry data. ***Our findings*** We found that management assessment of the classification of property to be supportable. The valuer is a member of generally-recognised professional bodies for valuers and has considered his own independence in carrying out their work. The valuation methodology is in line with generally accepted market practices and the key assumptions are within range of market data.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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.

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 SFRS(I), 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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 Teo Han Jo.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
22 May 2019

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2019

		Group			Company		
	Note	2019 $'000	2018 $'000	1 April 2017 $'000	2019 $'000	2018 $'000	1 April 2017 $'000
Non-current assets							
Property, plant and equipment	4	1,639	1,806	5,880	555	734	218
Investment properties	5	87,221	99,157	100,842	–	–	–
Subsidiaries	6	–	–	–	183,960	186,892	189,004
Associates and joint ventures	7	158,777	126,977	142,598	–	–	–
Amounts due from subsidiaries	8	–	–	–	293,611	128,661	159,821
Financial assets at fair value through other comprehensive income	9	74,720	–	–	74,720	–	–
Available-for-sale financial assets	9	–	65,420	–	–	65,420	–
Deferred tax assets	10	–	–	1,922	–	–	–
		322,357	293,360	251,242	552,846	381,707	349,043
Current assets							
Development properties	11	1,389,355	268,470	552,990	–	–	–
Contract cost	12	–	41	4,834	–	–	–
Contract assets	13	2,170	42,208	775	99	1,687	–
Trade and other receivables	14	9,973	66,407	113,545	2,418	2,678	9,332
Amounts due from subsidiaries	8	–	–	–	31,780	59,044	78,009
Financial assets at fair value through profit or loss	15	29,293	58,601	6,758	29,293	58,601	6,758
Cash and cash equivalents	16	101,030	194,029	51,701	70,596	161,378	2,356
		1,531,821	629,756	730,603	134,186	283,388	96,455
Total assets		1,854,178	923,116	981,845	687,032	665,095	445,498
Non-current liabilities							
Loans and borrowings	17	874,599	64,125	8,911	–	9	36
Loan from non-controlling interests	18	193,400	39,916	15,885	–	–	–
Deferred tax liabilities	10	4,074	6,147	14,425	–	–	–
		1,072,073	110,188	39,221	–	9	36
Current liabilities							
Trade and other payables	19	13,505	15,811	38,789	3,006	1,573	1,668
Contract liabilities	13	1	16,981	159,339	–	–	–
Loans and borrowings	17	77,889	69,224	189,451	77,588	59,720	25,821
Loan from controlling shareholder of the Company	20	–	–	15,000	–	–	15,000
Loan from a related company	21	21,316	32,964	37,714	–	–	–
Current tax payable		2,627	9,753	3,972	250	–	–
		115,338	144,733	444,265	80,844	61,293	42,489
Total liabilities		1,187,411	254,921	483,486	80,844	61,302	42,525
Equity attributable to owners of the Company							
Share capital	22	522,939	526,433	382,918	522,939	526,433	382,918
Retained earnings		135,000	125,208	105,393	73,567	66,353	14,639
Reserves	22	7,885	3,481	5,416	9,682	11,007	5,416
		665,824	655,122	493,727	606,188	603,793	402,973
Non-controlling interests	23	943	13,073	4,632	–	–	–
Total equity		666,767	668,195	498,359	606,188	603,793	402,973
Total equity and liabilities		1,854,178	923,116	981,845	687,032	665,095	445,498

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2019

	Note	2019 $'000	2018 $'000
Revenue	25	75,909	460,276
Cost of sales		(54,276)	(400,213)
Gross profit		21,633	60,063
Other income	26	11,630	13,260
Selling and marketing expenses		(5,002)	(9,425)
Administrative expenses		(11,527)	(10,858)
Other operating expenses		(16,417)	(12,746)
Results from operating activities		317	40,294
Finance income	27	9,741	2,743
Finance costs	28	(13,620)	(3,816)
Net finance costs		(3,879)	(1,073)
Share of results of equity-accounted investees, net of tax		25,151	(1,312)
Profit before tax		21,589	37,909
Tax expense	29	(3,342)	(2,740)
Profit for the year	30	18,247	35,169
Profit attributable to:			
Owners of the Company		22,646	28,426
Non-controlling interests	23	(4,399)	6,743
Profit for the year		18,247	35,169
Earnings per share	32		
Basic and diluted earnings per share (cents)		0.530	0.967

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2019

	2019 $'000	2018 $'000
Profit for the year	18,247	35,169
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss		
Changes in fair value of available-for-sale financial assets	–	5,891
Share of currency translation differences of equity-accounted investees	(1,058)	3,806
Currency translation differences relating to foreign operations	6,786	(10,890)
	5,728	(1,193)
Item that will not be reclassified to profit or loss		
Changes in fair value of financial assets at fair value through other comprehensive income	2,601	–
Other comprehensive income for the year, net of income tax	8,329	(1,193)
Total comprehensive income for the year	26,576	33,976
Total comprehensive income attributable to:		
Owners of the Company	30,975	27,233
Non-controlling interests	(4,399)	6,743
Total comprehensive income for the year	26,576	33,976

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019

		Attributable to owners of the Company							
	Note	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Fair value reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2017		382,918	5,416	–	–	105,393	493,727	4,632	498,359
Total comprehensive income for the year									
Profit for the year		–	–	–	–	28,426	28,426	6,743	35,169
Other comprehensive income									
Share of currency translation differences of equity-accounted investees		–	–	3,806	–	–	3,806	–	3,806
Changes in fair value of available-for-sale financial assets		–	–	–	5,891	–	5,891	–	5,891
Currency translation differences relating to foreign operations		–	–	(10,890)	–	–	(10,890)	–	(10,890)
Total other comprehensive income		–	–	(7,084)	5,891	–	(1,193)	–	(1,193)
Total comprehensive income for the year		–	–	(7,084)	5,891	28,426	27,233	6,743	33,976
Transactions with owners, recorded directly in equity									
Issue of shares pursuant to rights issue	22	143,515	(300)	–	–	–	143,215	–	143,215
Acquisition of non-controlling interests without a change in control		–	(442)	–	–	–	(442)	1,425	983
Capital contribution from non-controlling interests		–	–	–	–	–	–	4,500	4,500
Dividends declared	22	–	–	–	–	(8,611)	(8,611)	(4,227)	(12,838)
Total transactions with owners		143,515	(742)	–	–	(8,611)	134,162	1,698	135,860
At 31 March 2018		526,433	4,674	(7,084)	5,891	125,208	655,122	13,073	668,195

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 31 March 2019

		Attributable to owners of the Company							
	Note	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Fair value reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2018		526,433	4,674	(7,084)	5,891	125,208	655,122	13,073	668,195
Total comprehensive income for the year									
Profit for the year		–	–	–	–	22,646	22,646	(4,399)	18,247
Other comprehensive income									
Share of currency translation differences of equity-accounted investees		–	–	(1,058)	–	–	(1,058)	–	(1,058)
Changes in fair value of financial assets at fair value through other comprehensive income		–	–	–	2,601	–	2,601	–	2,601
Currency translation differences relating to foreign operations		–	–	6,786	–	–	6,786	–	6,786
Total other comprehensive income		–	–	5,728	2,601	–	8,329	–	8,329
Total comprehensive income for the year		–	–	5,728	2,601	22,646	30,975	(4,399)	26,576
Transactions with owners, recorded directly in equity									
Acquisition of treasury shares	22	–	(7,397)	–	–	–	(7,397)	–	(7,397)
Cancellation of treasury shares	22	(3,494)	3,494	–	–	–	–	–	–
Capital reduction in a subsidiary		–	–	–	–	–	–	(185)	(185)
Dividends declared	22	–	–	–	–	(12,854)	(12,854)	(7,546)	(20,400)
Transaction costs in relation to rights issue		–	(22)	–	–	–	(22)	–	(22)
Total transactions with owners		(3,494)	(3,925)	–	–	(12,854)	(20,273)	(7,731)	(28,004)
At 31 March 2019		522,939	749	(1,356)	8,492	135,000	665,824	943	666,767

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2019

	2019 $'000	2018 $'000
Cash flows from operating activities		
Profit before tax	21,589	37,909
Adjustments for:		
Changes in fair value of financial assets at fair value through profit or loss	1,149	1,644
Changes in fair value of investment properties	15,430	11,730
Depreciation of property, plant and equipment	318	351
Gain on disposal of financial assets at fair value through profit and loss	(394)	(1)
Interest and dividend income	(9,741)	(2,743)
Interest expense	12,471	2,172
Loss on disposal of property, plant and equipment	–	7
Net unrealised foreign exchange gain	(1,407)	(296)
Share of (profits)/loss of equity-accounted investees, net of tax	(25,151)	1,312
Write back of allowance for diminution in value of development properties	(1,183)	(12,458)
	13,081	39,627
Changes in:		
Contract costs	41	4,793
Contract assets/liabilities	23,058	(183,791)
Development properties	(1,113,673)	288,500
Trade and other receivables	56,434	48,419
Trade and other payables	(2,273)	(22,978)
Cash (used in)/generated from operations	(1,023,332)	174,570
Tax paid	(13,249)	(1,909)
Net cash (used in)/generated from operating activities	(1,036,581)	172,661
Cash flows from investing activities		
Acquisition of property, plant and equipment	(107)	(785)
Acquisition of investment properties	–	(9,059)
Capital expenditure on investment properties	(644)	(1,475)
Interest and dividend income received	13,255	24,181
Proceed from disposal of property, plant and equipment	–	16
Amount due from a joint venture	(11,221)	(4,604)
Investment in available-for-sale financial assets	–	(61,072)
Investment in financial asset at fair value through other comprehensive income	(9,108)	–
Investment in financial assets at fair value through profit or loss	–	(60,342)
Net proceeds from disposal of investment in financial assets at fair value through profit or loss	28,766	6,759
Net cash generated from/(used in) investing activities	20,941	(106,381)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Year ended 31 March 2019

	Note	2019 $'000	2018 $'000
Cash flows from financing activities			
Acquisition of non-controlling interests		–	(80)
Acquisition of treasury shares		(7,397)	–
(Capital reduction)/Capital contribution from non-controlling interests		(185)	4,500
Dividends paid to non-controlling interests		(7,546)	(4,227)
Dividends paid to owners of the Company		(12,854)	(8,611)
Interest paid		(12,471)	(1,984)
Proceeds from bank loans (net of transaction costs)		835,515	121,124
Proceeds from issue of shares under rights issue		–	143,515
Proceeds of loan from a related company		2,008	–
Repayment of loan from a related company		(14,952)	(2,622)
Proceeds from loan from non-controlling interests		153,455	39,916
Repayment of loan from non-controlling interests		–	(14,822)
Payment of transaction costs in relation to rights issue		(22)	(300)
Repayment of loan from controlling shareholder of the Company		–	(15,000)
Repayment of bank loans		(13,342)	(184,758)
Net cash generated from financing activities		922,209	76,651
Net (decrease)/increase in cash and cash equivalents		(93,431)	142,931
Cash and cash equivalents at beginning of the year		194,029	51,701
Effect of exchange rate fluctuations on cash held		432	(603)
Cash and cash equivalents at end of the year	16	101,030	194,029

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 May 2019.

1 DOMICILE AND ACTIVITIES

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

The financial statements of the Group as at and for the year ended 31 March 2019 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 First-time adoption of Singapore Financial Reporting Standards International ("SFRS(I)s")

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). These are the Group's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore ("FRS").

In adopting SFRS(I) in 2018, the Group has applied the transition requirements in SFRS(I) 1 with 1 April 2017 as at the date of transition. SFRS(I) generally requires that the Group applies SFRS(I) that are effective as at 31 March 2019 on a retrospective basis as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. Except as described below, the application of the mandatory exceptions and optional exemptions in SFRS(I) did not have any significant impact on the financial statements.

Exemptions applied on adoption of SFRS(I)

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to either acquisitions of subsidiaries that are considered businesses under SFRS(I), or acquisitions of interests in associates and joint ventures that occurred before 1 January 2017. The carrying amounts of assets and liabilities at the date of transition to SFRS(I) is the same as previously reported under FRS.

- The comparative information do not comply with SFRS(I) 9 *Financial Instruments* or SFRS(I) 7 *Financial Instruments*: *Disclosures* to the extent the disclosures relate to items within the scope of SFRS(I) 9.

- The Group elects to apply the optional exemption in respect of borrowing costs, whereby:
  - it accounts for borrowing costs incurred on or after the chosen date of transition in accordance with SFRS(I) 1-23 *Borrowing cost*, including those incurred on qualifying assets already under construction; and
  - it does not restate the borrowing costs capitalised under previous accounting policy before the date of initial application of SFRS(I) 1-23 *Borrowing cost*.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.1 First-time adoption of Singapore Financial Reporting Standards International ("SFRS(I)s") (cont'd)

New accounting standards effective on 1 April 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group adopted the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes the amendments to IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and Measurement of Share-based Payment Transactions* issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of Investment Property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The application of SFRS(I) 1 and the above standards and interpretations do not have a material effect on the financial statements, except for SFRS(I) 15 and SFRS(I) 9.

SFRS(I) 15 *Revenue from Contracts with Customers*

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

The Group adopted SFRS(I) 15 in its financial statements using the retrospective approach. All requirements of SFRS(I) 15 have been applied retrospectively, except for the application of the practical expedients as described below, and the information presented for 2018 has been restated.

The Group has applied the following practical expedients as allowed under SFRS(I) 1.

- Completed contracts that began and ended in the same annual reporting period in 2018 and contracts completed at 1 April 2017 are not restated.

- For the year ended 31 March 2018, the Group did not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise that amount as revenue.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.1 First-time adoption of Singapore Financial Reporting Standards International ("SFRS(I)s") (cont'd)

New accounting standards effective on 1 April 2018 (cont'd)

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' (ECL) model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 April 2018.

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate information for 2018. Accordingly, the information presented for 2018 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 April 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except as described below.

The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
- The determination of the business model within which a financial asset is held;
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest of the principal amount outstanding; and
- The designation of an investment in equity instruments that is not held for trading as being a financial asset at fair value through other comprehensive income (FVOCI).

Summary of quantitative impact

The following reconciliations summarise the impacts on initial application of SFRS(I) 15 and SFRS(I) 9 on the Group's financial positions as at 1 April 2017, 31 March 2018 and 1 April 2018 and the Group's profit or loss and other comprehensive income for the year ended 31 March 2018. There were no material adjustments to the Group's statement of cash flows for the year ended 31 March 2018 arising on the transition to SFRS(I).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.1 First-time adoption of Singapore Financial Reporting Standards International ("SFRS(I)s") (cont'd)

New accounting standards effective on 1 April 2018 (cont'd)

Reconciliation of the Group's equity
Consolidated statement of financial position

	Note	31 March 2018 FRS framework $'000	SFRS(I)1 $'000	SFRS(I)15 $'000	SFRS(I)1 framework $'000	1 April 2018 SFRS(I) 9 $'000	SFRS(I)1 framework $'000
Non-current assets							
Property, plant and equipment		1,806	–	–	1,806	–	1,806
Investment properties		99,157	–	–	99,157	–	99,157
Associates and joint ventures		126,977	–	–	126,977	–	126,977
Available-for-sale financial assets	C(i)	65,420	–	–	65,420	(65,420)	–
Financial assets at fair value through other comprehensive income	C(i)	–	–	–	–	65,420	65,420
		293,360	–	–	293,360	–	293,360
Current assets							
Development properties	B(ii)	268,452	–	18	268,470	–	268,470
Contract costs	B(i)	–	–	41	41	–	41
Contract assets	B(iii)	–	–	42,208	42,208	–	42,208
Trade and other receivables	B(iii)	108,615	–	(42,208)	66,407	–	66,407
Financial assets at fair value through profit or loss		58,601	–	–	58,601	–	58,601
Cash and cash equivalents		194,029	–	–	194,029	–	194,029
		629,697	–	59	629,756	–	629,756
Total assets		923,057	–	59	923,116	–	923,116
Non-current liabilities							
Loans and borrowings		64,125	–	–	64,125	–	64,125
Loan from non-controlling interests		39,916	–	–	39,916	–	39,916
Deferred tax liabilities		6,147	–	–	6,147	–	6,147
		110,188	–	–	110,188	–	110,188
Current liabilities							
Trade and other payables	B(ii), (iii)	32,774	–	(16,963)	15,811	–	15,811
Contract liabilities	B(iii)	–	–	16,981	16,981	–	16,981
Loans and borrowings		69,224	–	–	69,224	–	69,224
Loan from a related company		32,964	–	–	32,964	–	32,964
Current tax payable		9,753	–	–	9,753	–	9,753
		144,715	–	18	144,733	–	144,733
Total liabilities		254,903	–	18	254,921	–	254,921
Equity attributable to owners of the Company							
Share capital		526,433	–	–	526,433	–	526,433
Retained earnings	A(i), B(i)	122,098	3,069	41	125,208	–	125,208
Reserves	A(i)	6,550	(3,069)	–	3,481	–	3,481
		655,081	–	41	655,122	–	655,122
Non-controlling interests		13,073	–	–	13,073	–	13,073
Total equity		668,154	–	41	668,195	–	668,195
Total equity and liabilities		923,057	–	59	923,116	–	923,116

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.1 First-time adoption of Singapore Financial Reporting Standards International ("SFRS(I)s") (cont'd)

New accounting standards effective on 1 April 2018 (cont'd)

Reconciliation of the Group's equity
Consolidated statement of financial position (cont'd)

	Note	1 April 2017 FRS framework $'000	SFRS(I)15 $'000	SFRS(I) framework $'000
Non-current assets				
Property, plant and equipment		5,880	–	5,880
Investment properties		100,842	–	100,842
Associates and joint ventures		142,598	–	142,598
Deferred tax assets		1,922	–	1,922
		251,242	–	251,242
Current assets				
Development properties	B(ii)	551,534	1,456	552,990
Contract costs	B(i)	–	4,834	4,834
Contract assets	B(iii)	–	775	775
Trade and other receivables	B(iii)	114,320	(775)	113,545
Financial assets at fair value through profit or loss		6,758	–	6,758
Cash and cash equivalents		51,701	–	51,701
		724,313	6,290	730,603
Total assets		975,555	6,290	981,845
Non-current liabilities				
Loans and borrowings		8,911	–	8,911
Loan from non-controlling interests		15,885	–	15,885
Deferred tax liabilities		14,425	–	14,425
		39,221	–	39,221
Current liabilities				
Trade and other payables	B(ii), (iii)	196,672	(157,883)	38,789
Contract liabilities	B(iii)	–	159,339	159,339
Loans and borrowings		189,451	–	189,451
Loan from controlling shareholder of the Company		15,000	–	15,000
Loan from a related company		37,714	–	37,714
Current tax payable		3,972	–	3,972
		442,809	1,456	444,265
Total liabilities		482,030	1,456	483,486
Equity attributable to owners of the Company				
Share capital	A(i), B(i)	382,918	–	382,918
Retained earnings	A(i)	98,441	6,952	105,393
Reserves		8,485	(3,069)	5,416
		489,844	3,883	493,727
Non-controlling interests	B(i)	3,681	951	4,632
Total equity		493,525	4,834	498,359
Total equity and liabilities		975,555	6,290	981,845

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.1 First-time adoption of Singapore Financial Reporting Standards International ("SFRS(I)s") (cont'd)

New accounting standards effective on 1 April 2018 (cont'd)

Reconciliation of the Group's profit or loss
Consolidated statement of profit or loss

	Note	Year ended 31 March 2018 FRS framework $'000	SFRS(I)15 $'000	SFRS(I) framework $'000
Revenue	B(ii)	458,838	1,438	460,276
Cost of sales	B(ii)	(398,775)	(1,438)	(400,213)
Gross profit		60,063	–	60,063
Other income		13,260	–	13,260
Selling and marketing expenses	B(i)	(4,632)	(4,793)	(9,425)
Administrative expenses		(10,858)	–	(10,858)
Other operating expenses		(12,746)	–	(12,746)
Results from operating activities		45,087	(4,793)	40,294
Finance income		2,743	–	2,743
Finance costs		(3,816)	–	(3,816)
Net finance costs		(1,073)	–	(1,073)
Share of results of equity-accounted investees, net of tax		(1,312)	–	(1,312)
Profit before tax		42,702	(4,793)	37,909
Tax expense		(2,740)	–	(2,740)
Profit for the year		39,962	(4,793)	35,169
Profit attributable to:				
Owners of the Company		32,268	(3,842)	28,426
Non-controlling interests		7,694	(951)	6,743
Profit for the year		39,962	(4,793)	35,169

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.1 First-time adoption of Singapore Financial Reporting Standards International ("SFRS(I)s") (cont'd)

New accounting standards effective on 1 April 2018 (cont'd)

Reconciliation of the Group's total comprehensive income
Consolidated statement of other comprehensive income

		Year ended 31 March 2018		
	Note	**FRS framework $'000**	**SFRS(I)15 $'000**	**SFRS(I) framework $'000**
Profit for the year	B(i)	39,962	(4,793)	35,169
Other comprehensive income:				
Items that are or may be reclassified subsequently to profit or loss				
Share of currency translation differences of equity-accounted investees		3,806	–	3,806
Change in fair value of available-for-sale financial assets		5,891	–	5,891
Currency translation differences relating to foreign operations		(10,890)	–	(10,890)
Other comprehensive income for the year, net of income tax		(1,193)	–	(1,193)
Total comprehensive income for the year	B(i)	38,769	(4,793)	33,976
Total comprehensive income attributable to:				
Owners of the Company		31,075	(3,842)	27,233
Non-controlling interests		7,694	(951)	6,743
Total comprehensive income for the year		38,769	(4,793)	33,976

Notes to the reconciliations

A. SFRS(I) 1

(i) Foreign currency translation reserve (FCTR)

The Group considers that restating FCTR to comply with current SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* may not be practicable as certain acquisitions and disposals were transacted at dates that preceded the statutory record keeping periods.

The Group elected the optional exemption in SFRS(I) 1 to reset its cumulative FCTR for all foreign operations to nil at the date of transition, and reclassified the cumulative FCTR of $3.1 million as at 1 April 2017 determined in accordance with FRS to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

By electing this optional exemption, the cumulative FCTR decreased by $3.1 million and retained earnings increased by the same amount as at 1 April 2017.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.1 First-time adoption of Singapore Financial Reporting Standards International ("SFRS(I)s") (cont'd)

New accounting standards effective on 1 April 2018 (cont'd)

Notes to the reconciliations (cont'd)

B. SFRS(I) 15

The impact upon the adoption of SFRS(I) 15, including the corresponding tax effects, are described below.

(i) Sales commissions paid to sales or marketing agents on the sale of development properties

The Group pays commissions to property agents on the sale of development properties and previously recognised such sales commissions as an expense when incurred, but are now capitalising such costs as costs of obtaining a contract under SFRS(I) 15 as they are incremental and are expected to be recovered. The capitalised costs are amortised consistently with the pattern of revenue recognised for the related contract. The impact to the financial statements is as follows:

	31 March 2018 $'000	1 April 2017 $'000
Consolidated statement of financial position		
Increase in contract costs	41	4,834
Increase in retained earnings	(41)	(3,883)
Increase in non-controlling interests	–	(951)

	Year ended 31 March 2018 $'000	Year ended 31 March 2017 $'000
Consolidated statement of profit or loss		
(Increase)/Decrease in selling and marketing expenses and (Decrease)/Increase in profit for the year	(4,793)	3,118

(ii) Significant financing components arising from payments from customers from sale of development properties

The Group receives payments from customers for the sale of development properties. Under certain payment arrangements, the time when payments are made by the buyers and the transfer of control of the properties to the buyers do not coincide and where the difference between the timing of receipt of the payments and the transfer of goods and services is 12 months or more, there may exist a significant financing component arising from payments from buyers. As a result of the adoption of SFRS(I) 15, a finance income or finance expenses will be recognised depending on the arrangements. The impact to the financial statements is as follows:

	31 March 2018 $'000	1 April 2017 $'000
Consolidated statement of financial position		
Increase in trade and other payables	(18)	(1,456)
Increase in development properties	18	1,456

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.1 First-time adoption of Singapore Financial Reporting Standards International ("SFRS(I)s") (cont'd)

New accounting standards effective on 1 April 2018 (cont'd)

Notes to the reconciliations (cont'd)

B. SFRS(I) 15 (cont'd)

(ii) Significant financing components arising from payments from customers from sale of development properties (cont'd)

	Year ended 31 March 2018 $'000
Consolidated statement of profit or loss	
Increase in revenue	1,438
Increase in cost of sales	(1,438)

(iii) Presentation of contract assets and liabilities

On adopting SFRS(I) 15, the Group has also changed the presentation of the following amounts:

(a) Contract assets in respect of the property development business which relate primarily to the Group's right to consideration for work completed but have not been billed at the reporting date.

As at 31 March 2018, $42,208,000 (1 April 2017: $775,000) which presented as "Accrued receivables" under Trade and other receivables has been reclassified to contract assets,

(b) Contract liabilities in respect of the property development business which relate mainly to advance consideration from customers and progress billings in excess of the Group's right to the consideration.

As at 31 March 2018, $16,981,000 (1 April 2017: $159,339,000) which was presented as "Deferred income" under Trade and other payables has been reclassified to contract liabilities.

C. SFRS(I) 9

The impact upon adoption of SFRS(I) 9, including the corresponding tax effects, are described below.

(i) Classification of financial assets and financial liabilities

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instruments as a whole is assessed for classification.

For an explanation of how the Group classifies and measures financial assets and related gains and losses under SFRS(I) 9, see Note 3.3.

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.1 First-time adoption of Singapore Financial Reporting Standards International ("SFRS(I)s") (cont'd)

New accounting standards effective on 1 April 2018 (cont'd)

Notes to the reconciliations (cont'd)

C. SFRS(I) 9 (cont'd)

(i) Classification of financial assets and financial liabilities (cont'd)

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's financial assets as at 1 April 2018.

	Note	Original classification under FRS 39	New classification under SFRS(I) 9	1 April 2018 Original carrying amount under FRS 39 $'000	1 April 2018 New carrying amount under under SFRS(I) 9 $'000
Financial assets					
Equity investments	(a)	Available-for-sale	FVOCI – equity instrument	65,420	65,420
Equity investments	(b)	FVTPL	FVTPL	58,601	58,601
				124,021	124,021
Trade and other receivables	(c)	Loans and receivables	Amortised cost	66,407	66,407
Cash and cash equivalents		Loans and receivables	Amortised cost	194,029	194,029
Total financial assets				384,457	384,457

(a) These investments represent investments that the Group intends to hold for the long term for strategic purposes. The Group has designated these investments at 1 April 2018 as measured at FVOCI. Unlike FRS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

(b) Under FRS 39, these investments were designated as at FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatorily measured at FVTPL under SFRS(I) 9.

(c) Trade and other receivables that were classified as loans and receivables under FRS 39 are now classified at amortised cost.

(ii) Impairment of financial assets

SFRS(I) 9 replaces the 'incurred loss' model in FRS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and contract assets, but not to equity instrument.

The Group applied the simplified approach and record lifetime expected losses on all trade receivables and contract assets. The amount of the allowance was negligible.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

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 SFRS(I) 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.

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

- Note 5 Determination of the fair values of investment properties
- Note 6 & 8 Measurement of recoverable amounts of investments in and amounts due from subsidiaries
- Note 11 Allowance for diminution in value of development properties
- Note 10 Utilisation of tax losses
- Note 29 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 SFRS(I), 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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values (cont'd)

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

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

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

- Note 5 Investment properties
- Note 9 Financial assets at fair value through other comprehensive income
- Note 15 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 in preparing the opening SFRS(I) statements of financial position at 1 April 2017 for the purpose of the transition to SFRS(I), unless otherwise indicated.

The accounting policies have been applied consistently by Group entities.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when 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 ("NCI") 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Business combinations (cont'd)

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.

NCI 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 NCI'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 NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, 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 NCI 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 NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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 ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its investment 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 generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at fair value through other comprehensive income ("FVOCI") (2018: available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss));
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedge is effective.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

Foreign operations

The assets and liabilities of foreign operations, including 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.

Foreign currency differences are recognised in OCI, 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 NCI. 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 NCI. 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 OCI, and are presented in the translation reserve in equity.

3.3 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

Non-derivative financial assets – Policy applicable from 1 April 2018 (cont'd)

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment – Policy applicable from 1 April 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice; These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 April 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 April 2018 (cont'd)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 April 2018

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Non-derivative financial assets – Policy applicable before 1 April 2018

The Group classifies non-derivative financial assets into the following categories: loans and receivables, available-for-sale financial assets and financial assets at FVTPL.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 April 2018

Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were 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 were measured at amortised cost using the effective interest method, less any impairment losses.

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

Available-for-sale financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 April 2018 (cont'd)

Available-for-sale financial assets comprised equity investments.

Financial assets at FVTPL

A financial asset was classified at FVTPL if it was classified as held-for-trading or was designated as such upon initial recognition. Financial assets were designated at FVTPL if the Group managed such investments and made purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Directly attributable transaction costs were recognised in profit or loss as incurred. Financial assets at FVTPL were measured at fair value, and changes therein, which took into account any dividend income, were recognised in profit or loss.

Financial assets designated at FVTPL comprised equity investments that otherwise would have been classified as available-for-sale.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings, loan from non-controlling interests, trade and other payables, loan from controlling shareholder of the Company and loan from a related company.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Offsetting

Financial assets and financial 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 set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

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.

Share capital

Ordinary shares

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

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

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

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 meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Loss allowances for ECLs for financial guarantees issued are presented in the Company's statement of financial position as 'loans and borrowings'.

Intra-group financial guarantees in the separate financial statements – Policy applicable before 1 April 2018

The policy applied in the comparative information presented for 2018 is similar to that applied for 2019. However, for subsequent measurement, the financial guarantees were measured at the higher of the amortised amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment

Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

Subsequent costs

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

Depreciation

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

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

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

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

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

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

Reclassification to investment property

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 (applicable to construction of a development for which revenue is to be recognised at a point in time) and other costs directly attributable to the development activities.

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.

When the use of a property changes from development to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain/loss arising on remeasurement is recognised in profit or loss.

3.7 Contract costs

Incremental costs of obtaining a contract for the sale of a development property are capitalised as contract costs only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue on the contract. An impairment loss is recognised in profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

3.8 Contract assets and contract liabilities

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction of development properties. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 3.14). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment

Non-derivative financial assets and contract assets

Policy applicable from 1 April 2018

The Group recognises loss allowances for ECL on financial assets measured at amortised costs and contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract assets.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

Non-derivative financial assets and contract assets (cont'd)

Policy applicable from 1 April 2018 (cont'd)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 April 2018

A financial asset not carried at FVTPL, including an interest in an associate and joint venture, was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets (including equity investments) were 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 in the Group, 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

Non-derivative financial assets and contract assets (cont'd)

Policy applicable before 1 April 2018 (cont'd)

Loans and receivables and contract assets

The Group considered evidence of impairment for loans and receivables and contract assets at both an individual asset and collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets were recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The amount reclassified was the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increased and the increase was related objectively to an event occurring after the impairment loss was recognised, then the impairment loss was reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity security classified as available-for-sale were not 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 the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

Non-derivative financial assets and contract assets (cont'd)

Policy applicable before 1 April 2018 (cont'd)

Non-financial assets (cont'd)

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

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

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

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

3.10 Employee benefits

Defined contribution plans

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

Short-term employee benefits

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

Share-based payment transactions

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 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.

3.12 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 OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provision, Contingent Liabilities and Contingent Assets.*

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. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

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

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

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

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

Deferred tax asset are recognised for unused tax losses, unused 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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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; such reductions are reversed when the probability of future taxable profits improves.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Tax (cont'd)

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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.

3.13 Finance income and finance costs

The Group's finance income and finance costs include:
- interest income;
- interest expense;
- dividend income;
- the net gain or loss on financial assets at FVTPL; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.14 Revenue recognition

Sale of development properties

The Group develops and sells residential and mixed development projects to customers through fixed-price contracts. Revenue is recognised when the control over a development property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue recognition (cont'd)

Sale of development properties (cont'd)

Where a development property has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to date arising from the contractual terms, revenue is recognised over time by reference to the Group's progress towards completing the construction of the development property. The measure of progress is determined based on the stage of completion of construction certified by quantity surveyors. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of contracts where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised only when the completed property is delivered to the customer and the customer has accepted it in accordance with the sales contract.

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception. A finance income or finance expense will be recognised depending on the arrangement. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of goods or services to a customer and the payment date is 12 months or less.

Revenue is measured at the transaction price agreed under the contract entered into with customers. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced based on a payment schedule which is typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised. The accounting policy for contract assets and contract liabilities is set out in note 3.8.

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.

3.15 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 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 and are subject to ECL assessment. The unwinding of the difference is recognised as interest income in profit or loss over the expected repayment period.

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

3.17 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.

3.18 Earnings per share

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

3.19 Segment reporting

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

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

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

3.20 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 38.

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings $'000	Leasehold improvements $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Cost							
At 1 April 2017	4,926	1,219	180	451	112	567	7,455
Additions	–	606	83	48	23	25	785
Disposal	–	–	–	–	–	(31)	(31)
Reclassification to investment properties	(4,926)	–	–	–	–	–	(4,926)
Translation differences	–	(43)	(5)	(27)	–	(11)	(86)
At 31 March 2018	–	1,782	258	472	135	550	3,197
Additions	–	1	23	5	74	4	107
Translation differences	–	31	3	17	1	5	57
At 31 March 2019	–	1,814	284	494	210	559	3,361
Accumulated depreciation							
At 1 April 2017	423	637	127	30	88	270	1,575
Depreciation charge for the year	87	112	30	21	15	86	351
Disposal	–	–	–	–	–	(8)	(8)
Reclassification to investment properties	(510)	–	–	–	–	–	(510)
Translation differences	–	(9)	(2)	(1)	–	(5)	(17)
At 31 March 2018	–	740	155	50	103	343	1,391
Depreciation charge for the year	–	188	29	15	20	66	318
Translation differences	–	6	1	1	1	4	13
At 31 March 2019	–	934	185	66	124	413	1,722
Carrying amounts							
At 1 April 2017	4,503	582	53	421	24	297	5,880
At 31 March 2018	–	1,042	103	422	32	207	1,806
At 31 March 2019	–	880	99	428	86	146	1,639

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold Improve-ments $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Company						
Cost						
At 1 April 2017	–	28	11	82	390	511
Additions	524	83	18	23	–	648
At 31 March 2018	524	111	29	105	390	1,159
Additions	1	7	5	65	–	78
At 31 March 2019	525	118	34	170	390	1,237
Acumulated depreciation						
At 1 April 2017						
Depreciation charge for the year	–	21	7	62	203	293
At 31 March 2018	68	10	3	13	38	132
Depreciation charge for the year	68	31	10	75	241	425
At 31 March 2019	175	19	6	18	39	257
	243	50	16	93	280	682
Carrying amounts						
At 1 April 2017	–	7	4	20	187	218
At 31 March 2018	456	80	19	30	149	734
At 31 March 2019	282	68	18	77	110	555

At 31 March 2019, motor vehicles of the Group and the Company with carrying amounts of $110,000 (2018: $149,000) are held under finance lease (note 17).

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

5 INVESTMENT PROPERTIES

	Group 2019 $'000	Group 2018 $'000
Investment properties at fair value	87,221	99,157

The details of the Group's investment properties as at 31 March 2019 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 office units, No. 883 North Bridge Road, Southbank, Singapore 198785	6,028	99 years commencing from 27 January 2006 to 26 January 2105
10 factory units, 81 Ubi Avenue 4, #02-19 to #02-28, UB. One, Singapore 408830	13,853	60 years commencing from 31 December 2008 to 30 December 2068
1 office unit, No.8 Eu Tong Sen Street #23-81, The Central, Singapore 059818	1,216	99 years commencing from 21 January 2001 to 20 January 2100
5 factory units, #02-02, #02-04 to #02-07, 701 Sims Drive LHK Building Singapore, 387383	14,736	Freehold

The investment properties comprise a shopping mall, several office and factory units that are leased to non-related parties under operating leases. Generally, the leases contain an initial non-cancellable period of 1 to 10 years. Subsequent renewals are negotiated with the lessee. During the year, contingent rents, representing income based on certain sales achieved by tenants, recognised in profit or loss amounted to $1,161,000 (2018: $1,333,000).

Security

At 31 March 2019, investment properties of the Group with carrying amounts of $11,240,000 (2018: $17,305,000) are pledged as security to secure credit facilities (note 17).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

5 INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value

(i) Fair value hierarchy

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

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

(ii) Level 3 fair value

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

	Group	
	2019	**2018**
	$'000	**$'000**
At beginning of the year	99,157	100,842
Acquisition of investment properties	–	9,059
Capital expenditure on investment properties	644	1,475
Reclassification from property, plant and equipment	–	4,416
Changes in fair value	(15,430)	(11,730)
Currency translation differences	2,850	(4,905)
At end of the year	87,221	99,157

Valuation technique and significant unobservable inputs

The valuers have considered valuation techniques including the discounted cash flow method and direct market comparison method. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The direct market comparison method involves the analysis of comparable sales of similar properties, with adjustments made to differentiate the comparables in terms of location, area, quality and other relevant factors.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

5 INVESTMENT PROPERTIES (CONT'D)

Valuation technique and significant unobservable inputs (cont'd)

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

Valuation techniques	Unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows approach	Rent growth rate	2.7% to 6.5% (2018: 3.2% to 7.3%)	Increase in rent growth rate and price per square foot would result in higher fair value measurement. Conversely, increase in both discount and terminal capitalisation rates in isolation would result in lower fair value measurement.
	Discount rate	13.5% (2018: 12.0%)	
	Terminal capitalisation rate	13% (2018: 11.5%)	
Market comparable approach	Price per square foot	$546 to $2,549 (2018: $543 to $2,549)	

6 SUBSIDIARIES

	Company 2019 $'000	Company 2018 $'000
Equity investment, at cost	148,562	149,302
Less: Allowance for impairment loss of investments	(1,000)	(1,000)
	147,562	148,302
Amount due from a subsidiary	36,398	38,590
	183,960	186,892

Amount due from a subsidiary of $38,590 as at 31 March 2018 was classified as loan and receivables. On adoption of SFRS(I) 9, the amount is classified as financial assets at amortised cost. Allowance for impairment on this amount on adoption of SFRS(I) 9 is insignificant. The amount is unsecured, interest-free and have no fixed terms of repayment. The settlement of the balance is neither planned nor likely to occur in the foreseeable future and hence the balance is classified as non-current.

Impairment of investment in subsidiaries

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

6 SUBSIDIARIES (CONT'D)

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

Company name	Principal activities	Principal place of business/ Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Anchorvale Residences Pte Ltd	Real estate development	Singapore	80	80
Charlton Residences Pte Ltd	Real estate development	Singapore	80	80
Corporate Residence Pte Ltd	Real estate development	Singapore	100	100
Ocean Landing LLC	Real estate development	USA	100	100
Sing-Haiyi Crystal Pte Ltd	Real estate development	Singapore	50	50
Sing-Haiyi Gold Pte Ltd	Real estate development	Singapore	50	50
SingHaiyi Huajiang Amber Pte Ltd	Real estate development	Singapore	50	50
SingHaiyi Huajiang Sun Pte Ltd	Real estate development	Singapore	50	50
SingXpress Kaylim Pte Ltd	Real estate development	Singapore	80	80
Vietnam Town Property LLC	Real estate development	USA	100	100
Angel Investment Management Pte Ltd	Properties holding	Singapore	100	100
SXL Model Productions Pte Ltd	Properties holding	Singapore	100	100
SingHaiyi Capital Pte Ltd	Properties investment	Singapore	100	100
Tri-County Mall LLC	Properties investment	USA	100	100
SingHaiyi Development Pte Ltd	Property development advisory services	Singapore	100	100
Asset Century International Limited	Investment holding	British Virgin Islands	100	100
Corporate Bridge International Pte Ltd	Investment holding	Singapore	100	100
Corporate Bridge Pte Ltd	Investment holding	Singapore	100	100
Golden Gulf Enterprises Limited	Investment holding	British Virgin Islands	100	100
Phoenix 99 Pte Ltd	Investment holding	Singapore	100	100
Phoenix Real Estate Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Huajiang Investment Pte Ltd	Investment holding	Singapore	50	50
SingHaiyi Investment Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Land Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Properties Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Realtors Pte Ltd	Investment holding	Singapore	100	100
Sing-Haiyi Realty Pte Ltd	Investment holding	Singapore	100	100
Sing-Haiyi Treasure Pte Ltd	Investment holding	Singapore	50	50
SingHaiyi Travel Holdings Pte Ltd	Investment holding	Singapore	100	100
SingXpress Land (Pasir Ris) Pte Ltd	Investment holding	Singapore	100	100
SingXpress Property Development Pte Ltd	Investment holding	Singapore	81.6	81.6

KPMG LLP are the auditors of all significant Singapore-incorporated subsidiaries. The foreign-incorporated subsidiaries are not required to be audited under the laws of the place of incorporation and are insignificant to the Group. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

7 ASSOCIATES AND JOINT VENTURES

	Group 2019 $'000	Group 2018 $'000
Interest in associates	47,276	52,329
Interest in joint ventures	111,501	74,648
	158,777	126,977

(a) *Associates*

Details of material associates are as follows:

Name	Principal activities	Principal place of business/ Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
ARA Harmony Fund III [(1)]	Real estate investment	Cayman Islands	25	25
Tampines EC Pte Ltd [(2)]	Real estate development	Singapore	24.48	24.48

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

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

	ARA Harmony Fund III $'000	Tampines EC Pte Ltd $'000	Total $'000
2019			
Revenue	45,330	–	
(Loss)/Profit and total comprehensive income	(3,767)	133	
Non-current assets	87,542	–	
Current assets	512,424	6,488	
Current liabilities	(412,537)	(5,090)	
Net assets	187,429	1,398	
Group's interests in net assets of investee at beginning of the year	51,050	1,279	52,329
Dividends received during the year	(2,194)	(900)	(3,094)
Group's share of:			
- (loss)/profit and total comprehensive income for the year	(941)	40	(901)
- currency translation differences	(1,058)	–	(1,058)
Carrying amount of interests in investee at end of the year	46,857	419	47,276

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Year ended 31 March 2019

7 ASSOCIATES AND JOINT VENTURES (CONT'D)

(a) Associates (cont'd)

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

(b) Joint ventures

	Group 2019 $'000	Group 2018 $'000
Unquoted shares in joint ventures, at cost	17,500	17,500
Share of post-acquisition reserve	29,530	3,898
	47,030	21,398
Amount due from a joint venture	64,471	53,250
	111,501	74,648

Amount due from a joint venture of $53,250 as at 31 March 2018 was classified as loan and receivables. On adoption of SFRS(I) 9, the amount is classified as financial assets at amortised cost. Allowance for impairment on this amount on adoption of SFRS(I) 9 is insignificant. The amount is unsecured, interest-free and have no fixed terms of repayment. The settlement of the balance is neither planned nor likely to occur in the foreseeable future and hence the balance is classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

7 ASSOCIATES AND JOINT VENTURES (CONT'D)

(b) Joint ventures (cont'd)

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
ARA Fund Management (Harmony III) Limited ("AFM")*	Cayman Island	35	35
Park Mall Investment Limited ("PMIL") (wholly own Park Mall Pte. Ltd., a company incorporated in Singapore and with its principal activity of property investment and redevelopment)*	British Virgin Islands	35	35

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

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

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

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

	AFM $'000	PMIL $'000	Total $'000
2019			
Revenue	2,393	–	
Profit and total comprehensive income (1)	1,260	73,176	
Non-current assets	–	757,000	
Current assets (2)	1,117	11,279	
Non-current liabilities (3)	–	(597,081)	
Current liabilities	(132)	(37,809)	
Net assets	985	133,389	
Group's interests in net assets of investee at beginning of the year	324	21,074	21,398
Dividends received during the year	(420)	–	(420)
Share of total comprehensive income	440	25,612	26,052
Carrying amount of interests in investee at end of the year	344	46,686	47,030
Includes the following:			
(1) Income tax credit	–	(316)	
(2) Cash and cash equivalents	533	8,950	
(3) Non-current financial liabilities (excluding trade and other payables, and provisions)	–	(597,081)	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

7 ASSOCIATES AND JOINT VENTURES (CONT'D)

(b) Joint ventures (cont'd)

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

In accordance with the agreement under which PMIL was established, the Group agreed to make additional contributions in proportion to their interests for the purpose of redevelopment of the property acquired, up to a maximum amount of $52,391,000 (2018: $63,611,000). This is inclusive of the Group's share of PMIL's commitment. The commitment has not been recognised in the Group's consolidated financial statements.

There were no contingent liabilities as at 31 March 2019.

8 AMOUNTS DUE FROM SUBSIDIARIES

	Company 2019 $'000	Company 2018 $'000
Non-current		
Loans to subsidiaries	293,611	128,661
Current		
Loans to subsidiaries	43,671	70,935
Less: Allowance for impairment loss of loans	(11,891)	(11,891)
	31,780	59,044

Non-current amounts due from subsidiaries are unsecured and bear interests ranging from 5.25% – 6.50% (2018: 5.25% – 6.50%) per annum. The amounts are not expected to be repaid within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

8 AMOUNTS DUE FROM SUBSIDIARIES (CONT'D)

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

The movements in the allowance for impairment in respect of amounts due from subsidiaries during the year was as follows:

	Company 2019 $'000	Company 2018 $'000
At beginning of the year	11,891	22,519
Reversal of impairment losses	–	(10,628)
At end of the year	11,891	11,891

Further details regarding the Group's subsidiaries are set out in note 6.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

At 1 April 2018, the Group designated equity investments as financial assets at fair value through other comprehensive income because these equity investments represent investments that the Group intends to hold for the long-term for strategic purposes. In 2018, equity investments were classified as available-for-sale.

	Financial assets at fair value through other comprehensive income Group/Company		Available-for-sales Group/Company	
	Fair value at 31 March 2019 $'000	Dividend income recognised during 2019 $'000	Fair value at 31 March 2018 $'000	Dividend income recognised during 2018 $'000
Equity investments	74,720	4,884	65,420	1,526

Credit and market risks, and fair value measurement

The fair values of financial assets at fair value through other comprehensive income (2018: available-for-sale) are determined by references to their quoted closing bid prices in an active market at the measurement date.

10 DEFERRED TAX ASSETS AND LIABILITIES

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

	Balance at beginning of the year $'000	Currency translation difference $'000	Recognised in profit or loss (note 29) $'000	Balance at end of the year $'000
Group				
2019				
Investment properties	(6,147)	(250)	2,323	(4,074)
2018				
Investment properties	(14,425)	656	7,622	(6,147)
Tax losses	1,922	–	(1,922)	–
	(12,503)	656	5,700	(6,147)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

10 DEFERRED TAX ASSETS AND LIABILITIES (CONTD')

Presented as follows:

	Group	
	2019	2018
	$'000	$'000
Deferred tax liabilities	(4,074)	(6,147)

Unrecognised deferred tax assets and liabilities

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

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Tax losses	42,092	24,916	–	–

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 $5,549,000 (2018: $3,616,000) as the Group is able to control the timing of the reversal of this temporary difference and it is not probable that these earnings will be repatriated in the foreseeable future.

11 DEVELOPMENT PROPERTIES

	Group		
	2019	2018	1 April 2017
	$'000	$'000	$'000
(a) Properties under development, for which revenue is to be recognised at a point in time			
Land and land related cost	52,716	50,590	280,199
Development costs	11,547	8,631	155,211
Properties under development	64,263	59,221	435,410
Properties under development, for which revenue is recognised over time			
Land and land related cost	1,237,257	83,585	25,740
Development costs	7,803	558	92,798
	1,245,060	84,143	118,538
Allowance for diminution in value	–	–	(14,400)
	1,245,060	84,143	104,138
Properties under development	1,309,323	143,364	539,548
(b) Completed development properties, at cost	80,791	127,048	13,442
Allowance for diminution in value	(759)	(1,942)	–
Completed development properties	80,032	125,106	13,442
Total development properties	1,389,355	268,470	552,990

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

11 DEVELOPMENT PROPERTIES (CONT'D)

(i) *Allowance for diminution in value*

Movement in allowance for diminution in value was as follows:

	Group 2019 $'000	Group 2018 $'000
At 1 January	1,942	14,400
Allowance written back	(1,183)	(12,458)
At 31 December	759	1,942

The allowance for foreseeable losses is determined by the management after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing property market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred.

(ii) Development properties of the Group recognised as cost of sales, excluding foreseeable losses, amounted to $50,310,000 (2018: $406,387,000) for the year.

(iii) As at 31 March 2019, development properties of the Group with carrying amounts of $1,245,060,000 (2018: $117,045,000) are pledged as security to secured credit facilities (note 17).

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

Location	Tenure	Land area (Sq. ft)	Gross floor area (Sq. ft)	Percentage of completion	Interest held by the Group
Completed projects					
235 Balestier Road, Singapore	Freehold	11,384	31,875	100%	100%
Pasir Ris Central/ Pasir Ris Drive 1, Singapore	99 year leasehold	176,400	441,000	100%	80%
Anchorvale Crescent, Singapore	99 year leasehold	175,236	525,709	100%	80%
Story Road, Santa Clara County, California, USA (Phase 1)	Freehold	410,766	160,878	100%	100%
Story Road, Santa Clara County, California, USA (Phase 2)	Freehold	442,736	223,990	100%	100%
Projects under development					
5 Thomas Mellon Circle, San Francisco, California, USA	Freehold	204,300	–	Planned development	100%
The Lilium How Sun Road, Singapore	Freehold	54,942	84,604	Planned development	50%
The Gazania How Sun Drive, Singapore	Freehold	146,046	224,912	Planned development	50%
Parc Clematis Jalan Lempeng, Singapore	99 year leasehold	633,639	1,330,642	Planned development	50%

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

12 CONTRACT COSTS

The amount relates to commission fees paid to property agents for securing sale contracts for the Group's development properties.

Capitalised commission fees are amortised when the related revenue is recognised. During the year, $41,000 (2018: $4,793,000) was amortised. There was no impairment loss in relation to such costs capitalised.

	Group			Company		
			1 April			1 April
	2019	2018	2017	2019	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000
At beginning of the year	41	4,834	1,716	–	–	–
Addition	–	–	3,118	–	–	–
Amortised to profit or loss	(41)	(4,793)	–	–	–	–
At end of the year	–	41	4,834	–	–	–

13 CONTRACT ASSETS/(LIABILITIES)

		Group			Company		
				1 April			1 April
	Note	2019	2018	2017	2019	2018	2017
		$'000	$'000	$'000	$'000	$'000	$'000
Contract assets	(i)	2,170	42,208	775	99	1,687	–
Contract liabilities	(ii)	(1)	(16,981)	(159,339)	–	–	–

(i) Contract assets

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business and project management contracts. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customers.

Contract assets decreased and increased during 2019 and 2018 respectively due to the timing differences between the agreed payment schedule and the progress of the construction work.

(ii) Contract liabilities

Contract liabilities relate primarily to advance consideration received from customers.

Contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the year are as follows:

	Group	
	2019	2018
	$'000	$'000
Contract liabilities at the beginning of the year recognised as revenue during the year	16,980	159,339
Increases due to cash received, excluding amounts recognised as revenue during the year	–	(16,981)

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Year ended 31 March 2019

14 TRADE AND OTHER RECEIVABLES

	Group			Company		
	2019	2018	1 April 2017	2019	2018	1 April 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Trade receivables	700	541	5,301	115	199	10
Less: impairment loss	(33)	(33)	(18)	–	–	–
	667	508	5,283	115	199	10
Other receivables	2,220	2,364	106,218	1,976	2,184	9,219
Deposits	1,786	28,389	189	299	205	80
	4,673	31,261	111,690	2,390	2,588	9,309
Tax recoverable	2,150	1,420	1,803	–	–	–
Prepaid expenses	3,150	33,726	52	28	90	23
	9,973	66,407	113,545	2,418	2,678	9,332

Included in other receivables as at 1 April 2017 was an amount of $94,625,000 relating to remaining sale proceeds from the disposal of the Group's investment in an associate, Perennial Somerset Investors Pte Ltd, and other investment. The amount was collected in year 2018.

Included in deposit of the Group as at 31 March 2018 was a deposit of $28,100,000 paid for acquisition of two new development sites. The acquisition of the development sites has been completed in year 2019.

Included in prepaid expenses of the Group as at 31 March 2018 was a stamp duty of $33,400,000 paid for the acquisition of new development sites as mentioned in preceding paragraph.

Included in prepaid expenses of the Group as at 31 March 2019 was prepaid banking facility fees of $2,386,000.

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets are pledged as securities to secure credit facilities (note 17).

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.

16 CASH AND CASH EQUIVALENTS

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Amount held under "Project Account Rules – 1997 Ed" withdrawals from which are restricted to payments for expenditure incurred on projects	5,334	15,533	–	–
Short term bank deposits	68,977	161,229	68,977	159,939
Cash at banks and in hand	26,719	17,267	1,619	1,439
Cash and cash equivalents	101,030	194,029	70,596	161,378

The Group's and the Company's short term deposits bear interest at rates ranging from 0.93% to 1.84% (2018: 0.44% to 1.32%) per annum during the year. Interest rates are repriced at intervals of between one week to one month.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

17 LOANS AND BORROWINGS

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Secured	952,479	133,313	77,579	59,693
Bank loans	9	36	9	36
Finance lease liabilities	952,488	133,349	77,588	59,729
Repayable:				
Within 1 year	77,889	69,224	77,588	59,720
After 1 year but within 5 years	872,473	59,035	–	9
After 5 years	2,126	5,090	–	–
	874,599	64,125	–	9
	952,488	133,349	77,588	59,729

The bank loans are secured by:

(a) the borrowing subsidiaries' motor vehicles, investment properties and development properties (notes 4, 5 and 11);

(b) assignment of all rights and benefits to sale, lease and insurance proceeds in respect of leasehold buildings, investment properties and development properties;

(c) corporate guarantees by the Company;

(d) a charge over financial assets at fair value through profit or loss with an amount of $29,293,000 (2018: $58,601,000); and

(e) a charge over financial asset at fair value through other comprehensive income (2018: available-for-sale financial assets) with an amount of $74,720,000 (2018: $65,420,000).

The effective interest rates of the bank loans for the Group and the Company are 2.91% (2018: 2.47%) and 2.32% (2018: 2.40%) per annum respectively.

17 LOANS AND BORROWINGS (CONT'D)

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

	Liabilities				Equity				
	Loans and borrowings $'000	Loan from controlling shareholder of the Company $'000	Loan from non-controlling interests $'000	Loan from a related company $'000	Share capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total $'000
Balance at 1 April 2017	198,362	15,000	15,885	37,714	382,918	5,416	105,393	4,632	765,320
Changes from financing cash flows									
Acquisition of non-controlling interests	–	–	(1,063)	–	–	(442)	–	1,425	(80)
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	4,500	4,500
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(4,227)	(4,227)
Dividends paid to owners of the Company	–	–	–	–	–	–	(8,611)	–	(8,611)
Interest paid	(1,261)	(15)	–	(708)	–	–	–	–	(1,984)
Proceeds from bank loans (net of transaction costs)	121,124	–	–	–	–	–	–	–	121,124
Proceeds from issue of shares under rights issue	–	–	–	–	143,515	–	–	–	143,515
Proceeds from loan from non-controlling interests	–	–	39,916	–	–	–	–	–	39,916
Repayment of loan from non-controlling interests	–	–	(14,822)	–	–	–	–	–	(14,822)
Payment of transaction costs in relation to rights issue	–	–	–	–	–	(300)	–	–	(300)
Repayment of loan from a related company	–	–	–	(2,622)	–	–	–	–	(2,622)
Repayment of loan from controlling shareholder of the Company	–	(15,000)	–	–	–	–	–	–	(15,000)
Repayment of bank loans	(184,758)	–	–	–	–	–	–	–	(184,758)
Total changes from financing cash flows	(64,895)	(15,015)	24,031	(3,330)	143,515	(742)	(8,611)	1,698	76,651
The effect of changes in foreign exchange rates	(1,379)	–	–	(2,316)	–	(7,084)	–	–	(10,779)
Changes in fair value of available-for-sale financial assets	–	–	–	–	–	5,891	–	–	5,891
Other changes									
Liability-related									
Interest expense	1,261	15	–	896	–	–	–	–	2,172
Total liability-related other changes	1,261	15	–	896	–	–	–	–	2,172
Equity-related									
Profit for the year	–	–	–	–	–	–	28,426	6,743	35,169
Total equity-related other changes	–	–	–	–	–	–	28,426	6,743	35,169
Balance at 31 March 2018	133,349	–	39,916	32,964	526,433	3,481	125,208	13,073	874,424

17 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities				Equity				
	Loans and borrowings $'000	Loan from controlling shareholder of the Company $'000	Loan from non-controlling interests $'000	Loan from a related company $'000	Share capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total $'000
Balance at 1 April 2018	133,349	–	39,916	32,964	526,433	3,481	125,208	13,073	874,424
Changes from financing cash flows									
Acquisition of treasury shares	–	–	–	–	–	(7,397)	–	–	(7,397)
Capital reduction in a subsidiary	–	–	–	–	–	–	–	(185)	(185)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(7,546)	(7,546)
Dividends paid to owners of the Company	–	–	–	–	–	–	(12,854)	–	(12,854)
Interest paid	(10,490)	–	–	(1,981)	–	–	–	–	(12,471)
Proceeds from bank loans (net of transaction costs)	835,515	–	–	–	–	–	–	–	835,515
Proceeds from loan from a related company	–	–	–	2,008	–	–	–	–	2,008
Proceeds from loan from non-controlling interests	–	–	153,455	–	–	–	–	–	153,455
Payment of transaction costs in relation to rights issue	–	–	–	–	–	(22)	–	–	(22)
Repayment of loan from a related company	–	–	–	(14,952)	–	–	–	–	(14,952)
Repayment of bank loans	(13,342)	–	–	–	–	–	–	–	(13,342)
Total changes from financing cash flows	811,683	–	153,455	(14,925)	–	(7,419)	(12,854)	(7,731)	922,209
The effect of changes in foreign exchange rates	(3,034)	–	–	1,296	–	5,728	–	–	3,990
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	2,601	–	–	2,601
Other changes									
Liability-related									
Interest expense	10,490	–	–	1,981	–	–	–	–	12,471
Others	–	–	29	–	–	–	–	–	29
Total liability-related other changes	10,490	–	29	1,981	–	–	–	–	12,500
Equity-related									
Profit for the year	–	–	–	–	–	–	22,646	(4,399)	18,247
Cancellation of treasury shares	–	–	–	–	(3,494)	3,494	–	–	–
Total equity-related other changes	–	–	–	–	(3,494)	3,494	22,646	(4,399)	18,247
Balance at 31 March 2019	952,488	–	193,400	21,316	522,939	7,885	135,000	943	1,833,971

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18 LOAN FROM NON-CONTROLLING INTERESTS

Loan from non-controlling interests is unsecured, interest-free and has no fixed terms of repayment. The non-controlling interests have no plan to request for the repayment of the loan in the foreseeable future and hence the loan is classified as non-current.

19 TRADE AND OTHER PAYABLES

	Group			Company		
	2019 $'000	2018 $'000	1 April 2017 $'000	2019 $'000	2018 $'000	1 April 2017 $'000
Trade payables	8,963	10,869	29,292	545	257	282
Other payables	557	1,220	1,260	29	44	184
Deferred income	268	314	215	–	–	–
Accrued expenses	3,717	3,373	7,027	833	1,272	1,202
Accrued real estate taxes	–	35	995	–	–	–
	13,505	15,811	38,789	1,407	1,573	1,668
Amounts due to subsidiaries	–	–	–	1,599	–	–
	13,505	15,811	38,789	3,006	1,573	1,668

Amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

20 LOAN FROM CONTROLLING SHAREHOLDER OF THE COMPANY

In 2017, the loan from controlling shareholder of the Company was unsecured with an effective interest rate of 5.25% per annum and repayable on demand. The Company had repaid the loan in 2018.

21 LOAN FROM A RELATED COMPANY

The loan from a related company is unsecured with an effective interest rate of 7.44% (2018: 6.37%) per annum. The loan is due on 11 July 2019.

22 SHARE CAPITAL AND RESERVES

Ordinary shares

	2019		2018	
	No. of shares '000	$'000	No. of shares '000	$'000
Company				
At beginning of the year	4,306,136	526,433	2,870,987	382,918
Issue of shares pursuant to rights issue	–	–	1,435,149	143,515
Cancellation of treasury shares	(40,000)	(3,494)	–	–
At end of the year	4,266,136	522,939	4,306,136	526,433

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

22 SHARE CAPITAL AND RESERVES (CONT'D)

Ordinary shares (cont'd)

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.

There were 47,083,600 treasury shares held by the Company as at 31 March 2019 (31 March 2018: 689,000 treasury shares). On 17 December 2018, 40,000,000 treasury shares were cancelled.

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

Dividends

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

	Group/Company	
	2019	**2018**
	$'000	**$'000**
For the year ended 31 March		
Paid by the Company to owners of the Company		
$0.003 per qualifying ordinary share (2018: $0.003)	12,854	8,611
Paid by subsidiaries to non-controlling interests		
$18.89 per qualifying ordinary share (2018: $22.68)	7,546	4,227

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

	Group/Company	
	2019	**2018**
	$'000	**$'000**
$0.0015 per qualifying ordinary share (2018: $0.003)	6,329	12,961

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

22 SHARE CAPITAL AND RESERVES (CONT'D)

Reserves

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Capital reserve	749	4,674	1,191	5,116
Translation reserve	(1,356)	(7,084)	–	–
Fair value reserve	8,492	5,891	8,491	5,891
At 31 March	7,885	3,481	9,682	11,007

Capital reserve

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

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and share of currency translation differences of equity-accounted investees.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets at FVOCI (2018: the cumulative net change in the fair value of available-for-sale financial assets) until the assets are derecognised or impaired.

Capital management

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

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

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

	Group	
	2019	**2018**
	$'000	**$'000**
Gross borrowings	1,167,204	206,229
Cash and cash equivalents	(101,030)	(194,029)
Net debts	1,066,174	12,200

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

22 SHARE CAPITAL AND RESERVES (CONT'D)

Capital management (cont'd)

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

	Group	
	2019	**2018**
	$'000	**$'000**
Total capital employed	666,767	668,195
Net debts equity ratio	1.60	0.02

No changes were made to the above objectives, policies and processes during the years ended 31 March 2019 and 2018.

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

23 NON-CONTROLLING INTERESTS ("NCI")

The following subsidiaries have material NCI:

Name	**Principal place of business/Country of incorporation**	**Ownership interests held by NCI 2019 %**	**Ownership interests held by NCI 2018 %**
Anchorvale Residences Pte Ltd	Singapore	20	20
Charlton Residences Pte Ltd	Singapore	20	20
Sing-Haiyi Crystal Pte Ltd	Singapore	50	50
Sing-Haiyi Gold Pte Ltd	Singapore	50	50
SingHaiyi Huajiang Sun Pte Ltd	Singapore	50	50
SingHaiyi Huajiang Amber Pte Ltd	Singapore	50	50
SingHaiyi Huajiang Investment Pte Ltd	Singapore	50	50
Sing-Haiyi Treasure Pte Ltd	Singapore	50	50
SingXpress Kaylim Pte Ltd	Singapore	20	20
SingXpress Property Development Pte Ltd	Singapore	18.4	18.4

23 NON-CONTROLLING INTERESTS ("NCI") (CONT'D)

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

	Anchorvale Residences Pte Ltd $'000	SingXpress Kaylim Pte Ltd $'000	SingHaiyi Huajiang Sun Pte Ltd $'000	Sing-Haiyi Gold Pte Ltd $'000	SingHaiyi Huajiang Amber Pte Ltd $'000	Other individually immaterial subsidiaries $'000	Total $'000
2019							
Revenue	9,956	4,792	–	–	–	–	
Profit/(Loss) and total comprehensive income	2,673	286	(5,758)	(2,360)	(1,848)	(40)	
Profit/(Loss) and total comprehensive income attributable to NCI	535	57	(2,879)	(1,180)	(924)	(8)	(4,399)
Non-current assets	–	–	–	–	–	–	
Current assets	2,790	7,647	286,660	880,115	95,387	303	
Non-current liabilities	–	–	(287,640)	(876,113)	(93,978)	(28)	
Current liabilities	(340)	(3,178)	(1,781)	(2,362)	(1,260)	(55)	
Net assets	2,450	4,469	(2,761)	1,640	149	220	
Net assets attributable to NCI	490	894	(1,380)	820	75	44	943
Cash flows from operating activities	–	4,859	(246,771)	(833,492)	(8,972)	–	
Cash flows from investing activities	33,285	–	–	–	–	–	
Cash flows from financing activities (dividends to NCI: $7,546,000)	(39,793)	(6,700)	250,253	840,917	10,431	–	
Net (decrease)/increase in cash and cash equivalents	(6,508)	(1,841)	3,482	7,425	1,459	–	
2018							
Revenue	419,638	4,930	–	–	–	–	
Profit/(Loss) and total comprehensive income	33,650	168	(3)	(1)	(3)	(78)	
Profit/(Loss) and total comprehensive income attributable to NCI	6,730	34	(2)	(1)	(2)	(16)	6,743
Non-current assets	–	–	–	–	–	978	
Current assets	47,716	14,600	35,348	26,348	84,250	1,005	
Non-current liabilities	(2,689)	–	(32,287)	(22,318)	(81,910)	–	
Current liabilities	(15,050)	(3,677)	(65)	(31)	(343)	(80)	
Net assets	29,977	10,923	2,996	3,999	1,997	1,903	
Net assets attributable to NCI	5,995	2,185	1,498	2,000	999	396	13,073
Cash flows from operating activities	213,868	3,540	(35,277)	–	(83,802)	(15)	
Cash flows from investing activities	–	–	–	–	–	–	
Cash flows from financing activities (dividends to NCI: $4,227,000)	(212,527)	(3,198)	35,287	–	83,910	–	
Net increase/(decrease) in cash and cash equivalents	1,341	342	10	–	108	(15)	

24 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 and property related investment	Holding and management of investment properties ("IP") and investment in IP related entities
• Others	Investment holding and provision of management services

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group's Chief Operating Decision Maker. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Property development		Property and property related investment		Others		Segment total		Unallocated items		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Group												
External revenue	68,469	452,217	7,440	8,059	–	–	75,909	460,276	–	–	75,909	460,276
Profit/(Loss) from operating activities	19,310	54,517	(14,772)	(11,586)	(103)	(349)	4,435	42,582	(4,118)	(2,288)	317	40,294
Share of results of equity-accounted investees, net of tax	40	37	25,111	(1,349)	–	–	25,151	(1,312)	–	–	25,151	(1,312)
Interest income	8	18	4,884	1,527	4,849	1,198	9,741	2,743	–	–	9,741	2,743
Interest expense	(10,457)	(1,219)	(1,929)	(707)	(1,234)	(1,890)	(13,620)	(3,816)	–	–	(13,620)	(3,816)
Reportable segment profit/(loss) before tax	8,901	53,353	13,294	(12,115)	3,512	(1,041)	25,707	40,197	(4,118)	(2,288)	21,589	37,909
Depreciation of property, plant and equipment	–	2	59	217	257	–	316	219	2	132	318	351
Other material items:												
Write-back of allowance of diminution in value of development properties	1,183	12,458	–	–	–	–	1,183	12,458	–	–	1,183	12,458
Change in fair value of investment properties	–	–	15,430	11,730	–	–	15,430	11,730	–	–	15,430	11,730
Interests in associates	419	1,279	46,857	51,050	–	–	47,276	52,329	–	–	47,276	52,329
Interests in joint ventures	–	74,324	111,501	324	–	–	111,501	74,648	–	–	111,501	74,648
Capital expenditure*	–	–	644	10,671	–	–	644	10,671	107	648	751	11,319
Reportable segment assets	1,409,808	586,400	343,290	237,057	32,857	63,608	1,785,955	887,065	68,223	36,051	1,854,178	923,116
Reportable segment liabilities	1,095,921	175,622	80,456	78,600	10,499	–	1,186,876	254,222	535	699	1,187,411	254,921

* Capital expenditure comprises property, plant and equipment of $107,000 (2018: $785,000) and investment properties of $644,000 (2018: $10,534,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

24 OPERATING SEGMENTS (CONT'D)

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

	Group 2019 $'000	Group 2018 $'000
Profit or loss		
Total profit for reportable segments	25,707	40,197
Unallocated items:		
- Net unrealised foreign exchange (losses)/gains	(432)	603
- Corporate expenses	(3,686)	(2,891)
Consolidated profit before tax	21,589	37,909
Assets		
Total assets for reportable segments	1,785,955	887,065
Unallocated items:		
- Property, plant and equipment	570	757
- Cash and cash equivalents	67,653	35,294
Consolidated total assets	1,854,178	923,116
Liabilities		
Total liabilities for reportable segments	1,186,876	254,222
Unallocated items:		
- Trade and other payables	535	699
Consolidated total liabilities	1,187,411	254,921

Geographical information

The property development, property and property related investment and others segments are managed and operated in Singapore, USA, Malaysia and Australia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Singapore		USA		Malaysia		Australia	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Group								
Revenue	38,713	451,725	37,196	8,551	–	–	–	–
Current assets	1,383,067	477,532	148,754	152,224	–	–	–	–
Non-current assets#	141,894	105,824	58,695	70,742	47,048	51,374	74,720	65,420

Include property, plant and equipment, investment properties, associates and joint ventures, financial assets at fair value through other comprehensive income and deferred tax assets.

Major customer

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

25 REVENUE

In the following table, revenue is disaggregated by primary geographical market, major product and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with Group's reportable segments (see note 24).

	Property development		Property and property related investment		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Primary geographical markets						
Singapore	37,873	451,088	840	637	38,713	451,725
United States	30,596	1,129	6,600	7,422	37,196	8,551
	68,469	452,217	7,440	8,059	75,909	460,276
Major products and service lines						
Property development income	66,817	450,144	–	–	66,817	450,144
Rental income	–	–	7,440	8,059	7,440	8,059
Management fee income	1,652	2,073	–	–	1,652	2,073
	68,469	452,217	7,440	8,059	75,909	460,276
Timing of revenue recognition						
Products transferred at a point in time	45,342	425,785	–	–	45,342	425,785
Products and services transferred over time	23,127	26,432	7,440	8,059	30,567	34,491
	68,469	452,217	7,440	8,059	75,909	460,276

As at 31 March 2019, the Group has no performance obligations that are unsatisfied (or partially satisfied). On adoption of SFRS(I) 15, the Group applied the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

26 OTHER INCOME

	Group	
	2019	**2018**
	$'000	**$'000**
Forfeiture of non-refundable deposit	9,917	–
Gain on disposal of financial assets at fair value through profit or loss	394	1
Write back of allowance for diminution in value of development properties	1,183	12,458
Others	136	801
	11,630	13,260

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

27 FINANCE INCOME

	Group	
	2019	2018
	$'000	$'000
Dividend income:		
- Equity investments – at fair value through other comprehensive income	4,884	1,526
- Equity investments – at fair value through profit or loss	2,363	627
Interest income	2,494	590
	9,741	2,743

28 FINANCE COSTS

	Group	
	2019	2018
	$'000	$'000
Interest on bank loans	10,489	1,260
Interest on finance lease liabilities	1	2
Interest on loan from controlling shareholder of the Company	–	15
Interest on loan from a related company	1,981	895
Fair value loss on financial assets at fair value through profit or loss	1,149	1,644
	13,620	3,816

29 TAX EXPENSE/(CREDIT)

	Group	
	2019	2018
	$'000	$'000
Current tax expense		
Current year	5,502	7,522
Underprovision in prior year	118	785
Withholding tax	45	133
	5,665	8,440
Deferred tax credit		
Origination and reversal of temporary differences	(2,323)	(5,700)
	3,342	2,740

Reconciliation of effective tax rate

Profit before tax	21,589	37,909
Tax using Singapore tax rate of 17% (2018: 17%)	3,670	6,444
Income not subject to tax	(584)	(3,118)
Non-deductible expenses	1,186	1,262
Effect of tax rates in foreign jurisdictions	200	(651)
Effect of changes in foreign tax rate	–	(3,998)
Effect of unrecognised deferred tax assets	2,920	2,405
Tax effect of losses not allowed to be set off against future taxable profits	63	21
Effect of results of equity-accounted investees presented net of tax	(4,276)	223
Recognition of tax effect of previously unrecognised tax losses	–	(766)
Underprovision in prior year	118	785
Withholding tax	45	133
	3,342	2,740

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

29 TAX EXPENSE/(CREDIT) (CONT'D)

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.

30 PROFIT FOR THE YEAR

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

	Group	
	2019	**2018**
	$'000	**$'000**
Audit fees payable to:		
- Auditors of the Company	259	272
- Other auditors	28	98
Non-audit fees payable to:		
- Auditors of the Company	83	76
Changes in fair value of investment properties	15,430	11,730
Depreciation of property, plant and equipment	318	351
Loss on disposal of property, plant and equipment	–	7
Net foreign exchange loss	726	1,238
Employee benefits expenses		
- Salaries and wages	5,023	5,226
- Defined contribution benefits	383	282
- Other short-term benefits	37	16
- Directors' remuneration	455	491
	5,898	6,015

31 SHARE-BASED PAYMENT ARRANGEMENTS

Share option scheme

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

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

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

There were neither share options outstanding nor unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

32 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 31 March 2019 was based on profit attributable to ordinary shareholders of $22,646,000 (2018: $28,426,000) and weighted average number of ordinary shares outstanding of 4,269,380,745 (2018: 2,941,072,318), calculated as follows:

(i) Profit attributable to ordinary shareholders

	Group	
	2019	2018
	$'000	$'000
Profit attributable to ordinary shareholders	22,646	28,426

(ii) Weighted average number of ordinary shares

	Group	
	2019	2018
	'000	'000
Issued ordinary shares at beginning of the year	4,306,136	2,870,987
Effect of own shares held	(36,755)	(689)
Effect of rights issue	–	70,774
Weighted average number of ordinary shares during the year	4,269,381	2,941,072

33 OPERATING LEASES

Leases as lessee

The Group and the Company lease office premises and show flats under operating leases. The leases run for a period of 2 to 4 years, some with an option to renew the leases after that date. At the reporting date, the future minimum lease payments payable under non-cancellable leases are as follow:

	Group/Company	
	2019	2018
	$'000	$'000
Within 1 year	1,271	420
After 1 year but within 5 years	1,171	1,470
	2,442	1,890

Leases as lessor

The Group leases out its investment properties held under operating leases during the financial year. At the reporting date, the future minimum lease payments receivable under non-cancellable leases are as follows:

	Group	
	2019	2018
	$'000	$'000
Within 1 year	3,404	4,101
After 1 year but within 5 years	7,956	7,863
After 5 years	4,670	4,930
	16,030	16,894

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

33 OPERATING LEASES (CONT'D)

Leases as lessor (cont'd)

During the year, $7,440,000 (2018: $8,059,000) was recognised as rental income in profit or loss by the Group. Repairs and maintenance expenses, included in administration expenses, were as follows:

	Group	
	2019	**2018**
	$'000	**$'000**
Utilities	1,412	1,515
Real estate taxes	1,395	2,070
Repair and maintenance	730	699
Other	1,118	1,031
	4,655	5,315

34 COMMITMENTS

The Group has the following commitments at the reporting date:

	Group	
	2019	**2018**
	$'000	**$'000**
Estimated development expenditure contracted but not provided for	60,705	419,168

35 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

35 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

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.

At the reporting date, there is no significant concentration of credit risk for the Group. At the reporting date, the amounts owing by subsidiaries represent a significant portion of the Company's financial assets. Except as disclosed, there is no significant concentration of credit risk for the Company. The carrying amounts of financial assets and contract assets represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held.

Impairment losses on trade receivables recognised in profit or loss were as follows:

	Group	
	2019	**2018**
	$'000	**$'000**
Impairment loss on trade receivables arising from contracts with customers	–	15

Trade receivables and contract assets

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets. The Group does not have trade receivables and contract assets for which no allowance is recognised because of collaterals.

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for trade receivables and contract assets by geographical region was as follows.

	Group			Company		
	2019	**2018**	**1 April 2017**	**2019**	**2018**	**1 April 2017**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Singapore	2,367	42,560	6,053	214	1,886	10
United States	470	156	5	–	–	–
	2,837	42,716	6,058	214	1,886	10

The maximum exposure to credit risk for trade receivables and contract assets at the reporting date by business segment is set out below:

	Group			Company		
	2019	**2018**	**1 April 2017**	**2019**	**2018**	**1 April 2017**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Rental properties	299	131	60	–	–	–
Property development	2,373	42,230	4,764	–	–	–
Others	165	355	1,234	214	1,886	10
	2,837	42,716	6,058	214	1,886	10

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

35 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Comparative information under FRS 39

The ageing of trade receivables and contract assets at the reporting dates was as follow:

	Group		Company	
	Gross 2018 $'000	Impairment loss allowance 2018 $'000	Gross 2018 $'000	Impairment loss allowance 2018 $'000
Not past due	42,620	–	1,811	–
Past due 1 – 30 days	82	–	75	–
Past due 31 – 60 days	6	–	–	–
Past due 61 – 90 days	–	–	–	–
Past due over 90 days	41	33	–	–
	42,749	33	1,886	–

Expected credit loss assessment for customers as at 1 April 2018 and 31 March 2019

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers and contract assets, which comprise a large number of small balances.

The allowance matrix is based on loss rates determined based on actual credit loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, recoverables and the Group's view of economic conditions over the expected lives of the receivables. The exposure to credit risk and ECL for trade receivables and contract assets as at 31 March 2019 is insignificant.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March 2019:

	Group		Company	
	Gross carrying amount $'000	Impairment loss allowance $'000	Gross carrying amount $'000	Impairment loss allowance $'000
Not past due	2,829	–	214	–
Past due 1 to 30 days	–	–	–	–
Past due 31 to 60 days	–	–	–	–
Past due 61 to 90 days	–	–	–	–
Past due over 90 days	41	(33)	–	–
	2,870	(33)	214	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

35 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Movements in allowance for impairment in respect of trade receivables and contract assets

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

	Group Individual impairments $'000	Company Individual impairments $'000
At 1 April 2017 per FRS 39	18	–
Impairment losses recognised	15	–
At 31 March 2018 per FRS 39	33	–

	Group Lifetime ECL $'000	Company Lifetime ECL $'000
At 1 April 2018 per FRS 39	33	–
Adjustment on initial application of SFRS(I) 9	–	–
At 1 April 2018 per SFRS(I) 9	33	–
Impairment loss recognised	–	–
At 31 March 2019 per SFRS(I) 9	33	–

Impairment losses recognised were included in "other operating expenses".

There is no impairment loss on contract assets.

There is no significant changes in the gross carrying amounts of trade receivables and contract assets contributed to the changes in the impairment loss allowance during 2019.

Non-trade amounts due from subsidiaries and other receivables

The Company held non-trade receivables from its subsidiaries which were lent to subsidiaries to meet their funding requirements. The Group and the Company held other receivables. Impairment on these balances has been measured on the 12- months expected loss basis which reflects the low credit risk of exposures. The amount of the allowance on these balances is set out in note 8 and 14.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $101,030,000 and $70,596,000 respectively at 31 March 2019 (2018: $194,029,000 and $161,378,000; 1 April 2017: $51,701,000 and $2,356,000 respectively). The cash and cash equivalents are held with banks, which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

35 FINANCIAL INSTRUMENTS (CONT'D)

Cash and cash equivalents (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group actively manages its operating cash flows and the availability of funding so as to ensure all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. All the properties under development have adequate cash or credit facilities to ensure availability of funding till project completion.

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

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group					
2019					
Non-derivative financial liabilities					
Bank loans	952,479	990,104	80,077	907,471	2,556
Finance lease liabilities	9	9	9	–	–
Trade and other payables*	13,237	13,237	13,237	–	–
Loan from a related company	21,316	22,627	22,627	–	–
Loan from non-controlling interests	193,400	193,400	–	193,400	–
Recognised financial liabilities	1,180,441	1,219,377	115,950	1,100,871	2,556
Financial guarantees	–	1,187	–	1,187	–
	1,180,441	1,220,564	115,950	1,102,058	2,556
2018					
Non-derivative financial liabilities					
Bank loans	133,313	137,763	70,662	60,771	6,330
Finance lease liabilities	36	36	27	9	–
Trade and other payables*	15,478	15,478	15,478	–	–
Loan from a related company	32,964	34,991	34,991	–	–
Loan from non-controlling interests	39,916	39,916	–	39,916	–
Recognised financial liabilities	221,707	228,184	121,158	100,696	6,330
Financial guarantees	–	1,187	–	–	1,187
	221,707	229,371	121,158	100,696	7,517

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

35 FINANCIAL INSTRUMENTS (CONT'D)

Cash and cash equivalents (cont'd)

Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Company					
2019					
Non-derivative financial liabilities					
Bank loans	77,579	77,579	77,579	–	–
Finance lease liabilities	9	9	9	–	–
Trade and other payables	3,006	3,006	3,006	–	–
Recognised financial liabilities	80,594	80,594	80,594	–	–
Intra-group financial guarantees	–	522,658	–	495,944	26,714
	80,594	603,252	80,594	495,944	26,714
2018					
Non-derivative financial liabilities					
Bank loans	59,693	61,126	61,126	–	–
Finance lease liabilities	36	36	27	9	–
Trade and other payables	1,573	1,573	1,573	–	–
Recognised financial liabilities	61,302	62,735	62,726	9	–
Intra-group financial guarantees	–	54,181	9,000	–	45,181
	61,302	116,916	71,726	9	45,181

* Excludes accrued interest of $Nil (2018: $18,658) and deferred income of $268,000 (2018: $314,000) for the Group.

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 a joint venture amounting to $521,471,000 and $1,187,000 (2018: $52,994,000 and $1,187,000) respectively. 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 table below shows the contractual expiry by maturity of the Group's and the Company's financial guarantee contracts. The maximum amount of the financial guarantees contracts are allocated to the earliest period in which the guarantees could be called.

The periods in which the financial guarantees will expire are as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Within 1 year	–	–	–	9,000
After 1 year but within 5 years	1,187	–	495,944	–
After 5 years	–	1,187	26,714	45,181
	1,187	1,187	522,658	54,181

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

35 FINANCIAL INSTRUMENTS (CONT'D)

Cash and cash equivalents (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relate primarily to the Group's debt obligations and deposits with financial institutions. Interest rates on borrowings and deposits are determined based on floating market rates. The Group does not use derivative financial instruments to hedge interest rate risk.

Exposures to interest rate risk

At the reporting date, the interest rate profile of the Group's and the Company's interest-bearing financial instruments were:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Fixed rate instruments				
Financial assets	–	–	325,391	187,705
Financial liabilities	–	–	–	–
	–	–	325,391	187,705
Variable rate instruments				
Financial assets	68,977	161,229	68,977	159,939
Financial liabilities	(973,804)	(166,313)	(77,588)	(59,729)
	(904,827)	(5,084)	(8,611)	100,210

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.

Sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have (decreased)/increase 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 2018.

	Profit before tax	
	100 bp increase $'000	100 bp decrease $'000
Group		
2019		
Variable rate instruments	(9,048)	9,048
2018		
Variable rate instruments	(51)	51
Company		
2019		
Variable rate instruments	(86)	86
2018		
Variable rate instruments	1,002	(1,002)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

35 FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency risk

The Group is exposed to currency risk on trade and other receivable, financial assets at fair value through profit or loss, cash and cash equivalent and loans and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Australian Dollar ("AUD").

Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily SGD, but also USD and AUD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

Exposure to foreign currency risk

The summary of quantitative data about the Group's exposure to foreign currency risk as provided to management of the Group based on its risk management policy was as follows:

	USD		AUD		CHF	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Group and Company						
Trade and other receivables	–	–	–	1,089	–	–
Financial assets at fair value through profit or loss	5,197	5,038	–	–	–	–
Cash and cash equivalents	1,759	11,259	44,056	–	–	–
Loans and borrowings	–	–	(63,769)	(59,693)	(13,810)	–
	6,956	16,297	(19,713)	(58,604)	(13,810)	–

Sensitivity analysis

A 10% strengthening of the following major currencies against the functional currency of each of the Group entities at the reporting date held by the Group would increase/(decrease) profit before taxation by the amounts shown below. Similarly, a 10% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit before tax	
	10% strengthening $'000	10% weakening $'000
2019		
USD	696	(696)
AUD	(1,971)	1,971
CHF	(1,381)	1,381
2018		
USD	1,630	(1,630)
AUD	(5,860)	5,860

Accounting classifications and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels of the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts of these financial assets and financial liabilities are reasonable approximation of fair values.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

35 FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency risk (cont'd)

Accounting classifications and fair values (cont'd)

	Carrying amount					Fair value
	Amortised cost $'000	FVOCI – equity instruments $'000	FVTPL $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000
Group						
2019						
Financial assets measured at fair value						
Financial assets at fair value through other comprehensive income	–	74,720	–	–	74,720	74,720
Financial assets at fair value through profit or loss	–	–	29,293	–	29,293	29,293
	–	74,720	29,293	–	104,013	
Financial assets not measured at fair value						
Trade and other receivables*	4,673	–	–	–	4,673	
Cash and cash equivalents	101,030	–	–	–	101,030	
	105,703	–	–	–	105,703	
Financial liabilities not measured at fair value						
Loans and borrowings	–	–	–	952,488	952,488	
Loan from a related company	–	–	–	21,316	21,316	
Loan from non-controlling interests	–	–	–	193,400	193,400	
Trade and other payables#	–	–	–	13,237	13,237	
	–	–	–	1,180,441	1,180,441	
2018						
Financial assets measured at fair value						
Available-for-sale financial assets	–	65,420	–	–	65,420	65,420
Financial assets at fair value through profit or loss	–	–	58,601	–	58,601	58,601
	–	65,420	58,601	–	124,021	
Financial assets not measured at fair value						
Trade and other receivables*	31,261	–	–	–	31,261	
Cash and cash equivalents	194,029	–	–	–	194,029	
	225,290	–	–	–	225,290	
Financial liabilities not measured at fair value						
Loans and borrowings	–	–	–	133,349	133,349	
Loan from a related company	–	–	–	32,964	32,964	
Loan from non-controlling interests	–	–	–	39,916	39,916	
Trade and other payables#	–	–	–	15,478	15,478	
	–	–	–	221,707	221,707	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

35 FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency risk (cont'd)

Accounting classifications and fair values (cont'd)

	Carrying amount					Fair value
	Amortised cost $'000	FVOCI – equity instruments $'000	FVTPL $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000
Company						
2019						
Financial assets measured at fair value						
Financial assets at fair value through other comprehensive income	–	74,720	–	–	74,720	74,720
Financial assets at fair value through profit or loss	–	–	29,293	–	29,293	29,293
	–	74,720	29,293	–	104,013	
Financial assets not measured at fair value						
Amounts due from subsidiaries	325,391	–	–	–	325,391	
Trade and other receivables*	2,390	–	–	–	2,390	
Cash and cash equivalents	70,596	–	–	–	70,596	
	398,377	–	–	–	398,377	
Financial liabilities not measured at fair value						
Loans and borrowings	–	–	–	77,588	77,588	
Trade and other payables	–	–	–	3,006	3,006	
	–	–	–	80,594	80,594	
2018						
Financial assets measured at fair value						
Available-for-sale financial assets	–	65,420	–	–	65,420	65,420
Financial assets at fair value through profit or loss	–	–	58,601	–	58,601	58,601
	–	65,420	58,601	–	124,021	
Financial assets not measured at fair value						
Amounts due from subsidiaries	187,705	–	–	–	187,705	
Trade and other receivables*	2,588	–	–	–	2,588	
Cash and cash equivalents	161,378	–	–	–	161,378	
	351,671	–	–	–	351,671	
Financial liabilities not measured at fair value						
Loans and borrowings	–	–	–	59,729	59,729	
Trade and other payables	–	–	–	1,573	1,573	
	–	–	–	61,302	61,302	

* Excludes prepaid expenses of $3,150,000 (2018: $33,726,000) and $28,000 (2018: $90,000) for the Group and the Company, respectively. It also excludes tax recoverable of $2,150,000 (2018: $1,420,000) for the Group.

Excludes accrued interest of $Nil (2018: $18,658) and deferred income of $268,000 (2018: $314,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

36 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	
	2019 $'000	2018 $'000
Short-term employee benefits	2,108	1,953
Contributions to defined contribution plans	58	44
	2,166	1,997

Other related party transactions

	Transaction value for the year ended 31 March	
	2019 $'000	2018 $'000
Property consultancy fees payable to American Pacific International Capital, Inc ("APIC")	685	402
Interest paid/payable to APIC	1,981	2,306
Payment for the acquisition of investment properties from OKH Global Ltd ("OKH")	–	8,800
Rental income received/receivable from OKH	(111)	(72)

37 COMPARATIVE INFORMATION

The Group reclassified investment income from other income to finance income to better reflect the nature of this amount in 2019. As a result, the following classifications were made to the consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended 31 March 2018:

	As previously reported $'000	Reclassification $'000	As reclassified $'000
Year ended 31 March 2018			
Consolidated statement of comprehensive income			
Other income	14,786	(1,526)	13,260
Finance income	1,217	1,526	2,743
Year ended 31 March 2018			
Consolidated statement of cash flows			
Cash flow from operating activities			
Interest and dividend income	(1,217)	(1,526)	(2,743)
Investment income	(1,526)	1,526	–
Cash flow from investing activities			
Interest and dividend income received	23,936	245	24,181
Investment income received	245	(245)	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

38 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 April 2018 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 April 2018:

Applicable to 2020 financial statements
- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

Applicable to 2022 financial statements
- SFRS(I) 17 *Insurance Contracts*

Mandatory effective date deferred
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

The Group is still in the process of assessing the impact of the new SFRSs, amendments to and interpretations of SFRS(I)s on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group is as described below.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.* The standard is effective for annual periods beginning on or after 1 April 2019, with early adoption permitted.

The Group plan to apply SFRS(I) 16 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information. The Group plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 April 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

38 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONT'D)

Mandatory effective date deferred (cont'd)

SFRS(I) 16 (cont'd)

i. The Group as lessee

The Group expects to measure lease liabilities by applying a single discount rate to the portfolio of leases. Furthermore, the Group will measure its ROU on a lease-by-lease basis at the amount of the lease liability or as if the SFRS(I) 16 had always been applied. For lease contracts that contain the option to renew, the Group is expected to use hindsight in determining the lease term.

As at 1 April 2019, the Group expects an increase in ROU assets of $2,613,313, an increase in lease liabilities of $2,892,834, and a decrease in retained earnings of $279,521.

The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

No significant impact is expected for the Group's finance leases.

ii. The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

No significant impact is expected for other leases in which the Group is a lessor.

STATISTICS OF SHAREHOLDINGS

As at 24 June 2019

Class of shares	:	Ordinary
Number of shares	:	4,266,135,775
Number of shares (excluding Treasury Shares)	:	4,219,052,175
Number / Percentage of Treasury Shares held	:	47,083,600 / 1.10%
Number of subsidiary holdings held	:	Nil
Voting rights	:	One vote per share (excluding treasury shares)

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares (excluding treasury shares)	%
1 - 99	18	0.52	740	0.00
100 - 1,000	366	10.53	145,999	0.00
1,001 - 10,000	712	20.48	4,614,844	0.11
10,001 - 1,000,000	2,312	66.51	235,268,805	5.58
1,000,001 and above	68	1.96	3,979,021,787	94.31
	3,476	100.00	4,219,052,175	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%*
1	Citibank Nominees Singapore Pte Ltd	2,838,806,496	67.29
2	Phillip Securities Pte Ltd	336,462,221	7.97
3	Acquire Wealth Limited	220,000,000	5.21
4	DBS Nominees Pte Ltd	176,454,236	4.18
5	Raffles Nominees (Pte) Ltd	62,289,165	1.48
6	Maybank Kim Eng Securities Pte Ltd	48,207,306	1.14
7	Goi Seng Hui	42,166,550	1.00
8	Goh Bee Lan	36,330,000	0.86
9	UOB Kay Hian Pte Ltd	26,035,700	0.62
10	United Overseas Bank Nominees Pte Ltd	25,226,300	0.60
11	DBS Vickers Securities (S) Pte Ltd	21,120,850	0.50
12	HSBC (Singapore) Nominees Pte Ltd	10,515,000	0.25
13	Ong Kian Kok	9,348,400	0.22
14	Fong Kim Chit	8,136,600	0.19
15	Chean Sock Hoon	6,755,100	0.16
16	OCBC Securities Private Limited	5,724,398	0.14
17	OCBC Nominees Singapore Pte Ltd	4,942,345	0.12
18	Tan Tong Chee	4,300,000	0.10
19	Mao Jinshan	4,075,600	0.10
20	RHB Securities Singapore Pte Ltd	3,929,000	0.09
		3,890,825,267	92.22

* Calculated as a percentage of the total number of issued ordinary shares of the Company, excluding 47,083,600 treasury shares as at 24 June 2019.

STATISTICS OF SHAREHOLDINGS

As at 24 June 2019

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF PUBLIC

23.86% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

SUBSTANTIAL SHAREHOLDINGS

(As recorded in the Register of Substantial Shareholders as at 24 June 2019)

	Direct Interest No. of Shares	**%[(1)]**	**Deemed Interest No. of Shares**	**%[(1)]**
Haiyi Holdings Pte. Ltd.	2,660,713,367	63.06	–	–
Gordon Tang [(2)]	–	–	2,880,713,367	68.28
Celine Tang [(3)]	–	–	2,779,213,367	65.87
Acquire Wealth Limited	220,000,000	5.21	–	–
New Palace Developments Limited [(4)]	–	–	220,000,000	5.21
Neil Bush [(5)]	–	–	220,000,000	5.21

Notes:

(1) Calculated as a percentage of the total number of issued ordinary shares, excluding 47,083,600 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 an interest in the shares which AWL is interested in by virtue of Section 7 of the Companies Act.

(3) Mrs. Celine Tang is entitled to exercise or control the exercise of not less than 20% of the votes attached to the shares held by her in Haiyi. She is therefore deemed interested in the shares held by Haiyi by virtue of Section 7 of the Companies Act. In addition, she is a director of Senz Holdings Limited ("**Senz**"), a shareholder of the Company. Accordingly, she is deemed interested in the shares held by Senz by virtue of Section 7 of the Companies Act.

(4) New Palace Developments Limited ("**NPDL**") owns 30% interest in AWL, and accordingly NPDL is deemed to have an interest in the shares which AWL is interested in by virtue of Section 7 of the Companies Act.

(5) Mr. Neil Bush and his spouse are ultimate shareholders of NPDL. It is assumed that NPDL is, or its directors are accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of Mr. Neil Bush. Accordingly, Mr. Neil Bush is deemed to have an interest in the shares which NPDL is interested in by virtue of Section 7 of the Companies Act.

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of SingHaiyi Group Ltd. (the "**Company**") will be held at Level 1, Capricorn Ballroom, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on Thursday, 25 July 2019 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2019 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend of S$0.0015 per ordinary share (one-tier tax exempt) for the financial year ended 31 March 2019. **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Rule 720(5) of the Mainboard Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and Article 95 of the Constitution of the Company:

   Mrs. Celine Tang (Retiring under Rule 720(5) of the Mainboard Listing Manual)

   Mrs. Celine Tang will, upon re-election as a Director of the Company, remain as Group Managing Director. **(Resolution 3)**

   Mr. Hwang Soo Chin (Retiring under Article 95)

   Mr. Hwang Soo Chin will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director, Chairman of the Remuneration Committee and members of the Audit and Nominating Committees respectively and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST. **(Resolution 4)**

   Mr. See Yen Tarn (Retiring under Article 95)

   Mr. See Yen Tarn will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director, Chairman of the Nominating Committee and members of the Audit and Remuneration Committees respectively and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST. **(Resolution 5)**

4. To approve the payment of Directors' fees of S$343,000.00 for the financial year ending 31 March 2020, to be paid quarterly in arrears. **(Resolution 6)**

5. To re-appoint KPMG LLP as the Auditor 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 any treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution provided the options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution of the Company for the time being in force; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)] **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

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 any treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (ii)] **(Resolution 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.

NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

"**Maximum Limit**" means that number of Shares representing not more than ten per cent (10%) of the total number of Shares as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of Shares shall be taken to be the total number of Shares as altered by the said reductions of share capital (excluding any treasury shares and subsidiary holdings, if any, that may be held by the Company from time to time). Any Shares which are held as treasury shares will be disregarded for purposes of computing the ten per cent (10%) limit;

"**Relevant Period**" means the period commencing from the date on which the last AGM of the Company was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date this Resolution is passed;

"**Market Day**" means a day on which the SGX-ST is open for securities trading;

"**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

Kevin Cho
Company Secretary

Singapore, 8 July 2019

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 any treasury shares and subsidiary holdings, if any) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) will be calculated based on the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(i) 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 and subsidiary holdings, if any in the capital of the Company from time to time, and the aggregate number of ordinary shares which may be issued pursuant to the Scheme and any other share based schemes (if applicable) shall not exceed 15% of the total issued share capital of the Company excluding treasury shares and subsidiary holdings, if any, from time to time.

(iii) The Ordinary Resolution 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 8 July 2019.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. (a) A member who is not a Relevant Intermediary (as defined below) entitled to attend the AGM (the "**Meeting**") and vote, is entitled to appoint one or two proxies to attend and vote at the Meeting.

   (b) A member who is a Relevant Intermediary entitled to attend the Meeting and vote, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 6 Shenton Way, #45-01 OUE Downtown 1, Singapore 068809 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the meeting in order for the Depositor to be entitled to attend and vote at the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Pursuant to Rule 720(6) and Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the following additional information on Mrs. Celine Tang, Mr. See Yen Tarn and Mr. Hwang Soo Chin, all of whom are seeking re-appointment as Directors at 2019 Annual General Meeting is set out below:

Name of Director	Mrs. Celine Tang	Mr. Hwang Soo Chin	Mr. See Yen Tarn
Date of Appointment	14 January 2013	29 July 2013	1 October 2015
Date of Last Re-Appointment	29 July 2013	28 July 2016	28 July 2016
Age	51	70	61
Country of Principal Residence	Singapore	Singapore	Singapore
The Board's comments on the re-appointment	The Board has accepted the Nominating Committee's recommendation, which has reviewed and considered Mrs. Celine Tang's performance, contribution and experience and recommended her re-appointment.	The Board has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr. Hwang's performance, contribution and experience and recommended his re-appointment.	The Board has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr. See's performance, contribution and experience and recommended his re-appointment.
Whether the appointment is executive, and if so the area of responsibility	Yes Oversees the daily operations including formulation and implementation of strategies for the growth of the Group's businesses	No	No
Job Title	Group Managing Director	Independent Non-Executive Director Remuneration Committee Chairman Audit Committee Member Nominating Committee Member	Independent Non-Executive Director Nominating Committee Chairman Audit Committee Member Remuneration Committee Member
Professional Qualifications	Bachelor's Degree in Literature from China People's University for Police Officers (now known as People's Public Security University of China).	Bachelor's Degree in Engineering (Chemical) from Queensland University of Australia and a Post-graduate Diploma in Computer Science.	Bachelor's Degree in Accountancy from the National University of Singapore and is also a Chartered Accountant (England and Wales).

NOTICE OF ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Name of Director	Mrs. Celine Tang	Mr. Hwang Soo Chin	Mr. See Yen Tarn
Working Experience and occupation(s) in the past 10 years	Mrs. Celine Tang was first appointed as Non-Executive Director on 14 January 2013 and re-designated as Executive Director on 1 February 2013 and subsequently Group Managing Director of SingHaiyi Group Ltd. on 1 December 2013. Mrs. Celine Tang served as the Managing Director of Haiyi Holdings Pte. Ltd. since 2003 and is in charge of its daily operations and decision-making. She has been an Executive Director of Tang Dynasty Pte Ltd since 1995.	Mr. Hwang was the Senior Adviser of Sunway Group from 2011 to 2013 and he was the Deputy Chairman of Frasers Property (China), part of F&N Group from 2008 to 2011. Mr. Hwang has more than 30 years of management experience in both the manufacturing and property investment/ development industries. He has held senior management positions and board appointments in various public listed and private companies in Singapore and abroad.	Mr. See is Chief Executive Officer of CSC Holdings Limited since August 2006. Mr. See has more than 30 years of corporate experience in the areas of audit, tax and investments. He has held senior management positions, including Chief Financial Officer, Executive Director and Deputy Group Managing Director at both listed and unlisted companies in various industries in Singapore and across the region.
Shareholding interest in the listed issuer and its subsidiaries	Deemed Interest: 2,779,213,367	Direct Interest: 1,500,000	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mrs. Celine Tang is the spouse of the substantial shareholder, Mr. Gordon Tang.	Nil	Nil
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes	Yes
Other Principal Commitments Including Directorships			
Past (for the last 5 years)	• Anise Link Pte Ltd • Hai Run Pte Ltd • Haricot Luxury Pte Ltd • JAG Investment Holdings Pte Ltd • New Wines On Line Pte Ltd • Ocean Star Investment Pte Ltd • Okra Century Pte Ltd • Ortise City Pte Ltd • Ozard Crest Pte Ltd • Rampion Bright Pte Ltd • Rampion World Pte Ltd • Singapore Hotel & Property Investment Pte Ltd • Viribus Pte Ltd	Nil	• Ivy Lee Realty Pte Ltd • Seya Investments Pte Ltd

NOTICE OF ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Name of Director	Mrs. Celine Tang	Mr. Hwang Soo Chin	Mr. See Yen Tarn
Other Principal Commitments Including Directorships			
Present	• SingHaiyi Group Ltd. and its subsidiaries • Haiyi Holdings Pte Ltd and its subsidiaries • Chip Eng Seng Corporation Ltd • OKH Global Ltd • Ariva Hospitality Pte Ltd • Ariva Pte Ltd • American Pacific International Capital, Inc • CJ Hospitality Pte Ltd • Gordon Tang Foundation Limited • GTCC Management Pte Ltd • Haiyi Electrotech Pte Ltd • Hotel Investment (Hainan) Private Limited • Huajiang International Corporation Pte Ltd • Huajiang Properties II Pte Ltd • Huajiang Properties Pte Ltd • Juying Secondary School • Park Mall Pte Ltd • Park Mall Holdings Limited • Park Mall Investment Limited • Pearly Properties V Pte Ltd • Senz Holdings Limited • Tampines EC Pte Ltd • Tang Dynasty Fund Pte Ltd • Tang Dynasty Pte Ltd	• SingHaiyi Group Ltd. • LCT Holdings Limited • One Levelup Pte Ltd • Park Mall Pte Ltd • Park Mall Holdings Limited • Park Mall Investment Limited	• SingHaiyi Group Ltd. • CSC Holdings Limited and its subsidiaries • Eindex Corporation Limited • LCT Holdings Limited • Asia East Investment Pte Ltd • Lejia (S) Pte Ltd • NHCS Investment Pte Ltd • NH Singapore Biotechnology Pte Ltd • Top3 Development Sdn Bhd
Information required pursuant to Listing Rule 704(7)			
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

NOTICE OF ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Name of Director	Mrs. Celine Tang	Mr. Hwang Soo Chin	Mr. See Yen Tarn
Information required pursuant to Listing Rule 704(7)			
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
c. Whether there is any unsatisfied judgment against him?	No	No	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

NOTICE OF ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Name of Director	Mrs. Celine Tang	Mr. Hwang Soo Chin	Mr. See Yen Tarn
Information required pursuant to Listing Rule 704(7)			
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

NOTICE OF ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Name of Director	Mrs. Celine Tang	Mr. Hwang Soo Chin	Mr. See Yen Tarn
Information required pursuant to Listing Rule 704(7)			
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

NOTICE OF ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Name of Director	Mrs. Celine Tang	Mr. Hwang Soo Chin	Mr. See Yen Tarn
Information required pursuant to Listing Rule 704(7)			
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

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

PROXY FORM

(Please see notes overleaf before completing this Form)

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.

I/We, ____________________

of ____________________

being a member/members of SingHaiyi Group Ltd. (the "Company"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at Level 1, Capricorn Ballroom, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on Thursday, 25 July 2019 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion. All resolutions put to vote at the Meeting shall be decided by way of poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1.	Adoption of the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2019 together with the Auditors' Report thereon.		
2.	Approval of a final dividend of S$0.0015 per ordinary share (one-tier tax exempt) for the financial year ended 31 March 2019.		
3.	Re-election of Mrs. Celine Tang as a Director.		
4.	Re-election of Mr. Hwang Soo Chin as a Director.		
5.	Re-election of Mr. See Yen Tarn as a Director.		
6.	Approval of the payment of Directors' fees of S$343,000.00 for the financial year ending 31 March 2020, 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 ________ 2019

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 6 Shenton Way, #45-01 OUE Downtown 1, Singapore 068809 not less than 48 hours before the time appointed for the Meeting.

7. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the Meeting in order for the Depositor to be entitled to attend and vote at the Meeting.

8. 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 8 July 2019.

General:
The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

SINGHAIYI
GROUP

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