Accelerating Ahead

ANNUAL REPORT 2016

SINGHAIYI GROUP

VISION

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

MISSION

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

CORPORATE PROFILE

SingHaiyi Group Ltd. ("**SingHaiyi**" or the "**Group**") is a fast growing and well-rounded real estate specialist with unique access to real estate opportunities in Asia and USA.

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

Backed by a visionary and well-connected Board and management team with deep expertise, we have built a robust network and strong partnerships in Singapore, USA and Malaysia. As one of the first Singapore listed companies to build its property portfolio successfully in the USA, our strong local knowledge and solid connections puts us on firm ground to capitalise on future opportunities in this exciting market.

ACCELERATING AHEAD

It's all systems go at SingHaiyi. We're fully equipped, finely tuned and passionately driven to create new opportunities.

With a strong team in the driver's seat, we have a clear vision ahead on how to reach our goals. It's a combination of sharply honed skills, unsurpassed knowledge and a wealth of experience that come together to take us on the road to success.

It's a winning formula that's hard to beat.

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ACCELERATING AHEAD

SETTING THE PACE

Maintaining the right tempo is paramount in ensuring that all our diversification strategies come to fruition.

Since 2013, our core team has harnessed their experience to come up with a business strategy to capture every opportunity, explore new territories and take growth to exciting new levels.

A WINNING STRATEGY

QUALITY PORTFOLIO

YIELD-ACCRETIVE ACQUISITIONS

PROACTIVE PROPERTY MANAGEMENT

ASSET ENHANCEMENT INITIATIVES

CORPORATE MILESTONES

2012

APRIL
Launches Pasir Ris One, a Design, Build and Sell Scheme ("**DBSS**") project in Singapore

AUGUST
Strategic investment by Haiyi Holdings Pte Ltd. ("**Haiyi**") with S$94.4 million subscription of Non-Redeemable, Cumulative Convertible Non-Voting Perpetual Preference Shares ("**CCPS**")

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

DECEMBER
Launches CityLife@Tampines, an Executive Condominium ("**EC**") project in Singapore

2013

MARCH
Changes corporate identity to SingHaiyi Group Ltd.

MAY
Launches City Suites (formerly known as Cosmoloft), a freehold private residential project in Singapore

JUNE
Approval from shareholders on Rights Issue and Share Placement raising up to S$226 million, along with plans to invest in USA real estate

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

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

DECEMBER
Awarded Building and Construction Authority ("**BCA**") Green Mark Award (GoldPlus) for CityLife@Tampines

2014

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

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

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

MARCH
Completes share consolidation of every 10 to 1 ordinary share

MAY
Grant of Temporary Occupation Permit ("**TOP**") by BCA on Charlton Residences

JUNE
Establishes S$500 million Multi-currency Debt Issuance Programme

2015

MAY
Grant of TOP by BCA on Pasir Ris One

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

Invests in Park Mall in Singapore for the purpose of redevelopment

DECEMBER
Completes acquisition of Park Mall

2016

FEBRUARY
Grant of TOP by BCA on CityLife@Tampines

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

BUSINESS STRATEGY

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

OUR 4-PRONGED BUSINESS STRATEGY

1 BUILDING A PORTFOLIO OF QUALITY PROPERTY DEVELOPMENTS

- Anchored by a steady line up of completion pipelines for our property developments in Singapore and USA up till 2019

2 MAKING YIELD-ACCRETIVE ACQUISITIONS

- Completed five major acquisitions in Singapore and USA in the last three years
- Forayed into Singapore's commercial property development space with the acquisition of Park Mall
- Leverage our on-ground knowledge and experience, and first-mover advantage in USA to establish our foothold

3 MANAGING OUR PROPERTIES PROACTIVELY

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

4 EXECUTING INNOVATIVE ASSET ENHANCEMENT INITIATIVES ("AEI")

- Plan to expand retail offerings at TripleOne Somerset
- Plan to boost shopper footfall at Tri-County Mall

CHAIRMAN'S MESSAGE

"TO SHARE THE FRUITS OF AN OUTSTANDING YEAR WITH SHAREHOLDERS, THE BOARD IS PLEASED TO PROPOSE A FINAL DIVIDEND OF 0.2 SINGAPORE CENTS PER ORDINARY SHARE, RAISING TOTAL DIVIDENDS FOR THE FULL YEAR TO 0.4 SINGAPORE CENTS PER SHARE, WHICH REPRESENTS A DIVIDEND PAYOUT RATIO OF CLOSE TO 40% OF NET ATTRIBUTABLE PROFIT."

Neil Bush,
Non-Executive Chairman

Dear Shareholders,

DRIVING THE MOMENTUM

This has been another remarkable year for SingHaiyi Group Ltd., as we continue to gain new ground on both corporate and financial fronts.

Last year, we outlined our strategy to streamline operations, scale up our earnings streams, and strengthen our overall resilience and expertise. This year, for the 12 months ended 31 March 2016 ("**FY2016**"), I am happy to note that we are well on track with these achievements, and alongside exciting corporate developments, we also recorded a healthy 38.4% growth in our net attributable earnings.

In the first quarter of FY2016, we declared a special dividend of 0.2 Singapore cents per share to our shareholders who have been unwavering in their support. To share the fruits of an outstanding year with shareholders, the Board is pleased to propose a final dividend of 0.2 Singapore cents per ordinary share for the year, raising total dividends for the full year to 0.4 Singapore cents, which represents a dividend payout ratio of close to 40% of net attributable profit.

Our achievements are undoubtedly a clear reflection of the stewardship of Group Managing Director, Celine Tang, and her management team who are masterfully steering the Group towards becoming a well-rounded real estate specialist of choice.

CHAIRMAN'S MESSAGE

EXTENDING OUR LEAD

We made a solid start to FY2016 with two pivotal real estate ventures in June 2015, testament to the team's deep-seated sector experience and knack for uncovering new growth opportunities for the Group.

In Malaysia, we joined hands with experienced industry players by investing 35% in ARA Fund Management (Harmony III) Limited, making us a General Partner of the fund, ARA Harmony Fund III, and in tandem with this, we made a 25% investment into ARA Harmony Fund III, a portfolio of high quality income-producing commercial properties in Malaysia. In addition to yielding recurring income sources in the form of a management fee and dividends, this move also successfully extends our capabilities into a new facet – real estate fund management – and a new geography.

In Singapore, we moved into the arena of development of commercial properties for the first time this year. We invested a 35% stake in a joint venture entity with committed equity participation of S$134.4 million to acquire and redevelop Park Mall, a commercial property located in the prime Orchard Road shopping belt in Singapore. The Group will lead the redevelopment of this cornerstone project.

We completed the acquisition on 22 December 2015 and are rapidly moving ahead with this project that presents a myriad of opportunities for us including realising value through the sale of strata units, as well as future recurring income through the leasing of units. Importantly, it also serves as a strategic springboard to build our brand as a property specialist of distinction across diverse segments.

QUALITY AT OUR CORE

The foundations we have laid since 2013 are holding us in good stead as we continue to enjoy stable income streams with recurring rental income from investment properties in Singapore and the USA. The transformation of Tri-County Mall into a lifestyle mall through asset enhancement initiatives is also well on track and even as we pursue this, it continues to contribute recurring rental income for the Group.

Our efforts are bolstered by our property development business in Singapore. We launched The Vales in July 2015 and have sold over 55% of this 517-unit development to date. In the USA, our plans to redevelop the existing office building in 5 Thomas Mellon Circle, San Francisco, into a waterfront lifestyle residential property are underway, as are our development plans for Vietnam Town.

While we have a steady pipeline of quality property developments in USA and Singapore up until 2019, we are aware that the road ahead will not be without challenges given developments in our operating environment and the world economy in general.

Our focus for FY2017 and the coming years will be to further entrench ourselves as a real estate specialist of distinction. Armed with a sound strategy and a strong leadership bench, we will endeavour to look for opportunities to expand our geographical reach and drive further growth through yield-accretive investments with the goal of delivering returns to our shareholders.

With quality at our core, we believe we are well-positioned for the journey ahead.

ACKNOWLEDGEMENTS

As we close the year, I would like to express my appreciation to the Board, our leadership team, and our employees. Your tireless work, belief, and dedication has enabled the Group to fulfil our goals and plans.

Thank you to our partners and customers, who have been a part of our growth story along with us, and to all our shareholders, for believing in us and for your vote of confidence. We are excited about the year ahead, and to taking on even greater challenges together towards sustainable long-term growth.

Neil Bush
Non-Executive Chairman

主席致辞

各位股东：

对新海逸集团有限公司(“**新海逸**”或“**集团**”)而言，这是表现卓越的一年，它见证了我们在企业发展和财务业绩取得的新成就。

在去年，我们制定了精简运作的战略，拓宽了盈利渠道，强化了集团的韧性和专长。今年，在截至2016年3月31日的12个月期间（“**2016财年**”），上述成果进一步深化，连同令人振奋的企业发展，新海逸取得了辉煌的成绩，股东应占净利增长38.4% 。

2016财年第一季度，我们宣布派发每股0.2分新元的特别股息，以感谢股东一如既往的支持。为了与股东分享2016财年的卓越成果，董事会提议派发每股0.2分新元的年终股息，全年将共派发股息0.4分新元，股息支付率接近40%的股东应占净利。

集团的成就无疑体现了董事总经理陈怀丹及其管理团队的出色领导力。在他们的带领下，集团将日益成为全方位发展的房地产优良企业。

2015年6月，集团启动了两个重要房地产项目，不仅为2016财年巩固了坚实基础，也彰显了管理团队深厚的行业经验和发掘增长机遇的能力。

在马来西亚，我们收购了 ARA Fund Management (Harmony III) Limited的35%股权，借此与多家资深的业内公司达成合作，并成为 ARA Harmony Fund III 的基金管理人。与此同时，我们还收购了 ARA Harmony Fund III的25%股权。该基金在马来西亚拥有不俗收益的优质商业地产。除了带来管理费和股息等持续性收益，此举也让我们成功进军马来西亚市场和房地产基金管理业务，为集团开拓了新的发展领域。

在新加坡，今年我们首次进军商用房地产开发。我们投资成立了一家合资公司并持股35%，承诺参股1亿3440万新元，用于收购并重建位于新加坡乌节路购物区黄金地段的商用物业Park Mall。集团将主导该项目的重建工作。

收购交易已于2015年12月22日完成，目前项目进展顺利。该项目有很好的发展潜力，既可销售分层地契单位，也可供出租以持续收益。最重要的是，它能成为我们的战略跳板，使我们成为一个全方位的房地产集团，并竖立一个良好品牌形象。

凭借2013年以来打下的坚实基础，新加坡和美国的投资物业持续租金收入稳健，成为集团的稳定收益来源。我们正采取一系列资产提升措施，积极将Tri-County Mall 打造成时尚生活购物中心，目前进展良好。在施工过程中，Tri-County Mall 还会继续为集团带来租金收入。

集团在新加坡的房地产开发业务发展势头稳健。我们在2015年7月推出了The Vales 项目，517套住宅中至今已售出超过55%。在美国，我们计划将旧金山5 Thomas Mellon Circle 的办公楼重建成海滨住宅，目前进展顺利；Vietnam Town 的开发计划也进展良好。

集团目前正在美国和新加坡建设一系列优质项目，预计划于2019年前陆续推出。我们也意识到，从全球经济和运营环境来看，未来依然会面临诸多挑战。

因此，我们的目标是在2017财年和之后的几年内，进一步巩固集团作为领先房地产企业的地位。凭借稳健的战略和强有力的领导团队，我们将积极寻找机会，拓展业务版图，通过具有增值作用的投资项目实现持续增长，为股东创造长期价值。秉持质量至上的原则，我们对未来的道路充满信心。

在2016财年结束之际，我要向董事会、管理团队和全体员工致以衷心感谢。正是你们的不懈努力、信任和奉献，推动着集团一步步实现我们的目标和计划。

同时，我也要感谢陪伴新海逸一路成长的各位合作伙伴和客户，以及始终信任并支持我们的全体股东。对于未来的一年，我们充满期待与信心。让我们携手面对更大的挑战，共同迈向长期可持续性成长的目标。

尼尔布什
非执行主席

GROUP MANAGING DIRECTOR'S MESSAGE

"FY2016 WAS TRULY LANDMARK AS IT MARKED THE YEAR WHERE THE GROUP ACHIEVED ITS BEST SET OF RESULTS SINCE BEING REBRANDED AS SINGHAIYI."

Dear Shareholders,

ACHIEVING POLE POSITION IN FY2016

FY2016 was truly landmark as it marked the year where the Group achieved its best set of results since being rebranded as SingHaiyi and helmed by a new management team in 2013. What made FY2016 even more meaningful was that our record performance was achieved despite facing less than ideal property market conditions in our operating markets, underscoring the caliber of our team and the strength of our strategy.

In FY2016, the Group achieved a 38.4% rise in net attributable profit to S$29.3 million on revenue totalling S$269.1 million compared to S$21.2 million and S$20.9 million respectively for the previous 12 months ended 31 March 2015 ("**FY2015**").

Our record topline performance was primarily underpinned by a strong uptick in Property Development income in Singapore stemming from the completion of Pasir Ris One, a DBSS public residential project that the Group completed in 1QFY2016. In line with this, our total revenue from Singapore soared to S$251.0 million in FY2016 from S$1.4 million in FY2015.

We also obtained TOP for CityLife@Tampines in 4QFY2016, a fully sold-out EC in which SingHaiyi holds a 24.5% stake, giving our earnings a direct boost of around S$19.9 million. We expect to recognise further profit upon delivery of the remaining sold units.

In the USA, our real estate portfolio generated revenue of S$18.1 million in FY2016 - comprising the sale of residential units at Vietnam Town (San Jose, California) and rental income which was relatively stable year-on year from Tri-County Mall (Cincinnati, Ohio) - compared to S$19.4 million in FY2015.

GOING FULL THROTTLE IN FY2016

There were many pivotal developments last year that brought SingHaiyi forward in our business diversification efforts and that will eventually have a strategic enhancement to our future earnings resilience. Our investments in ARA Harmony Fund III and ARA Fund Management (Harmony III) Limited in Malaysia, and Park Mall in Singapore were two such important milestones.

Our Malaysia portfolio, comprising five commercial assets in prominent locations with a combined net leasable area of approximately 2.7 million square feet, has done well since our investment and has contributed about S$6.2 million in share of profits in FY2016. Overall occupancy rate has improved from 89% to 94% as at 31 March 2016 since the completion of the acquisition in August 2015.

In Singapore, we plan to redevelop Park Mall in 2016 into a new building comprising Grade A offices and retail spaces by the second half of 2019. The Park Mall project is infinitely exciting for SingHaiyi as it allows us to extend our expertise laterally not only into commercial and retail property development but also in professional project and development management services, the latter which opens up a whole new revenue stream for us. Post-redevelopment, Park Mall will also offer considerable value creation through strata sale and rental leases.

The Group also launched a new 517-unit residential project at Anchorvale Crescent in July 2015 called The Vales, an EC project situated at a premium location with quality furnishings. Since its launch, market response to The Vales has been encouraging with over 55% of the project snapped up as at June 2016. Notably, The Vales is amongst the top five bestselling EC projects (excluding new launches) in March and April 2016[1] with at least 62 units sold at an average price of S$790 psf. It is also one of the few remaining ECs in Singapore where buyers are exempted from paying a resale levy, raising the allure of The Vales to potential buyers. Construction has been progressing at a good pace and we expect to attain TOP and reap returns in the first half of 2017.

In addition to these operational developments, we welcomed new members into the SingHaiyi family in FY2016 including independent non-executive director, Mr. See Yen Tarn, in October 2015 and Chief Financial Officer, Mr. Gregory Sim, in January 2016. Given their wealth of experience, I am certain that the counsel and insights from both gentlemen will be invaluable to the Group and I look forward to working with them in the years to come.

LAYING THE TRACKS FOR OUR FUTURE

Weighed down by uncertainties from the slowdown of the global economy and Brexit, the Group expects to face some headwinds in the year ahead. In Singapore, demand in the residential property market is expected to be dampened by weak market sentiments and the fear of higher interest rates. Whereas, over in the USA, the real estate market is expected to be reasonably stable.

GROUP MANAGING DIRECTOR'S MESSAGE

To mitigate the risk of depending solely on residential development income, the Group has diversified its portfolio into retail and office space.

At home, we will begin AEI to our income-generating commercial asset, TripleOne Somerset, in 2016 for an estimated S$114 million. We will work with our consortium partner to enhance TripleOne Somerset's retail podium and create a sheltered connectivity to Somerset MRT to improve accessibility and human traffic flow. Where it makes sense, we will also look into strata-sale of the office space. These initiatives are targeted to be completed by 2018 / 2019.

In the USA, Tri-County Mall (Cincinnati, Ohio) is being transformed into a lifestyle mall for F&B, fashion and entertainment brands through AEI. In FY2016, we finished new outparcel buildings to house existing tenants such as Starbucks, Chipotle and Men's Wearhouse and are now just about to start the construction of another outparcel for Outback Steakhouse. Streetscape developments are ongoing with outward-facing retail shops to raise footfall and occupancy rate. In addition, we are also in talks with potential tenants - new national anchors, retail shops and upscale restaurants - which will add diversity to our current anchor tenants, Macy's and Sears.

The Group also plans to gradually roll-out two more development projects in the USA by 2019, including Vietnam Town in San Jose, California, a partially completed commercial condominium project. Our share comprises 51 completed units and 141 uncompleted units of which 23 completed units have been sold to-date. Capitalising on the growing price trend in this area, we are actively marketing the remaining 28 completed units - Phase One. Phase Two, encompassing the construction of the remaining units in two phases, is expected to be wrapped up by the second half of 2017 with funding from the sales proceeds from Phase One.

Another of our development project is 5 Thomas Mellon Circle in San Francisco, California which is slated for completion in the first half of 2019. Located at Candlestick Point, an area that is fast becoming a prime retail, entertainment and residential neighbourhood, we believe 5 Thomas Mellon Circle presents many opportunities for us. Right now, our plans to redevelop the existing office building on the site into more than 550-unit waterfront lifestyle residential property is in progress.

Shortly after the close of FY2016, our controlling shareholder, Haiyi Holdings Pte. Ltd., proposed to acquire 500 million new shares in OKH Global Ltd. at S$0.10 per share or a 44.3% stake subject to satisfaction of conditions precedent in the Subscription Agreement. The latter is an integrated property developer focused on logistics and industrial properties listed on the Mainboard of the SGX-ST. Alongside this announcement, SingHaiyi was granted a conditional right-of-first-refusal ("**ROFR**") to acquire the stake, exercisable within 12 months from 5 April 2016, also at S$0.10 per share. To date, we have not made any definitive decision with respect to the ROFR, though should we decide to exercise the ROFR, we believe this proposed acquisition would have synergies with our existing business in Singapore and provide diversification opportunities for us. The Group will make the necessary announcements in due course.

APPRECIATION

Our outstanding performance in FY2016 would not have been possible without the support and hard work of many people. I would like to take this opportunity to thank our loyal shareholders, customers and business partners for your faith and confidence in us. I would also like to express my gratitude to our Board of Directors, management team, employees and our Sponsor for your counsel and dedication over the years. It has enabled SingHaiyi to grow into what we are today.

With your firm backing, we are more motivated than ever to strive for greater achievements and growth.

Celine Tang
Group Managing Director

[1] *The Edge Property, "Buyers return after waiting on the curb", 5 May 2016*

集团董事经理致辞

"集团在这财年取得了自2013年更名为"新海逸"并由新管理团队掌舵以来的最佳业绩。"

各位股东:

2016财年取得骄人业绩

2016财年是具有里程碑意义的一年。集团在这财年取得了自2013年更名为"新海逸"并由新管理团队掌舵以来的最佳业绩。我们在房地产市场不理想的环境下取得了辉煌的成绩，彰显了公司团队的卓越才能和经营策略的优势，因此本财年对我们意义重大。

2016财年，集团的股东应占净利为2930万新元，同比增长38.4%，营收总额为2亿6910万新元；而截至2015年3月31日12个月（"**2015财年**"）的上述业绩数据分别为2120万和2090万新元。

集团的营业额创下新高，主要归功于新加坡的房地产开发部门，因 Pasir Ris One 私人组屋（DBSS）项目在本财年第一季度竣工，带动房地产部门的营收大幅攀升。因此，来自新加坡的营收从2015财年的140万新元猛增至2亿5100万新元。

本财年第四季度集团获得了执行共管公寓(EC) CityLife@Tampines 的临时入伙证（TOP）。此项目集团持股24.5%，现已全部售罄，该项目推动盈利激增1990万新元。随着剩余的已售单位逐步交付，我们预计利润将进一步攀升。

在美国，集团的房地产资产组合本财年营收为1810万新元，包括销售加州圣何塞市 Vietnam Town 已建成商业公寓的收入，还有俄亥俄州辛辛那提市Tri-County Mall 购物中心的稳定租金收入。2015财年的美国市场营收为1940万新元。

2016财年全速前进

去年的多项关键措施促进了新海逸的多元化业务发展，显著提升了我们的未来盈利能力与持续性。投资马来西亚 ARA Harmony Fund III 和 ARA Fund Management (Harmony III) Limited，以及新加坡的 Park Mall 是两个具有重要意义的项目。

我们在马来西亚的投资组合包括五个位于黄金地段的商场，净可租用空间总计为270万平方英尺。自我们投资以来，这些商场一直表现稳健，整体租用率从投资时的89%，增加到截至2016年3月31日的94%，为集团带来620万新元的利润。

在新加坡，我们计划重新开发 Park Mall，将其重建为甲级办公楼和零售商场的全新商厦，预计在2019年下半年完工。Park Mall项目令新海逸感到鼓舞，它不仅让我们在商业及零售物业开发领域发挥专长，还带来了专业项目和开发管理服务领域的契机，为我们的收益开拓新渠道。Park Mall可通过销售及出租分层地契单位实现收益。

此外，在去年推出位于 Anchorvale Crescent 的执行共管公寓 —— The Vales。自发售以来，销售进展良好，至今已售出超过55%的单位。该项目地点优越，格局理想，品质至上，买家无需支付转售税收（resale levy），因而增加对潜在买家的吸引力。在今年3、4月[1]，该项目至少售出了62个单位，成为最畅销的五大EC之一 。该公寓目前的建造进展顺利，我们预计它在2017年上半年取得临时入伙证（TOP）并实现盈利回报。

我们欢迎新成员在2016财年加入新海逸大家庭，包括在2015年10月加入的独立非执行董事 See Yen Tarn 和2016年1月加入我们的财务总监 Gregory Sim。我深信，他们的丰富经验、专业才华和卓识远见，将协助我们更上一层楼。

为未来奠定基础

未来一年，全球经济放缓，集团会面临一些挑战，刚举行的英国公投脱欧也将让前景更不明朗。在新加坡，由于房地产市场情绪低迷且预期加息引发担忧，新加坡住宅房地产市场的需求受到冲击。美国的房地产市场预计保持稳定。

集团的投资策略已从单一的住宅开发转为包括住宅、商场、办公楼等多元化投资和开发，公司实现了收益多元化，同时避免单一投资的风险。

在本地市场，111 索美塞（TripleOne Somerset）将开展资产提升计划，成本预计为1亿1400万新元。该项目将翻新零售空间，并在该商场和索美赛地铁站之间建

集团董事经理致辞

立一条有盖通道，让通行更为便利，从而吸引更多的人潮。在时机合适时，我们也会考虑销售办公楼空间的分层地契单位。这些计划预计在2018年至2019年完成。

在美国市场，Tri-County Mall（辛辛那提，俄亥俄州）正被提升为一个融合餐饮、时尚和娱乐品牌的大型综合性购物商场。本财年，我们建成了新的独立专卖店，入驻的品牌包括星巴克、 Outback Steakhouse 和 Men's Wearhouse。在设计方面，我们通过向外的零售商铺来吸引人流及增加租用率。此外，我们也与潜在租户进行洽谈，包括全国知名的租户、零售商店，以及高端餐馆，这些将使我们在现有租户（梅西百货公司和西尔斯百货）的基础上进一步实现多元化运营。

集团也计划在2019年之前逐步新增两个发展项目，包括加利福尼亚州圣荷西的 Vietnam Town，这是个商业公寓单位项目，包括51个已完成单位和141个未完工单位，至今已售出23个已完成单位。通过把握该地区房价的上扬趋势，我们积极地为其余的28个已完工单位进行宣传和营销，这是项目第一期。项目第二期分两个阶段建造其余的单位，所用资金来自第一期的销售收入，预计在2017年下半年竣工。

另外一个项目是加利福尼亚州旧金山的 5 Thomas Mellon Circle，预计在2019年上半年完工。这里位于 Candlestick Point，正逐渐成为热闹的零售、娱乐和住宅区，我们预计 5 Thomas Mellon Circle 能给集团带来丰富的契机。当前，我们计划将现有办公楼重建为550多个单位的海滨住宅，该项目正在建设中。

在2016财年临近尾声时，我们的控股股东海逸控股有限公司提议以每股0.10新元的价格收购 OKH Global Ltd 的5亿新股或44.3%的股权，具体收购方式取决于认购协议的先决条款。OKH Global Ltd 是一家以物流和工业地产为主的综合性房地产发展商，目前在新加坡交易所主板上市。新海逸也获得了购买该公司股权的优先转让权（"**ROFR**"），购买价依然是每股0.10新元，从2016年4月5日开始，我们可在12个月内行使该权利。至今，我们还未作出任何针对优先转让权的决定，但如果决定行使该权利，我们相信这项拟议的收购交易将为我们带来多元化发展机会。集团将在适当时机发布相关公告。

特别鸣谢

2016财年的卓越业绩归功于大家的鼎力支持和辛勤付出。我要借此机会感谢股东、客户以及合作伙伴对新海逸的信任。我也要感谢董事会、管理团队、员工和保荐人多年来对我们的指导和帮助。你们成就了今天的新海逸！

我们将继续努力、锐意进取，力争再创佳绩！

陈怀丹
集团董事经理

[1] *The Edge Property, "Buyers return after waiting on the curb", 2016年5月5日*

ACCELERATING AHEAD

TAKING THE LEAD

Our journey as a well-rounded real estate company is one that never ends. To take the lead, we're constantly leveraging on our edge and expertise to fuel each of our business segments.

It's a constant focus to drive multiple avenues of growth to provide extra value and deliver sustainable returns.

A RECORD SETTING YEAR

REVENUE
+12 FOLDS

PRE-TAX PROFIT
+78.7%

EARNINGS
+38.4%

DIVIDEND
S$11.4M

BOARD OF DIRECTORS

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

BOARD OF DIRECTORS

Neil Bush
Non-Executive Chairman

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

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

Mr. Bush has been involved in energy and international business development for over three decades beginning in 1980 where he worked with Amoco Production Company (now BP) in Denver, Colorado. During the 1980s, Mr. Bush formed two independent oil companies that explored for oil in various states in the United States including Wyoming, Colorado, California and Michigan, as well as in Argentina. For the past 20 years, Mr. Bush has engaged in various international business development activities in China and the Middle East. He has travelled to at least 34 cities in China and has worked with numerous entities on a variety of projects including real estate development and manufacturing business.

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

Celine Tang
Group Managing Director

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

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

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

Mrs. Tang graduated with a Bachelor's Degree in Literature from China People's University for Police Officers (now known as People's Public Security University of China).

Mrs. Tang is the spouse of Mr. Gordon Tang who is a Non-Executive Director of SingHaiyi. Mr. and Mrs. Tang, through Haiyi, are controlling shareholders of the Group.

Mao Jinshan, Jason
Managing Director, US Operations

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

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

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

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

BOARD OF DIRECTORS

Gordon Tang
Non-Executive Director

Date of Appointment: 14 January 2013
Date of Last Re-election: 25 July 2014

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

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

Mr. Tang is the Honorary Chairman of Teochew Poit Ip Huay Kuan, a Teochew clan association in Singapore, and is a keen supporter of the Singapore Judo Federation and Singapore Sailing Federation.

Mr. Tang is the spouse of Mrs. Celine Tang, who is the Group Managing Director of SingHaiyi. Mr. and Mrs. Tang, through Haiyi, are controlling shareholders of the Group.

Gn Hiang Meng
Lead Independent Non-Executive Director

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

Mr. Gn Hiang Meng is the Lead Independent Non-Executive Director and Chairman of the Audit Committee of the Group. He is currently also an Independent and Non-Executive Director of Centurion Corporation Limited, Haw Par Corporation Limited, Koh Brothers Group Limited and Tee International Limited. In addition, Mr. Gn is a Non-Executive Director of Treasure Resort Private Limited, which owns the Le Meridien Hotel in Sentosa.

Mr. Gn brings with him professional experience in the financial industry, particularly in the areas of corporate planning, stockbroking, asset management, portfolio management, private equity investing, merchant banking and mergers and acquisitions. Mr. Gn spent 28 years in United Overseas Bank Limited and was the Senior Executive Vice-President and Head of Investment Banking. He subsequently joined UOL Group Limited in 2001 where he acquired some experience in the hospitality industry as its Deputy President (Hotels) until 2007.

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

Yang Dehe
Independent Non-Executive Director

Date of First Appointment: 6 September 2013
Date of Last Re-election: 25 July 2014

Mr. Yang Dehe was first appointed as Non-Executive Director on 6 September 2013 and was re-designated as an Independent Non-Executive Director with effect from 30 May 2014. He heads the Hai Run Group of companies, which is involved in trading and investment holding activities. Hai Run's Singapore-based subsidiary Hai Run Pte. Ltd. is the second largest shareholder of SingHaiyi Group Ltd.

Mr. Yang started his career in 1985 as a seafood restaurateur in Guangdong, China. After nearly a decade, recognising its inherent potential, he ventured into the stainless steel business and set up Guangdong Hai Run Trading Limited.

Since 2006, Mr. Yang has been driving Hai Run Group's corporate strategy, operations, as well as risk assessments for new projects. Under his effective management and emphasis on corporate integrity, the company clinched a compliance award in China for reliability and credibility.

BOARD OF DIRECTORS

David Hwang Soo Chin
Independent Non-Executive Director

Date of Appointment: 29 July 2013
Date of Last Re-election: 25 July 2014

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

Mr. Hwang brings with him more than 40 years of management experience in both manufacturing and property investment/development industries and held senior management positions and board appointments in various public listed and private companies in Singapore and abroad.

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

See Yen Tarn
Independent Non-Executive Director

Date of Appointment: 1 October 2015

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

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

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

Yang Manlin
Alternate Director to Mr. Yang Dehe

Ms. Yang Manlin was appointed as Alternate Director to Mr. Yang Dehe on 1 August 2014. She is the daughter of Mr. Yang Dehe. Currently, Ms. Yang is an Executive Director of Hai Run Pte. Ltd., which is the second largest shareholder of SingHaiyi Group Ltd. Ms. Yang has several years of experience in the accounting field.

EXECUTIVE MANAGEMENT

Celine Tang
Group Managing Director
(Refer to Page 17)

Mao Jinshan, Jason
Managing Director, US Operations
(Refer to Page 17)

Ng Kheng Choo, Nicole
Group Chief Operating Officer

Ms. Nicole Ng has 20 years of experience in the fields of auditing, accounting, corporate finance, mergers and acquisitions and investment. She was appointed in July 2013 as Chief Financial Officer ("**CFO**") of the Group and subsequently, promoted to Group Chief Operating Officer ("**COO**") in July 2014.

As Group COO, she is responsible for overseeing the overall operations of the Group which include tendering strategies, budget and cost controls, design and function planning, marketing and sales, and resource planning for the Group's property development business. She also spearheads the formulation of the Group's expansion plans and overall corporate and strategic development, as well as evaluates and executes its investments and acquisitions.

Ms. Ng currently sits on the board of SGX-ST listed ISOTeam Ltd. as an Independent Non-Executive Director.

She holds a Bachelor of Accountancy from Nanyang Technology University and is a member of the Institute of Singapore Chartered Accountants.

Sim Chee Wah, Gregory
Chief Financial Officer

Mr. Gregory Sim has more than 20 years of experience of accounting, finance and management experience. He 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.

He was appointed on 4 January 2016 as CFO of the Group and is responsible for overseeing the financial operations, budgetary and cost controls, statutory and management reporting and corporate finance activities, investor relations as well as corporate secretarial matters of the Group.

Mr. Sim graduated with a Bachelor of Accountancy (Merit) degree from Nanyang Technological University in 1995. He has been a Chartered Accountant, Singapore since 1999.

EXECUTIVE MANAGEMENT

Chang Soy Lee, Catherine
General Manager (Project Development)

Ms. Catherine Chang has more than 30 years of property development experience, and has been involved in the development of hotel, residential and commercial properties. She is also experienced in project feasibility studies and the assessment of development potential of specific sites.

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

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

Michael Chia-Min Liu
Vice President (Project Development)

Mr. Michael Liu has close to 20 years of experience in various project management roles of real estate development. He brings extensive experience and insight ranging from initial feasibility, entitlement, design, construction, handover to final contract resolution.

Michael was appointed in May 2015 as Vice President, Project Development of SingHaiyi US Operations, Inc. to lead all property development efforts in the United States.

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

Renee Bell
General Manager, Tri-Country Mall

Ms. Renee Bell has close to 15 years of experience in commercial real estate, from accounting, operations, marketing to management, with a variety from strip malls to large enclosed malls. She also has three years of experience of mall management under redevelopment, which is where she excels. Ms. Bell has also overseen the development and management of multiple commercial real estate properties while, simultaneously, functioning in the capacity of a General Manager for a large commercial complex.

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

CORPORATE HIGHLIGHTS

NOTABLE CORPORATE MILESTONES

Pasir Ris One

TOP obtained

Penetrates **new market**

via a **25%** interest in ARA Harmony Fund III, a portfolio of commercial / retail assets across Malaysia

Further **diversifies** income stream

by acquiring a **35%** stake in the general partner of a property fund, ARA Harmony Fund III

35% stake in **Park Mall**

Enters commercial property redevelopment

CityLife@ Tampines

TOP obtained

A RECORD FINANCIAL YEAR

S$269.1 million

Record revenue buoyed by development income in Singapore

S$41.5 million

Highest ever pre-tax profit from CityLife@ Tampines completion and fair value gain from Malaysia portfolio

S$29.3 million

Highest ever net profit attributable to owners

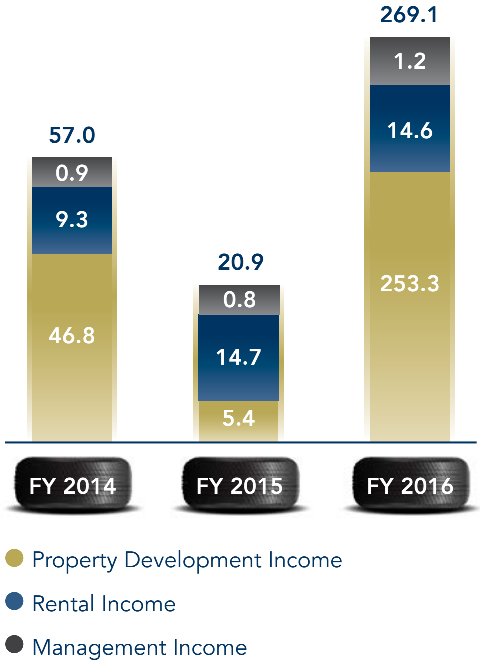
S$11.4 million or **0.4¢** per share

Dividends representing a payout of almost **40%** of net profit attributable to owners

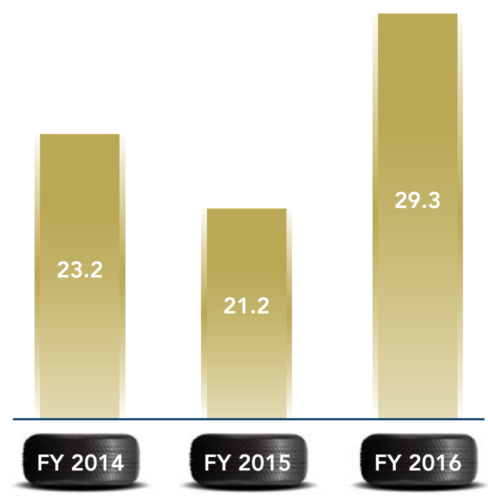
FINANCIAL HIGHLIGHTS

YEAR ENDED 31 MARCH

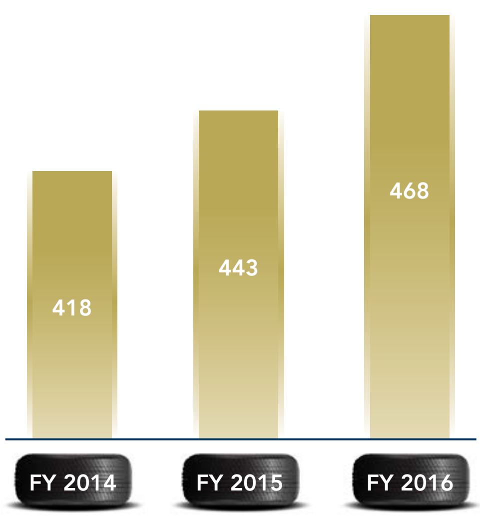
REVENUE BY BUSINESS SEGMENTS
(S$ million)



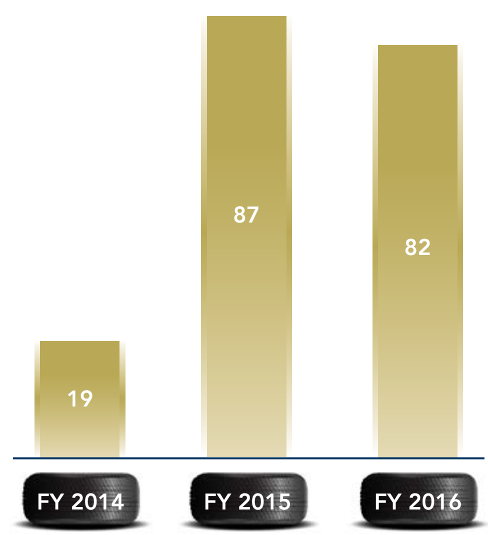
NET PROFIT ATTRIBUTABLE TO OWNERS
(S$ million)



NET ASSETS
(S$ million)



NET DEBT / EQUITY
(%)



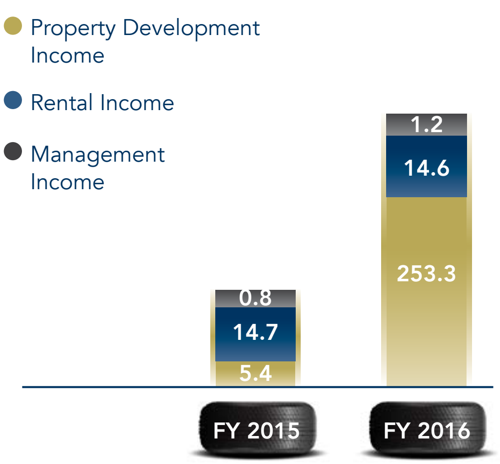
OPERATIONAL & FINANCIAL REVIEW

Since 2013, SingHaiyi has been single-minded in its focus to build a diversified and resilient earnings base. Its efforts have paid off in FY2016, which was an outstanding year with record growth.

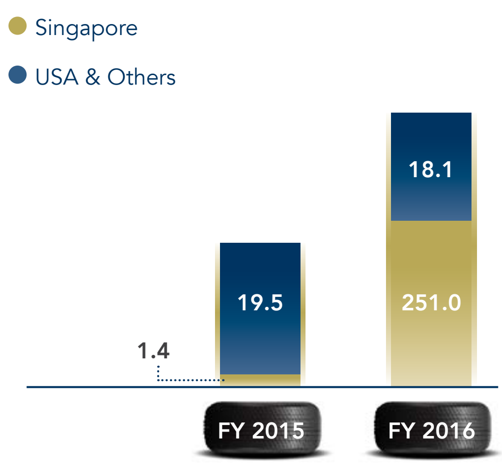
The Group achieved a 12-fold growth in revenue from S$20.9 million in FY2015 to S$269.1 million in FY2016, attributable to higher property development income which mainly comprised unit sales at the Pasir Ris One project. Rental income, mainly contributed by Tri-County Mall in the USA and investment properties in Singapore, remained relatively stable at S$14.6 million in FY2016, compared with S$14.7 million in FY2015.

Correspondingly, revenue contribution from Singapore soared to S$251.0 million in FY2016 from S$1.4 million in FY2015, partially offset by lower revenue from the USA at S$18.1 million in FY2016. The lower contribution from the USA was largely due to lower property development income of S$4.0 million in FY2016, which comprised solely sales of several completed units from the Vietnam Town development. Recurring rental income from the USA was stable at S$14.1 million in FY2016, compared with S$14.0 million in FY2015.

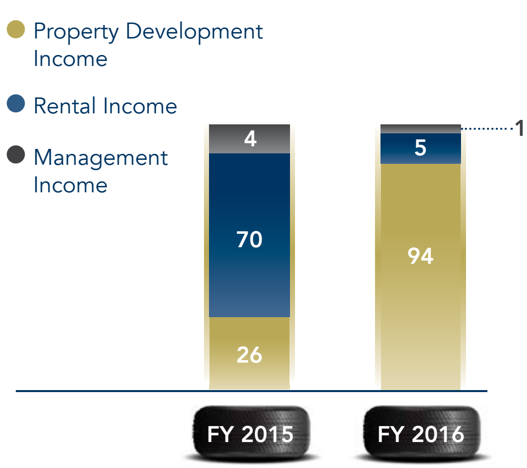
SEGMENTAL BREAKDOWN OF REVENUE
(S$ million)



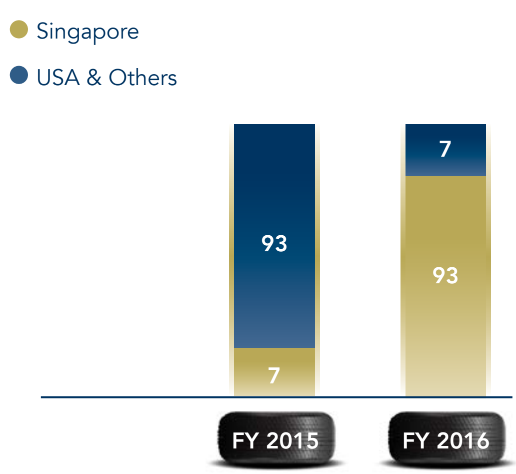
GEOGRAPHICAL BREAKDOWN OF REVENUE
(S$ million)



SEGMENTAL COMPOSITION OF REVENUE
(%)



GEOGRAPHICAL COMPOSITION OF REVENUE
(%)



OPERATIONAL & FINANCIAL REVIEW

Gross profit rose by S$29.2 million to S$41.6 million in FY2016, in tandem with the increase in total revenue. Gross profit margin, however, declined by 43.9 percentage points to 15.4% in FY2016 as a result of a change in revenue mix as more property development income, which generally yields a lower gross profit margin than that of rental income, was recognised as compared to the previous year.

The Group's operating profit decreased by S$7.3 million or 29.1% to S$17.6 million in FY2016, mainly impacted by lower other income, higher selling and marketing expenses and other operating expenses for the year. The decrease in other income was primarily due to a decrease in foreign exchange gain of about S$12.4 million from the conversion of USD denominated loan to equity in FY2015 as well as an absence of fair value gain of S$5.6 million that was recognised upon the reclassification of 5 Thomas Mellon Circle from an investment to a development property in FY2015. Higher other operating expenses, which included the allowance made for diminution in value of City Suites of S$3.9 million, and fair value loss on investment properties of approximately S$6.4 million, as well as additional sales and marketing costs for The Vales, have led to the Group's lower operating profit in FY2016.

On the other hand, profit before tax in FY2016 surged 78.7% to S$41.5 million, buoyed by strong share of profits of equity-accounted investees, net of tax mainly due to profit contribution of S$19.9 million from the completion of CityLife@Tampines in the fourth quarter of FY2016 and profit contribution of S$6.2 million from fair value gain from investment in the ARA Harmony Fund III, in which the Group has a 25% equity interest. Overall, the Group's net profit attributable to owners rose by 38.4% from S$21.2 million in FY2015 to S$29.3 million in FY2016.

In view of its FY2016 performance, the Group has proposed a final dividend of 0.2 Singapore cents per ordinary share. Together with the special dividend of 0.2 Singapore cents per share declared in the first quarter of FY2016, total dividend for the year is 0.4 Singapore cents per share, or S$11.4 million, representing a dividend payout ratio of close to 40% of net attributable profit.

FINANCIAL POSITION

As at 31 March 2016, the Group's holdings in cash and cash equivalents totalled S$41.0 million, compared with S$163.1 million as at 31 March 2015. The decrease mainly resulted from cash outflow in financing activities which included repayment of bank loans on the Group's Pasir Ris One project and partial repayment of secured bank loans.

Interest in associates increased by S$68.0 million to S$87.9 million as at 31 March 2016, mainly due to full payment of S$43.9 million for the subscription of 25% interest in ARA Harmony Fund III which was completed on 6 August 2015 and the share of profits of approximately S$6.2 million. The fund comprises a portfolio of retail malls and a commercial building in Malaysia. The share of profits is mainly due to fair value gain on the portfolio of retail malls and a commercial building. The share of profits of another associate, Tampines EC Pte Ltd, of approximately S$19.9 million also contributed to the increase.

Interest in joint ventures pertains to payment for the investment in a joint venture company, Park Mall Investment Limited, for the purpose of acquiring Park Mall which was completed on 22 December 2015. The intention for the acquisition is to redevelop Park Mall into a new building comprising Grade A offices and retail spaces.

Development properties decreased by S$171.2 million to S$415.3 million as at 31 March 2016, mainly due to the completion of the Pasir Ris One project and the sales of its units, offset by the increase in cumulative project costs for the Group's existing development projects.

Trade and other receivables increased by S$19.7 million to S$47.9 million as at 31 March 2016, mainly due to an increase in trade receivables from sales of Pasir Ris One units of approximately S$36.6 million. This was offset by reclassification of fixed-term non-negotiable call deposits of about S$13.7 million to cash and cash equivalents upon maturity.

Trade and other payables decreased by S$63.5 million to S$72.6 million as at 31 March 2016, mainly attributable to transfer of deferred revenue of S$249.3 million to revenue from the completion of the Pasir Ris One project and sales of its units. This was offset by the project claims and progress billings of about S$133.9 million made for Pasir Ris One and project claims and progress billings of approximately S$51.4 million made for The Vales.

The decrease of S$125.4 million in total borrowings to S$398.4 million as at 31 March 2016 largely resulted from the full repayment of bank loans on the Pasir Ris One project of S$82.1 million and partial repayment of secured bank loans of S$104.4 million, offset by drawdown of construction loan of S$14.6 million for The Vales as well as drawdown of secured bank loans of S$50.7 million.

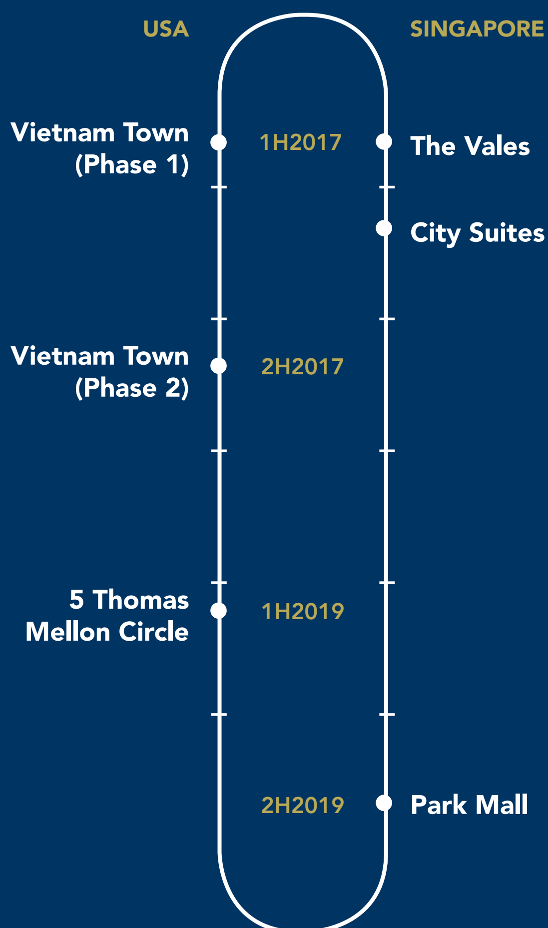
ACCELERATING AHEAD

GATHERING MOMENTUM

Delivering quality projects is our priority. Our highly experienced management and extremely motivated team make it possible.

This level of energy and commitment has enabled SingHaiyi to sustain the pace on a journey to deliver growth and premium value for the long term.

STEADY PIPELINE OF DEVELOPMENT PROJECTS




REPSOL
REPSOL

PARK MALL (SINGAPORE)

DEVELOPMENT PROPERTY

Type
Mixed commercial/retail

Location
Penang Road, Singapore

Stake
35%

Committed Equity Participation
S$134.4 million

Tenure
Leasehold – 99 years from 1969

Expected Commencement of Redevelopment
2016

Expected Completion of Redevelopment
2H2019

Successfully marking our maiden foray into commercial property redevelopment, SingHaiyi, together with our joint venture partners, completed the acquisition of Park Mall in December 2015 with the intention of redeveloping Park Mall into two office blocks with a retail component. Park Mall is a commercial and retail development comprising a 15-storey office cum retail space that is located in close proximity to the Orchard Road commercial and shopping belt and is also easily accessible from the nearby Dhoby Ghaut MRT station.

Our wholly-owned subsidiary, SingHaiyi Development Pte. Ltd., has been appointed to lead the redevelopment of Park Mall and will provide professional project and development management services.

ASSET PORTFOLIO

THE VALES (SINGAPORE)

DEVELOPMENT PROPERTY

Type Executive Condominium	Tenure Leasehold – 99 years	Expected Completion 1H2017
Location Sengkang, Singapore	Units (Number) 517	Gross Development Value (**"GDV"**) ~ S$430 million
Stake 80%	Sales Progress Over 55%	Gross Floor Area (**"GFA"**) (sq ft) ~ 525,709

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

ASSET PORTFOLIO

CITY SUITES (SINGAPORE)

DEVELOPMENT PROPERTY

Type Private Apartments	Tenure Freehold	Expected Completion 1H2017
Location Balestier, Singapore	Units (Number) 56	GDV ~ S$41 million
Stake 90%	Sales Progress 10%	GFA (sq ft) ~ 31,875

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

ASSET PORTFOLIO

CITYLIFE@TAMPINES (SINGAPORE)

DEVELOPMENT PROPERTY

Type
Executive Condominium

Location
Tampines, Singapore

Stake
24.5%

Tenure
Leasehold – 99 years

Units (Number)
514

Sales Progress
100%

Completion Year
Completed in 2016

GDV
~ S$528 million

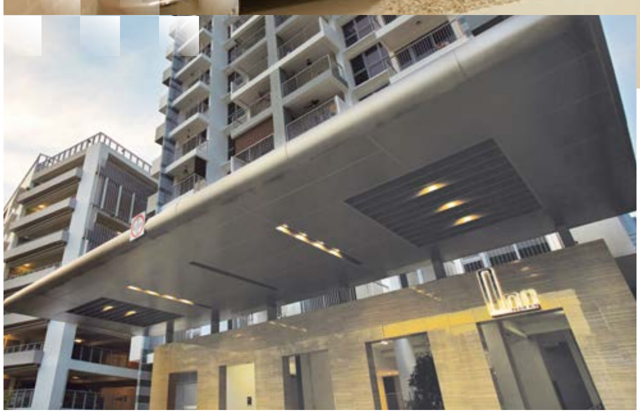
GFA (sq ft)
~ 625,398

The first luxury-hotel styled EC project in Singapore, CityLife@Tampines sold 90% of its units just two days after its launch, and was completely sold out within three months. Just a stone's throw away from well-known malls and educational institutions in Tampines, CityLife@Tampines not only offers hotel-inspired features such as Home Concierge Service and resort-style landscaping, it also received the BCA Green Mark GoldPlus award.

PASIR RIS ONE (SINGAPORE)

DEVELOPMENT PROPERTY

Type Design, Build and Sell Scheme	Tenure Leasehold – 99 years	Completion Year Completed in 2015
Location Pasir Ris, Singapore	Units (Number) 447	GDV ~ S$270 million
Stake 80%	Sales Progress 95%	GFA (sq ft) ~ 441,002



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

CHARLTON RESIDENCES (SINGAPORE)

DEVELOPMENT PROPERTY

Type Private Cluster Housing	Tenure Freehold	Completion Year Completed in 2014
Location Kovan, Singapore	Units (Number) 21	GDV ~ S$60 million
Stake 80%	Sales Progress 100%	GFA (sq ft) ~ 62,054

A freehold landed cluster-housing development in District 19, Charlton Residences holds distinction as our very first development project. Stylish and yet highly functional in its design, Charlton Residences provides residents with homes that have ample space and privacy, and facilities like a lap pool, clubhouse and gym. Accessible via the CTE and KPE, Charlton Residences is a stone's throw away from Kovan MRT station and Heartland Mall, and only a 15-minute drive to the Orchard shopping belt and Central Business District.

5 THOMAS MELLON CIRCLE (USA)

DEVELOPMENT PROPERTY

Type
Residential Condominium

Location
San Francisco, California

Acquisition Cost
US$24.4 million

Stake
100%

Tenure
Freehold

Total Land Area (sq ft)
~ 204,300

GDV
~ US$420.0 million

Expected Completion
1H2019

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

The development is situated at the prestigious Candlestick Point, which is transforming into a prime retail, entertainment and residential neighbourhood area along San Francisco Bay, California. At present, there is an existing office building on this parcel of waterfront land. SingHaiyi plans to demolish the existing office building to develop a residential condominium with more than 550 units that will emphasise on waterfront living, active lifestyle, convenience and value.

VIETNAM TOWN (USA)

DEVELOPMENT PROPERTY

Type
Commercial Condominium

Location
San Jose, California

Acquisition Cost
US$33.1 million

Stake
100%

Tenure
Freehold

Units (Number) /
Total Land Area (sq ft)
192[1] / 853,502

Sales Progress
45.1%[2]

GDV
~US$105.6 million[3]

Expected Completion
~ 1H2017 (Phase One) /
2H2017 (Phase Two)

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

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

Out of the 256 planned condominium units, 115 units have been built, 64 of which have been sold. Our stake consists of 192 units, comprising 51 completed units and 141 uncompleted units, with 23 completed units sold to-date.

(1) *Excludes the 64 units that were previously sold.*

(2) *In relation to the 51 completed units as of May 2016.*

(3) *Relates to our stake of 192 units comprising 51 completed units and uncompleted 141 units.*

TRIPLEONE SOMERSET (SINGAPORE)

INVESTMENT PROPERTY

Type
Mixed Commercial/Retail

Location
Orchard, Singapore

Acquisition Cost
S$970 million

Stake
20% (for S$65 million)

Tenure
Leasehold –
99 years from 1975

Expected Commencement of AEI
2016

Expected Completion of AEI
2018/2019

GFA (sq ft)
~ 766,550 (Office: 648,610 / Retail: 117,940)

We made our first commercial property investment in March 2014 by acquiring a 20% stake in TripleOne Somerset for S$65 million, making us its second largest shareholder. The acquisition was made through a consortium led by Perennial Real Estate Holdings.

TripleOne Somerset is a 17-storey commercial building, comprising two office towers, two floors of retail space and over 400 parking lots, situated at a premium location in Singapore's prime shopping district of Orchard Road with great connectivity and convenient access to Somerset MRT Station.

Working with the consortium, SingHaiyi intends to boost the value of TripleOne Somerset through asset enhancement works which include enhancing the retail podium, creating a sheltered connectivity to Somerset MRT and strata-sale of the office space where feasible. The estimated cost of asset enhancement is about S$114.0 million.

TRI-COUNTY MALL (USA)

INVESTMENT PROPERTY

Type Retail	Stake 100%	Net Leasable Area (sq ft) ~ 1,261,502[(1)]
Location Cincinnati, Ohio	Tenure Freehold	Car Park Lots Number 7,118
Acquisition Cost US$45.0 million	Total Land Area (sq ft) ~ 3,314,916	

Tri-County Mall holds distinction as SingHaiyi's first venture into the USA real estate market. This debt-free project was acquired by the Group with a 100% stake in September 2013.

Located in the northern suburbs of Greater Cincinnati, a metropolitan area that includes Counties Ohio, Kentucky, and Indiana, Tri-County Mall is one of the most popular shopping destinations in Cincinnati, Ohio.

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

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

ASSET PORTFOLIO

ARA HARMONY FUND III (MALAYSIA)

INVESTMENT PROPERTY

Type
Fund

Location
Malaysia – various states

Investment Cost
S$43.9 million

Stake
25%

Aggregate GFA (sq ft)
4,464,058

Aggregate Net Leasable Area (sq ft)
2,744,697

Overall Occupancy Rate
94%

In 2015, SingHaiyi diversified into the Malaysian retail mall segment by investing a 25% interest in ARA Harmony Fund III, a portfolio of five high quality income-producing commercial properties across prominent locations in Malaysia.

Alongside this, we took a 35% stake in ARA Fund Management (Harmony III) Limited, the fund's general partner, allowing us to leverage the established property investment and management track record of ARA Asset Management Limited, and to further expand SingHaiyi's capacity in the real estate fund management sector.

	Location	GFA (sq ft)	Net Leasable Area (sq ft)	Year of Completion / Major Renovation	Land Tenure	Car Park Lots	Occupancy @ 31 Mar 2016 (%)
1 Mont Kiara (Office)	Kuala Lumpur	241,682	183,406	2009/NA	Freehold	1,445	97.9
1 Mont Kiara (Retail)	Kuala Lumpur	385,035	234,170	2009/2014	Freehold	1,445	97.3
AEON Mall	Malacca	955,865	623,429	2009/NA	99 yrs exp. 2095	1,905	100.0
Citta Mall	Petaling Jaya, Selangor	651,453	433,476	2011/NA	99 yrs exp. 2097	1,200	86.8
Ipoh Parade	Ipoh	975,016	615,526	1998/2014	999 yrs exp. 2885	1,150	97.8
Klang Parade	Klang	1,255,007	654,690	1995/2014	Freehold	1,374	91.0

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE RESPONSIBILITY

At SingHaiyi, corporate responsibility is a core element of our business. We believe that we hold the responsibility to make a positive impact on the society through our actions and decisions. We demonstrate respect for our stakeholders, which include our customers, staff and shareholders, by operating with social awareness and contributing to the greater good.

"CLEAR THE SHELTER" PET ADOPTION

In line with "Adopt A Dog" month in October 2015, Tri-County Mall partnered with Cincinnati's WLWT Channel 5 and the SPCA Cincinnati to promote their "Clear the Shelter" event during the month. The campaign offered dog adoptions and cat adoptions, and all the pets were spayed or neutered, vaccinated, and micro-chipped. Tri-County Mall was featured in a brief television special which was received by an audience of over 30,000 watching from home. When SPCA brought their mobile adoption unit to Tri-County Mall on 4 October 2015, the event saw very supportive responses with a line of 60 potential animal parents. This was a meaningful way to involve our animal-loving shoppers at Tri-County Mall and rally their support for SPCA's adoption cause.

HOXWORTH BLOOD DRIVE

The colder months are an essential time to collect blood, and this year in January 2016, Tri-County Mall partnered with the Hoxworth Blood Center to garner donations during this period. The Hoxworth team parked their mobile unit outside Tri-County Mall for a day, and in return, Tri-County Mall offered the first 50 donors a $10 gift card for their support to help save lives.

Hoxworth Blood Center, University of Cincinnati was founded in 1938 and proudly serves 30 hospitals in 17 counties in Southwestern Ohio, Northern Kentucky and Southeastern Indiana. Annually, Hoxworth collects over 90,000 units of blood from local donors to help save the lives of patients in its area hospitals. At least 400 products are essential each day to keep up with the demands of tri-state hospitals and their patients.

POINTS OF LIGHT

In February 2016, SingHaiyi was honoured as a Founding Partner of Points of Light Asia through a pledge of US$50,000 as part of our commitment to advance corporate volunteerism in Asia, and create change in communities in which we conduct our businesses. Our investment is enabling Points of Light to develop its regional network of innovative local volunteer centers to mobilise more than 70,000 volunteers each year across Asia, embracing an array of challenges, from literacy and job skills to the environment and basic services for the poor.

Our commitment extended to supporting the launch of Points of Light's regional Corporate Service Council in Asia, bringing business and nonprofit leaders together to advance corporate volunteerism. SingHaiyi featured prominently in a first convening of more than 40 multinational companies in Hong Kong, playing a key role in Points of Light's strategy to expand the positive impact that companies in Asia are having in communities through service.

We plan to work together with Points of Light Asia in the near future to develop a meaningful skill-based Employee Volunteer Programme where SingHaiyi's employees can tap on their skillsets, and at the same time, engage and contribute through direct service with a local charity partner.

RESPONSIBILITY TOWARDS OUR SHAREHOLDERS

Aside from playing our part to give back to society, we also hold our responsibility towards shareholders in high regard. We understand that the equity market is not always a level playing field. In our capacity, we endeavour to balance this by being the key and most dependable source of information for news and updates relating to SingHaiyi.

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

We believe that a shareholder communication programme is most effective when it is reciprocal, and the provision of viable channels to raise questions and concerns is essential for the investment community. Apart from our annual general meetings, where our Board of Directors and senior management team meet and address shareholders' queries, and take in feedback, we also welcome comments at any other time. We can be reached at:

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Singapore 408830
Tel: 65-6533 9023 Fax: 65-6532 7602
Email: info@singhaiyi.com

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive

Celine Tang (Group Managing Director)
Mao Jinshan, Jason (Managing Director, USA Operations)

Non-Executive

Neil Bush (Chairman)
Gordon Tang
Gn Hiang Meng (Lead Independent)
David Hwang Soo Chin (Independent)
See Yen Tarn (Independent)
Yang Dehe (Independent)
Yang Manlin (Alternate Director to Yang Dehe)

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Cho Form Po

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

81 Ubi Avenue 4
#02-20 UB.One
Singapore 408830
Tel: 65-6533 9023
Fax: 65-6532 7602
Website: www.singhaiyi.com

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

Audit Partner in Charge
Tran Phuoc
Date of Appointment:
Since financial year ended 31 March 2015

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Limited
Hong Leong Finance Limited
Malayan Banking Berhad

SHARE REGISTRAR

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

CONTINUING SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-02 AIA Tower
Singapore 048542

INVESTOR RELATIONS

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FINANCIAL CONTENTS

CORPORATE GOVERNANCE 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 2016 ("FY2016") 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: Board's Conduct of Affairs

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

The principal roles and responsibilities of the Board include:

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

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

The Board conducts meetings on a quarterly basis. Ad hoc meetings are also convened when circumstances warrant. For FY2016, the Board met four times. The report on the Directors' attendance for Board and Board Committees meetings is set out on hereunder. Directors who are unable to attend Board or Board Committees meetings may convey their views to the Chairman or the Company Secretary. The Company's Constitution provide for participation in meetings via telephone and/or video conference where Directors are unable to be physically present at such meetings. During FY2016, 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.

Directors' Attendance for Board and Board Committees Meetings

Name of Director	Number of meetings attended in FY2016			
	Board	AC	NC	RC
Neil Bush	3	-	-	-
Gordon Tang	2	-	-	-
Celine Tang	4	-	-	-
Yang Dehe	1	-	-	-
Yang Manlin (Alternate Director to Mr Yang Dehe)	4	-	-	-
Mao Jinshan	4	-	-	-
Gn Hiang Meng	4	4	1	1
David Hwang Soo Chin	4	4	1	1
Jason Lim Cheong Tiong (1)	2	2	1	1
See Yen Tarn (2)	2	2	-	-
Number of meetings held in FY2016	4	4	1	1

(1) Resigned as Independent Director, Chairman of the Nominating Committee and member of the Audit and Remuneration Committee on 31 August 2015.

(2) Appointed as Independent Director, Chairman of the Nominating Committee and member of the Audit and Remuneration Committee on 1 October 2015.

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.

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

The Company also arranges for its Directors to be kept abreast of real estate industry-related matters in Singapore and the United States on a regular basis. To keep pace with the fast-changing laws, regulations and commercial risks, Directors have an on-going budget to receive further relevant training of their choice in connection with their duties as directors. They are also given unrestricted access to professionals for consultations as and when they deem it necessary at the expense of the Company.

During the year, the Board was continuously briefed and updated on directors' duties and responsibilities and corporate governance matters, so as to enable them to discharge their duties effectively as a Board and where applicable, as Board Committee members. During the year, Mr See Yen Tarn who was appointed as an independent director, Chairman of the Nominating Committee and member of the Audit and Remuneration Committee, was given detailed briefings and induction by the Management.

The Directors may also attend other appropriate courses, conferences and seminars, at the Company's expense. These include programmes run by the Singapore Institute of Directors.

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

Principle 2: Board Composition and Guidance

When there are changes to the Board, the NC will take into account the appropriateness of the board size and composition. The Board presently comprises eight (8) directors with an alternate director. All members of the Board, except for the Group Managing Director and Managing Director of U.S. Operations, are non-executive Directors. Four (4) of the Directors are independent non-executive Directors.

The independence of each of the Directors has been assessed by the Board (after taking into account the NC's views) in accordance with the requirements of the Code for assessing independence. Under the Code, an independent 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 composition of the Board is reviewed annually. The Board is also taking steps to ensure that the Board has sufficient independent 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 comprises Directors who as a group have the core competencies, such as accounting or finance, business or management experience, industry knowledge, corporate actions and strategic planning experience required for the Board to be effective in all aspects of its roles. The objective judgement of the Independent and non-executive Directors on corporate affairs and their collective experience and contributions are invaluable to the Company.

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

Neil Bush	-	Non-Executive Chairman
Gordon Tang	-	Non-Executive Director
Celine Tang	-	Group Managing Director
Mao Jinshan	-	Managing Director of U.S. Operations
Gn Hiang Meng	-	Lead Independent Non-Executive Director
Yang Dehe (Alternate Director, Yang Manlin)	-	Independent Non-Executive Director
David Hwang Soo Chin	-	Independent Non-Executive Director
See Yen Tarn	-	Independent Non-Executive Director

Key information on the Directors' particulars and background can be found on pages 16 to 19 of the Annual Report. The Notice of Annual General Meeting sets out the directors proposed for re-election at the Annual General Meeting ("AGM").

Principle 3: Chairman and Group Managing Director

The Board is chaired by Neil Bush, Non-Executive Chairman, in consultation with Management, sets the agenda for Board meetings and ensures that they are held regularly and whenever necessary. The Company does not have a Chief Executive Officer, instead Mrs. Celine Tang, Group Managing Director ("GMD") and Mr Mao Jinshan, Managing Director of U.S. operations, focus their attention on the day-to-day running of the operations and also ensure information flow between Management and the Board.

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

The Chairman leading the Board to ensure its effectiveness on all aspects of the Board's role and promoting high standards of corporate governance. The Chairman plays a significant leadership role by providing clear oversight, advice and guidance to the Group Managing Director, Managing Director and Management in the drive to transform the Group. At Board meetings, he ensures that adequate time is available for discussion of all agenda items especially strategic issues, promotes a culture of openness and debate at the Board, and facilitates effective contribution of non-executive directors. He ensures the quality, quantity and timeliness of information flow between the Board and Management and that the Board has sufficient opportunities for interaction with Management through meetings, both formal and informal, telephone calls as well as by electronic mail. The Chairman also monitors the translation of the Board's decisions and directions into executive action. The Chairman maintains effective communication with shareholders and also engages with a wide range of other stakeholders.

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

Mr Gn Hiang Meng ("Mr Gn") is the Lead Independent Director ("Lead ID"), he serves as a sounding board for the Chairman and also as an intermediary between the Non-Executive Directors and the Chairman. Due to the seniority and extensive experience of Mr Gn, the Board is of the view that he is qualified to perform the role of the Lead ID. The Lead ID is available to the shareholders of the Company should they have concerns which cannot be resolved through the normal channel of the Non-executive Chairman, the GMD or the Chief Financial Officer or for which such contact is inappropriate.

B. BOARD COMMITTEES

Nominating Committee

Principle 4: Board Membership
Principle 5: Board Performance

The NC currently comprises three Independent Non-Executive Directors, namely Mr See Yen Tarn (Chairman), Mr David Hwang Soo Chin and Mr Gn Hiang Meng. The NC met once in FY2016.

The principal responsibilities of the NC include reviewing and evaluating nominations of Directors for appointment to the Board, evaluating the performance of the Directors and the Board as a whole and its Board Committees, assessing and being mindful of the independence of the Directors, reviewing the training and professional development programs for the Board and reviewing the retirement and re-election of Directors.

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

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

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

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.

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. There is a self-performance assessment undertaken 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.

Directors must ensure that they are able to give sufficient time and attention to the affairs of the Company, and as part of its review process, the NC decides whether or not a director is able to do so and whether he has been adequately carrying out his duties as a director of the Company. The NC believes that setting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive.

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

Principle 6: Access to Information

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

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.

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

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.

Remuneration Committee

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure on Remuneration

The RC comprises four members, namely Mr David Hwang Soo Chin (Chairman), Mr See Yen Tarn, Mr Gn Hiang Meng (all of whom are independent) and Mr Gordon Tang. The RC met once in FY2016.

The principal functions of the RC are to *inter alia*:

- recommend to the Board a general framework of remuneration for Board members and also for key management personnel; and
- to review and determine the specific remuneration packages and terms of employment for each Executive Directors and key management personnel.

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

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

A breakdown (in percentage terms) showing the level and mix of each Director's remuneration payable for FY2016 is shown below.

Disclosure on Directors' Remuneration for FY2016

Name of Director	Appointed/ (Resigned)	Salary %	Bonus %	Directors' Fee %	Others %	Total Remuneration %
Below S$250,000						
Neil Bush		-	-	100%	-	100%
Gordon Tang		-	-	100%	-	100%
Celine Tang		84%	7%	-	9%	100%
Mao Jinshan		100%	-	-	-	100%
Yang Dehe		-	-	100%	-	100%
Gn Hiang Meng		-	-	100%	-	100%
David Hwang Soo Chin		-	-	100%	-	100%
See Yen Tarn	1/10/2015	-	-	100%	-	100%
Jason Lim Cheong Tiong	(31/8/2015)	-	-	100%	-	100%
Yang Manlin (Alternate Director to Yang Dehe)		-	-	-	-	-

Note:

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

Key Management Personnel's' Remuneration

Number of key management personnel of the Company in each remuneration band (inclusive of those who had resigned during the year):

Remuneration Bands	Number of Key Management Personnel (who are not also Directors or the GMD)
Below S$250,000	4
S$250,000 to S$499,999	2
S$500,000 to S$749,999	-
S$750,000 to S$999,999	1

The Code recommends companies to fully disclose the names and remuneration of the top five key management personnel (who are not directors or the GMD) in the bands of S$250,000 with further breakdown. In addition, the Company is required to disclose in aggregate the total remuneration paid to the top five key management personnel (who are not Directors or the GMD). After careful deliberation, the Company has decided not to disclose the names and remuneration of its top five key management personnel as well as in aggregate the total remuneration paid to its top five key management personnel, as the disadvantages to the Group's business interests would far outweigh the benefits of such disclosure, in view of the confidentiality of and commercial sensitivity attached to executive remuneration matters.

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

No termination, retirement or post-employment benefits were granted to directors, the GMD or key management personnel of the Company during FY2016.

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

The RC also functions as the Administrative Committee of the SingHaiyi Share Option Scheme 2013 (the "Scheme"), the adoption of which was approved by the shareholders of the Company in the extraordinary general meeting convened on 29 July 2013. Please refer to pages 120 to 123 of this annual report for details of the Scheme.

During FY2016, there were no share options granted to the directors and the controlling shareholders of the Company or their associates, or the parent company's directors or employees. No employee had received 5% or more of the total number of options available under the Scheme. In addition, no options had been granted under a discount.

The Board is of the view that it is not necessary to present the remuneration policy at the AGM for shareholders' approval.

Principle 10: Accountability

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

Principle 12: Audit Committee

The AC consists of three Independent Non-Executive Directors, namely Mr Gn Hiang Meng (Chairman), Mr David Hwang Soo Chin and Mr See Yen Tarn. All members of the AC have many years of experience in senior management positions. The Board is of the view that the AC members are appropriately qualified to discharge their responsibilities. The AC met four times in FY2016.

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

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

The results of the AC's review are reported to the Board.

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

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

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

The AC has reviewed and is satisfied that the independence and objectivity of the external auditors have not been compromised by the provision of non-audit services. The amount of audit and non-audit fees paid/payable to the external auditors in respect of FY2016 amounted to S$255,000 and S$72,000 respectively. Accordingly, the AC has recommended to the Board the nomination of the external auditors, Messrs KPMG LLP, for re-appointment at the forthcoming AGM to be held on 28 July 2016. The AC has met the external auditors and with the internal auditors without the presence of Management during FY2016.

The details of the remuneration of the auditors of the Company during FY2016 are as follows:

	FY2016 (S$'000)	FY2015 (S$'000)
Auditors' remuneration paid/payable to :		
- Auditors of the Company	255	239
- Other auditors	32	50
Other fee paid/payable to :		
- Auditors of the Company	72	104

In carrying out its duties, the AC is guided by the Guidebook for Audit Committees in Singapore. The external auditors, Messrs KPMG LLP, conducted a briefing on changes in financial reporting standards and updated the AC members on recent developments in accounting and governance standards.

Principle 11: Risk Management and Internal Controls
Principle 13: Internal Audit

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

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 2016.

The Board recognises the importance of maintaining a system of internal control processes to safeguard Shareholders' investments 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 the management that the Group's risk management, controls and governance processes are adequate and effective.

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

The AC oversees the administration of the Whistle Blowing Policy. Periodic reports will be submitted to the AC stating the number and the complaints received, the results of the investigations, follow-up actions and unresolved complaints. The AC has the responsibility to ensure that there is proper maintenance, regular review and relevant updates of the policy. Revisions, amendments and alterations to the Whistle Blowing Policy are subject to the approval of the AC and the Board prior to implementation. Changes will be notified when they are implemented. There were no complaints received during FY2016. Report can be lodged via email at acm@singhaiyi.com. This policy has been published on the Company's website.

For FY2016, the GMD and Chief Financial Officer have provided written confirmation to the Board that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and (b) the Company's risk management, compliance and internal control systems are effective. This certification covers the Company and subsidiaries which are under the Company's management control. In line with the Catalist Rules, the Board provides a negative assurance statement to shareholders in respect of the interim financial statements, which is supported by a negative assurance statement from the GMD and Chief Financial Officer, and which is in turn supported by a negative assurance confirmation from the various key business and operating/functional heads within the Group that nothing has come to their attention that would render the quarterly and year-end financial results to be false or misleading.

Further details on the Group's risk management philosophy and approach in respect to the financial and business risks can be found on pages 126 to 137 of this Annual Report.

C. COMMUNICATION WITH SHAREHOLDERS

Principle 14: Shareholders Rights
Principle 16: Conduct of Shareholder Meetings

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

Voting at shareholders' meeting held in FY2016 was conducted by poll voting. At all such shareholders' meetings, the Company had in place the relevant administrative procedures to facilitate poll voting in the event that shareholders demand for resolutions to be voted upon by poll. The power to demand a poll by shareholders is, in any case, conferred under the Company's Constitution, which in turn, is consistent with the statutory position under the Companies Act.

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

During FY2016, the Company had paid an interim dividend of 0.2 cent per share to Shareholders and had recommended a final dividend of 0.2 cent per share which is subjected to Shareholder's approval at the forthcoming AGM.

Principle 15: Communication with Shareholder

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

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

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

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

CORPORATE GOVERNANCE REPORT

D. INTERESTED PERSON TRANSACTIONS

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

The interested person transactions for FY2016 are as below:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,00)
American Pacific International Capital Inc. ("APIC") (1)	S$490,000	-
David Hwang (2)	S$120,000	-
Haiyi Holdings Pte. Ltd. ("Haiyi") (3)	S$134,400,000	-
Cove Wealth Limited ("Cove") (4)	S$45,521,000	-
Park Mall Pte Ltd ("PMPL") (5)	S$6,500,000	-

Note:

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

(2) David Hwang Soo Chin, an independent non-executive director of the Company provided consultancy services to the Company.

(3) Haiyi is the controlling shareholder of the Company. It is 100% owned by Mr. Gordon Tang and Mrs. Celine Tang. This amount represents the committed equity participation in respect of the joint venture entered into by Phoenix 99 Pte Ltd ("Phoenix"), a wholly owned subsidiary of the Company and Haiyi and Suntec (PM) Pte. Ltd. for the redevelopment of Park Mall ("Park Mall JV"). Phoenix and Haiyi each took up a 35% equity interest in the Park Mall JV.

(4) Cove is a special purpose vehicle 100% owned by Mr. Gordon Tang and Mrs. Celine Tang. This amount represents the subscription amount in respect of the subscription by Asset Century International Limited ("Asset Century") a wholly owned subsidiary for a 25% interest as a limited partner of the ARA Harmony Fund III ("Portfolio of Malaysia Retail Malls"). Asset Century and Cove each took up a 25% equity interest in the Portfolio of Malaysia Retail Malls.

(5) PMPL is an entity set up for the purpose of Park Mall JV and is 35% owned by Haiyi. PMPL is therefore an associate of Hayi, Mr. Gordon Tang and Mrs. Celine Tang. This amount represents the fee to be received by the Company's subsidiary, SingHaiyi Development Pte Ltd for providing professional project and development management services to PMPL.

E. DEALINGS IN COMPANY'S SECURITIES

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

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

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 FY2016.

G. NON-SPONSOR FEES

There were no non-sponsor fees paid to SAC Capital Private Limited for the financial year ended 31 March 2016.

H. USE OF PROCEEDS

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

	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 ("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) Repayment of secured debt ("US$29.8 million") in relation to acquisition of Vietnam Town ("VT")	8.59
5) Capital expenditure on TCM	3.26
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]	6.01
Balance of net proceeds as at date of this report	74.64

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

DIRECTORS' STATEMENT

YEAR ENDED 31 MARCH 2016

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 2016.

In our opinion:

(a) the financial statements set out on pages 63 to 138 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

DIRECTORS

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

Mr. Neil Bush
Mr. Gordon Tang
Mrs. Celine Tang
Mr. Yang Dehe
Mr. Mao Jinshan
Mr. Gn Hiang Meng
Mr. David Hwang Soo Chin
Mr. See Yen Tarn (Appointed on 1 October 2015)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants or share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of financial year	Holdings at end of financial year
Neil Bush [(1)]		
- ordinary shares		
- deemed interests	220,000,000	220,000,000
Gordon Tang [(2)]		
- ordinary shares		
- deemed interests	1,821,391,481	1,832,364,081
Celine Tang [(3)]		
- ordinary shares		
- deemed interests	1,601,391,481	1,612,364,081
David Hwang Soo Chin		
- ordinary shares		
- interests held	500,000	500,000
Yang Dehe [(4)]		
- ordinary shares		
- deemed interests	237,000,000	237,000,000
Mao Jinshan		
- ordinary shares		
- interests held	4,075,600	4,075,600

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

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

(3) Mrs. Celine Tang is entitled to exercise or control the exercise of not less than 20% of the votes attached to the shares held by her in Haiyi. She is therefore deemed to have interest in the shares which Haiyi is interested in by virtue of Section 7 of the Act.

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

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

There were no changes in any above mentioned interests in the Company between the end of the financial year and 21 April 2016.

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

SHARE OPTIONS

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

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

- the exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price in respect of options granted at the time of grant;

- the aggregate number of shares over which the Company may grant options on any date shall not exceed 15% of the total shares of the Company (excluding treasury shares) on the day preceding that date; and

- the aggregate number of shares comprised in options to be available to the Company and its subsidiaries' employees and non-executive directors shall not exceed 20% of the total number of shares comprised in options which may be granted.

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

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

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

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

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

At the end of the financial year, the above 13,207,938 share options have not been exercised.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

AUDIT COMMITTEE

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

- Mr. Gn Hiang Meng (Chairman)
- Mr. David Hwang Soo Chin
- Mr. See Yen Tarn (Appointed on 1 October 2015)
- Mr. Jason Lim Cheong Tiong (Resigned on 31 August 2015)

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

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

The Audit Committee also reviewed the following:

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

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

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

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

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

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

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

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

AUDITORS

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

On behalf of the Board of Directors

Celine Tang
Director

Mao Jinshan
Director

26 May 2016

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
SINGHAIYI GROUP LTD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying 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 2016, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 63 to 138.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

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.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 May 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Non-current assets					
Property, plant and equipment	4	5,420	5,316	278	316
Investment properties	5	116,960	119,720	–	–
Subsidiaries	6	–	–	184,336	141,463
Associates and joint ventures	7	139,102	19,949	–	–
Other investment	8	45,800	45,800	–	–
Amounts due from subsidiaries	9	–	–	197,618	135,844
Deferred tax assets	10	1,162	1,473	–	–
		308,444	192,258	382,232	277,623
Current assets					
Development properties	11	415,334	586,479	–	–
Trade and other receivables	12	47,869	28,212	811	14,908
Amounts due from subsidiaries	9	–	–	59,599	68,005
Amounts due from associates	13	23,573	23,573	–	–
Financial assets at fair value through profit or loss	14	154,957	160,738	154,957	160,738
Cash and cash equivalents	15	40,988	163,077	14,805	127,728
		682,721	962,079	230,172	371,379
Total assets		991,165	1,154,337	612,404	649,002
Non-current liabilities					
Loans and borrowings	16	171,656	281,388	78	98,847
Amounts due to non-controlling interests	17	15,885	13,165	–	–
Deferred tax liabilities	10	20,206	20,421	–	–
		207,747	314,974	78	98,847
Current liabilities					
Trade and other payables	18	72,610	136,107	2,424	2,542
Loans and borrowings	16	226,785	242,404	212,893	150,038
Amount due to non-controlling interests	17	10,758	13,758	–	–
Current tax payable		5,387	3,730	–	–
		315,540	395,999	215,317	152,580
Total liabilities		523,287	710,973	215,395	251,427
Equity attributable to owners of the Company					
Share capital	19	382,272	382,272	382,272	382,272
Accumulated profits		73,071	49,477	9,321	9,887
Reserves	19	6,971	12,061	5,416	5,416
		462,314	443,810	397,009	397,575
Non-controlling interests	20	5,564	(446)	–	–
Total equity		467,878	443,364	397,009	397,575
Total equity and liabilities		991,165	1,154,337	612,404	649,002

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

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 MARCH 2016

	Note	2016 $'000	2015 $'000
Revenue	21	269,104	20,878
Cost of sales		(227,545)	(8,493)
Gross profit		41,559	12,385
Other income	22	5,220	25,652
Selling and marketing expenses		(7,154)	(3,949)
Administrative expenses		(10,243)	(7,722)
Other operating expenses		(11,740)	(1,487)
Results from operating activities		17,642	24,879
Finance income	23	3,308	3,617
Finance costs	24	(7,873)	(5,760)
Share of results of equity-accounted investees, net of tax		28,451	509
Profit before tax		41,528	23,245
Tax expense	25	(4,778)	(2,475)
Profit for the year	26	36,750	20,770
Profit attributable to:			
Owners of the Company		29,320	21,181
Non-controlling interests		7,430	(411)
Profit for the year		36,750	20,770
Earnings per share	28		
Basic earnings per share (cents)		1.024	0.740
Diluted earnings per share (cents)		1.023	0.739

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2016

	2016	2015
	$'000	$'000
Profit for the year	36,750	20,770
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences realised on disposal of subsidiaries	–	(477)
Share of foreign currency translation differences of equity-accounted investees	(1,630)	–
Currency translation differences relating to foreign operations	(3,460)	6,847
Other comprehensive income for the year, net of income tax	(5,090)	6,370
Total comprehensive income for the year	31,660	27,140
Total comprehensive income attributable to:		
Owners of the Company	24,230	27,551
Non-controlling interests	7,430	(411)
Total comprehensive income for the year	31,660	27,140

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2016

	Attributable to owners of the Company						
	Share capital	**Capital reserve**	**Translation reserve**	**Accumulated profits**	**Total**	**Non-controlling interests**	**Total equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 April 2014	382,253	5,516	275	28,296	416,340	1,245	417,585
Total comprehensive income for the year							
Profit for the year	–	–	–	21,181	21,181	(411)	20,770
Other comprehensive income							
Exchange differences realised on disposal of subsidiaries	–	–	(477)	–	(477)	–	(477)
Currency translation differences relating to foreign operations	–	–	6,847	–	6,847	–	6,847
Total other comprehensive income	–	–	6,370	–	6,370	–	6,370
Total comprehensive income for the year	–	–	6,370	21,181	27,551	(411)	27,140
Transactions with owners, recorded directly in equity							
Dividend paid	–	–	–	–	–	(1,280)	(1,280)
Treasury shares	–	(99)	–	–	(99)	–	(99)
Conversion of convertible bonds	19	(1)	–	–	18	–	18
Total transactions with owners	19	(100)	–	–	(81)	(1,280)	(1,361)
At 31 March 2015	382,272	5,416	6,645	49,477	443,810	(446)	443,364

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

YEAR ENDED 31 MARCH 2016

	Note	Attributable to owners of the Company						
		Share capital	**Capital reserve**	**Translation reserve**	**Accumulated profits**	**Total**	**Non-controlling interests**	**Total equity**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 April 2015		382,272	5,416	6,645	49,477	443,810	(446)	443,364
Total comprehensive income for the year								
Profit for the year		–	–	–	29,320	29,320	7,430	36,750
Other comprehensive income								
Share of currency translation differences of equity-accounted investees		–	–	(1,630)	–	(1,630)	–	(1,630)
Currency translation differences relating to foreign operations		–	–	(3,460)	–	(3,460)	–	(3,460)
Total other comprehensive income		–	–	(5,090)	–	(5,090)	–	(5,090)
Total comprehensive income for the year		–	–	(5,090)	29,320	24,230	7,430	31,660
Transactions with owners, recorded directly in equity								
Dividend paid	19	–	–	–	(5,726)	(5,726)	(1,420)	(7,146)
Total transactions with owners		–	–	–	(5,726)	(5,726)	(1,420)	(7,146)
At 31 March 2016		382,272	5,416	1,555	73,071	462,314	5,564	467,878

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2016

	2016 $'000	2015 $'000
Cash flows from operating activities		
Profit before tax	41,528	23,245
Adjustments for:		
Adjustment to carrying value upon reclassifying investment property to development property	–	(5,617)
Allowance for diminution in value of development property	3,900	–
Changes in fair value of financial assets at fair value through profit or loss	2,667	1,309
Changes in fair value of investment properties	6,403	(163)
Depreciation of property, plant and equipment	324	384
Gain on acquisition of associated company	–	(233)
Gain on disposal of financial assets at fair value through profit and loss	(86)	–
Gain on disposal of investment properties	–	(15)
Interest and dividend income	(5,975)	(4,926)
Interest expense	7,873	5,760
Investment income	(2,655)	(4,580)
Loss on disposal of subsidiaries	–	51
Net unrealised foreign exchange gain	(4,227)	(12,421)
Share of profits of equity-accounted investees, net of tax	(28,451)	(509)
	21,301	2,285
Changes in:		
Development properties	169,195	(217,026)
Trade and other receivables	(16,365)	11,750
Trade and other payables	(64,716)	58,159
Cash generated from/(used in) operations	109,415	(144,832)
Tax paid	(2,402)	(551)
Net cash generated from/(used in) operating activities	107,013	(145,383)
Cash flows from investing activities		
Acquisition of other bank deposits	–	(13,720)
Acquisition of property, plant and equipment	(409)	(82)
Advances to a joint venture	(31,861)	–
Capital expenditure on investment properties	(5,528)	(961)
Deposits pledged	50,000	–
Interest and dividend income received	6,226	4,064
Investment in a joint venture	(17,500)	–
Investment income received	–	3,435
Investment in an associate	(43,860)	–
Net proceeds from disposal/(purchase) of investment in financial assets at fair value through profit or loss	3,429	(162,047)
Proceeds from disposal of subsidiaries	–	5,188
Proceeds from sale of investment properties	–	2,363
Net cash used in investing activities	(39,503)	(161,760)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

YEAR ENDED 31 MARCH 2016

	Note	2016 $'000	2015 $'000
Cash flows from financing activities			
(Repayment to)/Advances from non-controlling interests		(280)	2,467
Dividends paid to non-controlling interest		(1,420)	(1,280)
Dividends paid to owners of the Company		(5,726)	–
Interest paid		(6,653)	(3,261)
Payment of transaction costs in relation to medium term notes		–	(1,749)
Proceeds from bank loans		68,851	294,475
Proceeds from issuance of medium term notes		–	100,000
Purchase of treasury shares		–	(99)
Repayment from associates		–	90
Repayment of bank loans		(194,202)	(43,117)
Repayment to related company		–	(24,377)
Net cash (used in)/generated from financing activities		(139,430)	323,149
Net (decrease)/increase in cash and cash equivalents		(71,920)	16,006
Cash and cash equivalents at beginning of the year		113,077	92,729
Effect of exchange rate fluctuations on cash held		(169)	4,342
Cash and cash equivalents at end of the year	15	40,988	113,077

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 26 May 2016.

1 DOMICILE AND ACTIVITIES

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

The financial statements of the Group as at and for the year ended 31 March 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

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

2 BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements (continued)

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

- Note 5 Determination of the fair values of investment properties
- Note 10 Utilisation of tax losses
- Note 11 Estimation of the percentage of completion of the projects, construction costs, attributable profits and allowance for diminution in value of development properties
- Note 25 Estimation of current and deferred tax

Measurement of fair values

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

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

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

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

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

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

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

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

2 BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements (continued)

Measurement of fair values (continued)

- Note 5 Investment properties
- Note 14 Financial assets at fair value through profit or loss
- Note 16 Loans and borrowings
- Note 27 Share-based payment arrangements

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

Business combinations

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

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

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

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Business combinations (continued)

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

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

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

Subsidiaries

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

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

Loss of control

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

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

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or 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 the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated 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 retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

Foreign operations

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

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Foreign currency (continued)

Foreign operations (continued)

a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

3.3 Financial instruments

Non-derivative financial assets

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

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

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

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

Loans and receivables

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

Loans and receivables (continued)

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the acquisition date 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 commitment. For the purpose of the statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

Financial assets at fair value through profit or loss

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

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

Non-derivative financial liabilities

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

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

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

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

Other financial liabilities comprise loans and borrowings, amounts due to non-controlling interests and trade and other payables.

Share capital

Ordinary shares

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

Share capital (continued)

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

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

Compound financial instruments

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

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

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest and gains and losses related to the financial liability component are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

Intra-group financial guarantees in the separate financial statements

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

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

3.4 Property, plant and equipment

Recognition and measurement

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment (continued)

Recognition and measurement (continued)

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 net within other income/other operating expenses 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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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

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

- Leasehold buildings over remaining lease terms of 52 years
- Leasehold improvements 3 to 5 years
- Furniture and fittings 5 years
- Office equipment 5 years
- Motor vehicles 5 to 10 years
- Computers 3 to 5 years

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Investment properties

Investment properties are properties 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 properties are measured at cost on initial recognition and subsequently at fair value, with any changes 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. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to accumulated profits.

When the use of a property changes such that it is reclassified as development property, its fair value at the date of reclassification becomes its cost for subsequent accounting.

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

3.6 Development properties

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

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

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

Other properties under development

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment

Non-derivative financial assets

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

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

Loans and receivables

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

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

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

Associates and joint ventures

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

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than development properties, investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment (continued)

Non-financial assets (continued)

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.

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 first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on *a pro rata* basis.

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

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

3.8 Employee benefits

Defined contribution plans

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

Short-term employee benefits

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Employee benefits (continued)

Share-based payment transactions

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

3.9 Provisions

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

3.10 Tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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 investment 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 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 end of the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Tax (continued)

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

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

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

3.11 Finance income and finance costs

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

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

3.12 Revenue recognition

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

Sale of development properties

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Revenue recognition (continued)

Sale of development properties (continued)

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

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

The percentage of completion is measured by reference to the work performed based on the ratio of construction costs incurred to date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

Rendering of services

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

Rental income

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

3.13 Government grants

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

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

3.14 Inter-company interest-free loans

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Inter-company interest-free loans (continued)

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

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

3.15 Operating leases

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

3.16 Earnings per share

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

3.17 Segment reporting

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

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

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

3.18 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company. The Group and the Company do not plan to adopt these standards early.

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 New standards and interpretations not yet adopted (continued)

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces a new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

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

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Company.

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings $'000	Leasehold improvements $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
Cost							
At 1 April 2014	6,095	610	122	34	390	125	7,376
Additions	–	38	2	5	145	16	206
Disposals	–	(62)	(27)	(13)	–	(60)	(162)
Transfer to investment properties	(1,169)	(7)	–	–	–	–	(1,176)
At 31 March 2015	4,926	579	97	26	535	81	6,244
Additions	–	401	2	–	–	25	428
At 31 March 2016	4,926	980	99	26	535	106	6,672
Accumulated depreciation							
At 1 April 2014	188	250	57	16	86	51	648
Depreciation charge for the year	108	173	18	5	62	18	384
Disposals	–	(13)	(2)	(8)	–	(33)	(56)
Transfer to investment properties	(47)	(1)	–	–	–	–	(48)
At 31 March 2015	249	409	73	13	148	36	928
Depreciation charge for the year	87	112	19	5	83	18	324
At 31 March 2016	336	521	92	18	231	54	1,252
Carrying amounts							
At 1 April 2014	5,907	360	65	18	304	74	6,728
At 31 March 2015	4,677	170	24	13	387	45	5,316
At 31 March 2016	4,590	459	7	8	304	52	5,420

4 PROPERTY, PLANT AND EQUIPMENT (continued)

	Furniture and fixtures	Office equipment	Motor vehicles	Computers	Total
	$'000	$'000	$'000	$'000	$'000
Company					
Cost					
At 1 April 2014	23	10	390	50	473
Additions	–	1	–	4	5
At 31 March 2015	23	11	390	54	478
Additions	–	–	–	23	23
At 31 March 2016	23	11	390	77	501
Accumulated depreciation					
At 1 April 2014	7	1	86	12	106
Depreciation charge for the year	5	2	39	10	56
At 31 March 2015	12	3	125	22	162
Depreciation charge for the year	4	2	39	16	61
At 31 March 2016	16	5	164	38	223
Carrying amounts					
At 1 April 2014	16	9	304	38	367
At 31 March 2015	11	8	265	32	316
At 31 March 2016	7	6	226	39	278

At 31 March 2016, leasehold buildings of the Group with carrying amounts of $4,590,000 (2015: $4,677,000) are pledged as security to secure credit facilities (note 16).

At 31 March 2016, motor vehicles of the Group and the Company with carrying amounts of $226,000 (2015: $265,000) are held under finance lease (note 16).

In last financial year, one office unit with carrying amount of $1,128,000 was transferred to investment properties because it was no longer used by the Group and it was leased to a third party.

5 INVESTMENT PROPERTIES

	Group	
	2016	2015
	$'000	$'000
At beginning of the year	119,720	161,268
Additions	5,528	961
Disposals	–	(8,096)
Change in fair value	(6,403)	163
Reclassification from property, plant and equipment	–	1,128
Reclassification to development properties	–	(44,041)
Currency translation differences	(1,885)	8,337
At end of the year	116,960	119,720

5 INVESTMENT PROPERTIES (continued)

The details of the Group's investment properties as at 31 March 2016 were:

Description	Site area (sq. ft)	Tenure
Tri-County Mall, a two-storey shopping mall with an open car park at 11700 Princeton Pike, Cincinnati, Ohio, USA	3,314,916	Freehold
5 home office units, No. 883 North Bridge Road, Southbank, Singapore	6,028	99 years commencing from 27 January 2006 to 26 January 2105
4 office units, 81 Ubi Avenue 4, #02-24, #02-26-28, UB. One, Singapore	5,574	60 years commencing from 31 December 2008 to 30 December 2068
1 office unit, No.8 Eu Tong Sen Street #23-81, The Central, Singapore	1,216	99 years commencing from 21 January 2001 to 20 January 2100

The investment properties comprise a shopping mall and several office units that are leased to non-related parties under operating leases. Generally, the leases contain an initial non-cancellable period of 1 to 10 years. Subsequent renewals are negotiated with the lessee. During the year, contingent rents, representing income based on certain sales achieved by tenants, recognised in profit or loss amounted to $1,240,000 (2015: $700,000).

5 INVESTMENT PROPERTIES (continued)

Security

At 31 March 2016, investment properties of the Group with carrying amounts of $15,620,000 (2015: $16,813,106) are pledged as security to secure credit facilities (note 16).

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	
	2016	**2015**
	$'000	**$'000**
At beginning of the year	119,720	161,268
Additions	5,528	961
Disposals	–	(8,096)
Change in fair value	(6,403)	163
Reclassification from property, plant and equipment	–	1,128
Reclassification to development properties	–	(44,041)
Currency translation differences	(1,885)	8,337
At end of the year	116,960	119,720

5 INVESTMENT PROPERTIES (continued)

Valuation technique and significant unobservable inputs

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

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

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

Valuation techniques	Unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows approach	Rent growth rate Discount rate Terminal yield	2.1% to 6.9% 10.5% 10.0%	Increase in rent growth rate and price per square foot would result in higher fair value measurement. Conversely, increase in both discount and terminal yield rates in isolation would result in lower fair value measurement.
Market comparable approach	Price per square foot	$630 to $2,878	

6 SUBSIDIARIES

	Company	
	2016	2015
	$'000	$'000
Equity investment, at cost	142,363	142,363
Less: Allowance for impairment loss of investments	(1,000)	(900)
	141,363	141,463
Amount due from a subsidiary (non-current)	42,973	–
	184,336	141,463

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

The movement in the allowance for impairment loss in respect of interests in subsidiaries during the year is as follows:

	Company	
	2016	2015
	$'000	$'000
At beginning of the year	900	–
Provisions made during the year	100	900
At end of the year	1,000	900

During the year, an impairment loss amounting to $100,000 (2015: $900,000) was recognised in respect of certain subsidiaries as a result of decline in market value of the underlying assets of the subsidiaries. The recoverable amount of the investment has been determined based on the fair value of the net assets of the subsidiaries as at 31 March 2016.

6 SUBSIDIARIES (continued)

List of significant subsidiaries

The following are the Company's significant subsidiaries:

Company name	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group 2016 %	Effective equity held by the Group 2015 %
Anchorvale Residences Pte Ltd	Real estate development	Singapore	80	80
SingXpress Kaylim Pte Ltd	Real estate development	Singapore	80	80
Corporate Residence Pte Ltd	Real estate development	Singapore	90	90
Charlton Residences Pte Ltd	Real estate development	Singapore	80	80
Vietnam Town Property LLC *	Real estate development	USA	100	100
SingHaiyi Capital Pte Ltd	Properties investment	Singapore	100	100
Tri-County Mall LLC *	Properties investment	USA	100	100
Ocean Landing LLC *	Properties investment	USA	100	100
Angel Investment Management Pte Ltd	Properties holding	Singapore	100	100
SXL Model Productions Pte Ltd	Properties holding	Singapore	100	100
Corporate Bridge International Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Travel Holdings Pte Ltd	Investment holding	Singapore	100	100
SingXpress Land (Pasir Ris) Pte Ltd	Investment holding	Singapore	100	100
SingXpress Property Development Pte Ltd	Investment holding	Singapore	81.6	81.6
Phoenix Real Estate Pte Ltd	Investment holding	Singapore	100	100
Phoenix 99 Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi TripleOne Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Development Pte Ltd	Property development advisory services	Singapore	100	100
Corporate Bridge Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Realtors Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Properties Pte Ltd	Investment holding	Singapore	100	100
SingHaiyi Investment Pte Ltd*	Investment holding	Singapore	100	–
Asset Century International Limited*	Investment holding	British Virgin Islands	100	–
Golden Gulf Enterprises Limited*	Investment holding	British Virgin Islands	100	–

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

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

7 ASSOCIATES AND JOINT VENTURES

	Group	
	2016	2015
	$'000	$'000
Interest in associates	87,948	19,949
Interest in joint ventures	51,154	–
	139,102	19,949

(a) Associates

Details of significant associates are as follows:

Name	Principal activities	Country of incorporation	Effective equity interest held by the Group	
			2016	2015
			%	%
Perennial Somerset Investors Pte Ltd ("PSIPL")[1]	Investment holding	Singapore	20	20
Tampines EC Pte Ltd[2]	Real estate development	Singapore	24.48	24.48
ARA Harmony Fund III[1]	Real estate investment	Cayman Islands	25	–

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

7 ASSOCIATES AND JOINT VENTURES (continued)

(a) Associates (continued)

The following summarised the financial information for the above associates are prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial associates, based on the amounts reported in the Group's consolidated financial statements.

	Perennial Somerset Investors Pte Ltd	**Tampines EC Pte Ltd**	**ARA Harmony Fund III**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
2016				
Revenue	47,400	487,560	32,251	
Profit for the year/Total comprehensive income	2,782	72,264	24,699	
Attributable to investee's shareholders	2,782	72,264	24,699	
Non-current assets	7	–	602,108	
Current assets	1,026,441	212,095	32,876	
Non-current liabilities	(906,729)	–	(338,957)	
Current liabilities	(17,248)	(145,672)	(105,964)	
Net assets	102,471	66,423	190,063	
Attributable to investee's shareholders	102,471	66,423	190,063	
Group's interest in net assets of investee at beginning of the year	19,949	–	–	19,949
Cost of investment	–	–	42,971	42,971
Group's share of:				
- profit for the year/total comprehensive income	556	19,927	6,175	26,658
- currency translation differences	–	–	(1,630)	(1,630)
Carrying amount of interest in investee at end of the year	20,505	19,927	47,516	87,948

7 ASSOCIATES AND JOINT VENTURES (continued)

(a) Associates (continued)

	Perennial Somerset Investors Pte Ltd	Tampines EC Pte Ltd	Immaterial associates	Total
	$'000	$'000	$'000	$'000
2015				
Revenue	51,149	–	–	
Profit for the year/Total comprehensive income	2,028	40	212	
Attributable to investee's shareholders	2,028	40	212	
Non-current assets	985,065	1,411	–	
Current assets	54,590	413,857	–	
Non-current liabilities	(908,120)	–	–	
Current liabilities	(31,790)	(421,109)	–	
Net assets/(liabilities)	99,745	(5,841)	–	
Attributable to investee's shareholders	99,745	(5,841)	–	
Group's interest in net assets of investee at beginning of the year	19,544	–	121	19,665
Group's share of:				
- profit for the year/total comprehensive income	405	10	104	519
Carrying amount of interest in associate acquired as subsidiary	–	–	(225)	(225)
Effects of cumulative losses not recognised*	–	(10)	–	(10)
Carrying amount of interest in investee at end of the year	19,949	–	–	19,949

* In 2015, the Group has not recognised its share of the cumulative losses relating to one of its associates, Tampines EC Pte Ltd, amounting to $1,752,000, because the Group has no obligation in respect of these losses.

7 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures

	Group	
	2016	**2015**
	$'000	**$'000**
Unquoted shares in joint ventures, at cost	17,500	–
Share of post acquisition reserve	1,793	–
	19,293	–
Amount due from a joint venture (non-current)	31,861	–
	51,154	–

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

Details of the joint ventures are as follows:

Name of joint ventures	**Country of incorporation**	**Effective equity interest held by the Group**	
		2016	**2015**
		%	**%**
ARA Fund Management (Harmony III) Limited ("AFM")*	Cayman Island	35	–
Park Mall Investment Limited ("Park Mall")*	British Virgin Islands	35	–

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

AFM and Park Mall are unlisted joint arrangements in which the Group has joint control via investors' agreement, and are the Company's strategic partners, principally engaged in property investment and development.

AFM and Park Mall are structured as separate vehicles and the Group has a residual interest in the net assets. Accordingly, the Company has classified its investments as joint ventures.

7 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures (continued)

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

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

In accordance with the agreement under which Park Mall is established, the Group agreed to make additional contributions in proportion to their interests for the purpose of redevelopment of the property acquired during the year, up to a maximum amount of $85,000,000. This commitment has not been recognised in the Group's consolidated financial statements.

There were no contingent liabilities as at 31 March 2015.

8 OTHER INVESTMENT

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

The Group's exposure to credit risk related to other investment is disclosed in note 30.

9 AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2016	**2015**
	$'000	**$'000**
Non-current		
Loans to subsidiaries	210,968	145,294
Less: Allowance for impairment loss of loans	(13,350)	(9,450)
	197,618	135,844
Current		
Loans to subsidiaries	69,526	77,874
Less: Allowance for impairment loss of loans	(9,927)	(9,869)
	59,599	68,005

Non-current amounts due from subsidiaries are unsecured and bear interests ranging from 5.25% – 6.50% (2015: 5.25% – 6.50%) per annum. The amounts are not expected to be repaid within the next 12 months.

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

The Company's exposure to credit risk and impairment loss related to amounts due from subsidiaries are disclosed in note 30.

10 DEFERRED TAX ASSETS AND LIABILITIES

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

	Balance at beginning of the year	Currency translation difference	Recognised in profit or loss (note 25)	Balance at end of the year
	$'000	**$'000**	**$'000**	**$'000**
Group				
2016				
Investment properties	(20,421)	385	(170)	(20,206)
Tax losses	1,473	–	(311)	1,162
	(18,948)	385	(481)	(19,044)
2015				
Investment properties	(16,873)	(1,123)	(2,425)	(20,421)
Tax losses	1,071	–	402	1,473
	(15,802)	(1,123)	(2,023)	(18,948)

Presented as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Deferred tax assets	1,162	1,473
Deferred tax liabilities	(20,206)	(20,421)
	(19,044)	(18,948)

10 DEFERRED TAX ASSETS AND LIABILITIES (continued)

Unrecognised deferred tax assets

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Tax losses	23,897	14,786	1,966	1,966

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

11 DEVELOPMENT PROPERTIES

	Group	
	2016	**2015**
	$'000	**$'000**
Properties under development, sold units for which revenue is recognised using percentage of completion method		
- Costs incurred and attributable profits	32,488	31,809
- Allowance for diminution in value	(14,400)	(10,500)
	18,088	21,309
Other properties under development		
- Costs incurred	367,288	549,409
Completed properties	29,958	15,761
Total development properties	415,334	586,479
Finance costs capitalised during the year	4,700	5,487

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

As at 31 March 2016, development properties of the Group with carrying amounts of $298,609,000 (2015: $487,509,000) are pledged as security to secured credit facilities (note 16).

11 DEVELOPMENT PROPERTIES (continued)

For projects with revenue being recognised based on percentage of completion method, any change in the estimates of the construction costs, variations or the effect of a change in the estimate of the outcome of a contractual agreements could impact the computation of the percentage of completion and the amount of revenue and expenses recognised in profit or loss in the period in which the change is made and in subsequent periods. In estimating the construction costs for each project, management relied on historical experience, contractual agreements with contractors/suppliers and the work of professionals, including quantity surveyors and architects.

The Group makes allowance for diminution in value taking into account the Group's recent experience in estimating net realisable values of the development properties by reference to comparable properties, timing of sale launches, location of properties, expected net selling prices and development expenditure. Based on these evaluating criteria, the Group has estimated an allowance for diminution in value on development property, City Suites, amounting to $14,400,000 (2015: $10,500,000) as at 31 March 2016.

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

Location	Tenure	Land area (Sq. ft)	Gross floor area (Sq. ft)	Percentage of completion	Expected completion date	Interest held by the Group
235 Balestier Road, Singapore	Freehold	11,384	31,875	20%	2017	90%
Pasir Ris Central/ Pasir Ris Drive 1, Singapore	99 year leasehold	176,400	441,000	100%	Completed	80%
Anchorvale Crescent, Singapore	99 year leasehold	175,236	525,709	35%	2017	80%
Story Road, Santa Clara County, California, USA (Vietnam Town, 51 completed units)	Freehold	410,766	52,494	100%	Completed	100%
Story Road, Santa Clara County, California, USA (Vietnam Town, commercial condominium units)	Freehold	442,736	–	Planned development	–	100%
5 Thomas Mellon Circle, San Francisco, California, USA (Private residential units)	Freehold	204,300	–	Planned development	–	100%

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Trade receivables	377	1,964	94	280
Less: impairment loss	(18)	–	–	–
	359	1,964	94	280
Other bank deposits	–	13,720	–	13,720
Accrued receivables	41,821	8,940	–	–
Property tax recoverable	–	192	–	–
Other receivables	5,171	2,837	694	892
Deposits	110	110	–	–
	47,461	27,763	788	14,892
Prepaid expenses	408	449	23	16
Trade and other receivables	47,869	28,212	811	14,908

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

The Group's and the Company's exposure to credit risk and foreign currency risk related to trade and other receivables is disclosed in note 30.

13 AMOUNTS DUE FROM ASSOCIATES

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

The Group's exposure to credit risk related to amounts due from associates is disclosed in note 30.

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

The financial assets are pledged as securities to secure credit facilities (note 16).

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Measurement of fair values

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

The Group's and the Company's exposure to credit risk related to financial assets at fair values through profit or loss is disclosed in note 30.

15 CASH AND CASH EQUIVALENTS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Amount held under "Project Account Rules – 1997 Ed" withdrawals from which are restricted to payments for expenditure incurred on projects	15,410	14,326	–	–
Short term bank deposits	13,482	93,430	12,953	93,430
Cash at banks and in hand	12,096	55,321	1,852	34,298
Cash and cash equivalents in the statement of financial position	40,988	163,077	14,805	127,728
Deposits pledged	–	(50,000)		
Cash and cash equivalents in the statement of cash flows	40,988	113,077		

The Group's and the Company's short term deposits bear interest at rates ranging from 0.14% to 1.50% (2015: 0.12% to 1.17%) per annum during the year. Interest rates are repriced at intervals of between one week to one month.

The Group's and the Company's exposures to credit risk, interest rate risk and foreign currency risk related to cash and cash equivalents are disclosed in note 30.

16 LOANS AND BORROWINGS

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Secured				
Bank loans	298,872	424,906	113,402	149,999
Finance lease liabilities	119	158	119	158
	298,991	425,064	113,521	150,157
Unsecured				
Medium term notes	99,450	98,728	99,450	98,728
	398,441	523,792	212,971	248,885
Repayable:				
Within 1 year	226,785	242,404	212,893	150,038
After 1 year but within 5 years	164,210	273,429	78	98,847
After 5 years	7,446	7,959	–	–
	171,656	281,388	78	98,847
	398,441	523,792	212,971	248,885

(i) Bank loans

The bank loans are secured by:

- the borrowing subsidiaries' leasehold buildings, investment properties, motor vehicles and development properties (notes 4, 5 and 11);
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of leasehold buildings, investment properties and development properties;
- corporate guarantees by the Company; and
- a charge over financial assets at fair value through profit or loss with an amount equivalent to $154,957,000 (2015: $160,728,000).

The effective interest rates of the bank loans for the Group and the Company are 1.81% (2015: 1.56%) and 1.13% (2015: 1.93%) per annum respectively.

(ii) Medium term notes

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

16 LOANS AND BORROWINGS (continued)

(ii) Medium term notes (continued)

	Group and Company	
	2016	2015
	$'000	$'000
Medium term notes	100,000	100,000
Less: Unamortised transaction costs	(550)	(1,272)
	99,450	98,728

(iii) Convertible bonds

	Group and Company	
	2016	2015
	$'000	$'000
At beginning of the year	–	40
Interest expense	–	3
Conversion to share capital	–	(18)
Redemption upon maturity	–	(25)
At end of the year	–	–

(iv) Finance lease liabilities

	Group and Company	
	2016	2015
	$'000	$'000
Minimum lease payments due:		
- Within 1 year	41	39
- After 1 year but within 5 years	78	119
	119	158

The Group's and the Company's exposures to liquidity risk and interest rate risk related to loans and borrowings are disclosed in note 30.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

17 AMOUNTS DUE TO NON-CONTROLLING INTERESTS

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

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

The Group's exposure to liquidity risk related to amounts due to non-controlling interests is disclosed in note 30.

18 TRADE AND OTHER PAYABLES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables	24,572	14,212	83	118
Other payables	607	415	856	17
Deferred income	41,324	117,296	–	–
Accrued expenses	5,166	3,116	1,485	2,407
Accrued real estate taxes	941	1,068	–	–
	72,610	136,107	2,424	2,542

Deferred income relates to billing in advance of work completed.

The Group's and the Company's exposures to liquidity risk related to trade and other payables are disclosed in note 30.

19 SHARE CAPITAL AND RESERVES

Ordinary shares

	2016		2015	
	No. of shares		**No. of shares**	
	'000	**$'000**	**'000**	**$'000**
Company				
At beginning of the year	2,863,779	382,272	2,863,514	382,253
Conversion from convertible bonds	–	–	265	19
At end of the year	2,863,779	382,272	2,863,779	382,272

19 SHARE CAPITAL AND RESERVES (continued)

Ordinary shares (continued)

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

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

Dividends

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

	2016	2015
	$'000	**$'000**
For the year ended 31 March		
$0.002 per qualifying ordinary share (excluding treasury shares)	5,726	–

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

	2016	2015
	$'000	**$'000**
$0.002 per qualifying ordinary share (excluding treasury shares)	5,741	–

Reserves

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Translation reserve	1,555	6,645	–	–
Capital reserve	5,416	5,416	5,416	5,416
At 31 March	6,971	12,061	5,416	5,416

Translation reserve

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

19 SHARE CAPITAL AND RESERVES (continued)

Reserves (continued)

Capital reserve

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

Capital management

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

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

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

	Group	
	2016	**2015**
	$'000	**$'000**
Gross borrowings	398,441	523,792
Cash and cash equivalents	(40,988)	(163,077)
Net debts	357,453	360,715
Total capital employed	467,878	443,364
Net debt equity ratio	0.76	0.81

No changes were made to the above objectives, policies and processes during the years ended 31 March 2016 and 2015.

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

20 NON-CONTROLLING INTERESTS ("NCI")

The following subsidiaries have material NCI:

	Principal place of business/Country of incorporation	Ownership interests held by NCI	
		2016	2015
Name		%	%
Anchorvale Residences Pte Ltd	Singapore	20	20
SingXpress Kaylim Pte Ltd	Singapore	20	20
Corporate Residence Pte Ltd	Singapore	10	10
Charlton Residences Pte Ltd	Singapore	20	20
SingXpress Property Development Pte Ltd	Singapore	18.4	18.4

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

The following summarised financial information for the above subsidiaries are prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

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

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

	Anchorvale Residences Pte Ltd	Charlton Residences Pte Ltd	Corporate Residence Pte Ltd	SingXpress Kaylim Pte Ltd	SingXpress Property Development Pte Ltd	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2015						
Revenue	–	–	–	–	–	
(Loss)/profit and total comprehensive income	(2,030)	(43)	824	(389)	–	
(Loss)/profit and total comprehensive income attributable to NCI	(406)	(9)	82	(78)	–	(411)
Non-current assets	–	–	–	1,071	23,573	
Current assets	233,345	13,619	22,538	247,749	–	
Non-current liabilities	(219,886)	–	(29,821)	–	(23,338)	
Current liabilities	(14,489)	(5,067)	(3,140)	(253,323)	(275)	
Net (liabilities)/assets	(1,030)	8,552	(10,423)	(4,503)	(40)	
Net (liabilities)/assets attributable to NCI	(206)	1,710	(1,042)	(901)	(7)	(446)
Cash flows from operating activities	(228,279)	9,033	(3,368)	10,091	–	
Cash flows from financing activities (dividends to NCI: $1,280,000)	229,486	(8,157)	3,561	(12,054)	–	
Net increase/(decrease) in cash and cash equivalents	1,207	876	193	(1,963)	–	

21 OPERATING SEGMENTS

The Group has three reportable segments as described below. For each of the reportable segment, the Group's Chief Operating Decision Maker reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Property development — Development and sale of development properties
- Property investment — Holding and management of investment properties
- Others — Investment holding and provision of management services

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group's Chief Operating Decision Maker. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

21 OPERATING SEGMENTS (continued)

	Property development		Property investment		Others		Unallocated items		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
External revenue	254,632	5,372	13,288	14,666	1,184	840	–	–	269,104	20,878
Profit/(Loss) from operating activities	20,677	7,847	(1,027)	13,933	1,229	1,250	(3,237)	1,849	17,642	24,879
Share of results of equity accounted investees, net of tax	19,927	–	8,524	405	–	104	–	–	28,451	509
Interest income	4	5	4	6	3,300	3,606	–	–	3,308	3,617
Interest expense	(108)	(8)	(258)	(268)	(7,438)	(5,421)	(69)	(63)	(7,873)	(5,760)
Reportable segment profit/ (loss) before tax	40,500	7,844	7,243	14,076	(2,909)	(461)	(3,306)	1,786	41,528	23,245
Depreciation of property, plant and equipment	4	–	158	189	–	3	162	192	324	384
Other material items:										
Change in fair value of investment properties	–	–	6,403	163	–	–	–	–	6,403	163
Allowance for diminution in value of development property	3,900	–	–	–	–	–	–	–	3,900	–
Loss on disposal of subsidiaries	–	–	–	51	–	–	–	–	–	51
Adjustment to carrying amount upon reclassifying investment property to development property	–	5,617	–	–	–	–	–	–	–	5,617
Interests in associates	19,927	–	68,021	19,949	–	–	–	–	87,948	19,949
Interests in joint ventures	–	–	19,293	–	–	–	–	–	19,293	–
Capital expenditure*	–	23	5,937	1,128	–	–	–	16	5,937	1,167
Reportable segment assets	525,687	642,004	287,258	194,796	156,003	208,010	22,217	109,527	991,165	1,154,337
Reportable segment liabilities	281,443	422,574	117,620	59,768	120,367	200,795	3,857	27,836	523,287	710,973

* Capital expenditure comprises property, plant and equipment of $409,000 (2015: $206,000) and investment properties of $5,528,000 (2015: $961,000).

21 OPERATING SEGMENTS (continued)

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

	Group	
	2016	**2015**
	$'000	**$'000**
Profit or loss		
Total profit for reportable segments	44,834	21,459
Unallocated items:		
- Net unrealised foreign exchange (losses)/gains	(169)	4,342
- Corporate expenses	(3,068)	(2,493)
- Interest expense	(69)	(63)
Consolidated profit before tax	41,528	23,245
Assets		
Total assets for reportable segments	968,948	1,046,283
Unallocated items:		
- Property, plant and equipment	4,894	5,139
- Cash and cash equivalents	17,323	102,915
Consolidated total assets	991,165	1,154,337
Liabilities		
Total liabilities for reportable segments	519,430	707,288
Unallocated items:		
- Borrowings	2,812	3,136
- Trade and other payables	1,045	549
Consolidated total liabilities	523,287	710,973

21 OPERATING SEGMENTS (continued)

Geographical information

The property development, property investment and others segments are managed and operated in Singapore, USA and Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Singapore		USA		Malaysia		Hong Kong	
	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Revenue	251,017	1,396	18,087	19,368	–	–	–	114
Current assets	573,475	854,650	109,246	107,429	–	–	–	–
Non-current assets#	160,538	90,835	100,390	101,423	47,516	–	–	–

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

Major customer

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

22 OTHER INCOME

	Group	
	2016	**2015**
	$'000	**$'000**
Adjustment to carrying value upon reclassifying investment property to development property	–	5,617
Changes in fair value of investment properties	–	163
Gain on acquisition of associated company	–	233
Gain on disposal of financial assets at fair value through profit or loss	86	–
Gain on disposal of investment properties	–	15
Investment income	2,655	4,580
Net foreign exchange gain	1,858	14,292
Others	621	752
	5,220	**25,652**

23 FINANCE INCOME

	Group	
	2016	**2015**
	$'000	**$'000**
Dividend income	5,386	4,320
Interest income	589	606
Net change in fair value of financial assets at fair value through profit or loss	(2,667)	(1,309)
	3,308	3,617

24 FINANCE COSTS

	Group	
	2016	**2015**
	$'000	**$'000**
Interest on bank loans	1,965	1,472
Interest and amortisation of transaction cost on medium term notes	5,908	4,288
	7,873	5,760

25 TAX EXPENSE

	Group	
	2016	**2015**
	$'000	**$'000**
Current tax expense		
Current year	4,814	452
Overprovision in prior year	(517)	–
	4,297	452
Deferred tax expense		
Origination and reversal of temporary differences	481	2,023
	4,778	2,475

Reconciliation of effective tax rate

	Group	
	2016	**2015**
	$'000	**$'000**
Profit before tax	41,528	23,245
Tax using Singapore tax rate of 17% (2015: 17%)	7,060	3,952
Income not subject to tax	(945)	(4,612)
Non-deductible expenses	2,609	583
Effect of tax rates in foreign jurisdictions	(2,160)	1,422
Effect of unrecognised deferred tax assets	2,899	409
Tax effect of losses not allowed to be set off against future taxable profits	1,363	808
Effect of results of equity-accounted investees presented net of tax	(4,837)	(87)
Tax incentives	(39)	–
Recognition of tax effect of previously unrecognised tax losses	(655)	–
Overprovided in prior year	(517)	–
	4,778	2,475

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.

26 PROFIT FOR THE YEAR

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

	Group	
	2016	**2015**
	$'000	**$'000**
Audit fees payable to:		
- Auditors of the Company	255	239
- Other auditors	32	50
Non-audit fees payable to:		
- Auditors of the Company	72	104
Employee benefits expense (exclude Directors' fees)		
- Salaries and wages	3,797	3,118
- Defined contribution benefits	212	182
- Other short-term benefits	6	11
- Director's remuneration	474	653
Changes in fair value of financial assets at fair value through profit or loss	2,667	1,309
Changes in fair value of investment properties	6,403	–
Allowance for diminution in value of development properties	3,900	–
Depreciation of property, plant and equipment	324	384

27 SHARE-BASED PAYMENT ARRANGEMENTS

Share option scheme

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

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

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

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

27 SHARE-BASED PAYMENT ARRANGEMENTS (continued)

Share option scheme (continued)

At the end of the financial year, details of the options granted on the unissued ordinary shares of the Company are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 April 2015	Options exercised	Options outstanding at 31 March 2016	Number of option holders at 31 March 2016	Exercise period
		'000	'000	'000		
29/7/2014	$0.1760	6,000	–	6,000	1	29/7/2015 to 28/7/2024

Measurement of fair values

The fair value of the share options is measured using the binomial option pricing model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Fair value at grant date ($)	–
Share price at grant date ($)	0.1740
Exercise price ($)	0.1760
Expected volatility	79.0%
Expected life (years)	5.50
Expected dividends	–
Risk-free interest rate	1.30%

(ii) The Company had granted the following share options in prior periods:

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

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

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

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

27 SHARE-BASED PAYMENT ARRANGEMENTS (continued)

Share option scheme (continued)

Measurement of fair values (continued)

At the end of the financial year, details of the options granted on the unissued ordinary shares of the Company are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 April 2015	Options exercised	Options outstanding at 31 March 2016	Number of option holders at 31 March 2016	Exercise period
		'000	'000	'000		
10/8/2011	$0.0836	3,604	–	3,604	1	10/8/2011 to 9/8/2016
10/8/2011	$0.0956	3,604	–	3,604	1	10/8/2011 to 9/8/2016

Measurement of fair values

The fair value of the share options is measured using the binomial option pricing model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

	Tranche A	Tranche B	Tranche C	Tranche D
Fair value at grant date ($)	0.17	0.17	0.17	0.17
Share price at grant date ($)	0.21	0.21	0.21	0.21
Exercise price ($)	0.08	0.08	0.09	0.09
Expected volatility	115.4%	115.4%	115.4%	115.4%
Expected life (years)	5.00	5.00	5.00	5.00
Expected dividends	–	–	–	–
Risk-free interest rate	0.48%	0.48%	0.48%	0.48%

27 SHARE-BASED PAYMENT ARRANGEMENTS (continued)

Reconciliation of outstanding share options

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

	Weighted average exercise price per share 2016	Number of options 2016	Weighted average exercise price per share 2015	Number of options 2015
	$	'000	$	'000
Outstanding at the beginning of the year	0.129	13,208	0.090	7,208
Granted during the year	–	–	0.176	6,000
Outstanding at end of the year	0.129	13,208	0.129	13,208
Exercisable at end of the year	0.129	13,208	0.090	7,208

The options outstanding at 31 March 2016 have a weighted average exercise price of $0.129 (2015: $0.129) per share and contractual life of 0.36 to 8.33 (2015: 1.42 to 9.30) years.

28 EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 March 2016 was based on profit attributable to ordinary shareholders of $29,320,000 (2015: $21,181,000) and weighted average number of ordinary shares outstanding of 2,863,089,000 (2015: 2,863,571,000), calculated as follows:

(i) Profit attributable to ordinary shareholders

	Group	
	2016	2015
	$'000	$'000
Profit attributable to ordinary shareholders	29,320	21,181

28 EARNINGS PER SHARE (continued)

Basic earnings per share (continued)

(ii) Weighted average number of ordinary shares

	Group	
	2016	**2015**
	$'000	**$'000**
Issued ordinary shares at beginning of the year	2,863,779	2,863,514
Effect of own shares held	(689)	(130)
Effect of conversion of convertible bonds	–	187
Weighted average number of ordinary shares during the year	2,863,090	2,863,571

Diluted earnings per share

The calculation of diluted earnings per share at 31 March 2016 was based on profit attributable to ordinary shareholders of $29,320,000 (2015: $21,184,000) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 2,864,825,000 (2015: 2,866,699,000), calculated as follows:

(i) Profit attributable to ordinary shareholders (diluted)

	Group	
	2016	**2015**
	$'000	**$'000**
Profit attributable to ordinary shareholders (basic)	29,320	21,181
Interest expense on convertible bonds, net of tax	–	3
Profit attributable to ordinary shareholders (diluted)	29,320	21,184

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

	Group	
	2016	**2015**
	$'000	**$'000**
Weighted average number of ordinary shares (basic)	2,863,090	2,863,571
Effect of share options on issue	1,735	3,128
Weighted average number of ordinary shares (diluted) during the year	2,864,825	2,866,699

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

29 COMMITMENTS

Operating lease commitments

The Group leases out its investment properties held under operating leases during the financial year. At the reporting date, the future minimum lease payments receivable under non-cancellable leases are as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Within 1 year	7,242	8,522
After 1 year but within 5 years	11,496	14,726
After 5 years	6,001	6,977
	24,739	30,225

The non-cancellable operating lease receivables have not taken into account the potential new and renewal of leases and revision of rental rates after the expiry of these leases.

During the year, an amount of $5,340,000 (2015: $5,660,000) was recognised as an expense in profit or loss in respect of operating leases.

Other commitments

	Group	
	2016	**2015**
	$'000	**$'000**
Estimated development expenditure contracted but not provided for	88,635	122,691

30 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial guarantees.

30 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

The carrying amounts of financial assets represent the maximum credit exposure. The Group's and the Company's maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Amounts due from subsidiaries	–	–	257,217	203,849
Other investment	45,800	45,800	–	–
Trade and other receivables*	47,461	27,763	788	14,892
Amounts due from associates	23,573	23,573	–	–
Financial assets at fair value through profit or loss	154,957	160,738	154,957	160,738
Cash and cash equivalents	40,988	163,077	14,805	127,728
	312,779	420,951	427,767	507,207

* Excludes prepaid expenses of $408,000 (2015: $449,000) and $23,000 (2015: $16,000) for the Group and the Company, respectively.

The Group and the Company do not hold any collateral in respect of their financial assets. As at the reporting date, the Group and the Company have no significant concentration of credit risk with any entity.

(i) Amounts due from subsidiaries

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

	Company	
	2016	**2015**
	$'000	**$'000**
At beginning of the year	19,319	21,970
Impairment loss recognised	5,545	–
Reversals of impairment losses	(1,587)	(2,651)
At end of the year	23,277	19,319

30 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(ii) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by financial loss resulting from the failure of customers or other parties to settle their financial and contractual obligations to the Group as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Monies due from customers are followed up, reviewed on a regular basis to understand the reasons of non-payment or delay in payment, if any, so that appropriate actions can be implemented promptly.

The Group establishes an allowance for impairment that represents its estimates of incurred losses in respect of trade and other receivables. The main component of this allowance is specific loss that relates to individually significant exposures.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The ageing of trade receivables that were not impaired at the reporting date was:

	Group		Company	
	Gross	Gross	Gross	Gross
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Not past due	320	1,867	94	280
Past due 1 – 30 days	7	38	–	–
Past due 30 – 60 days	8	20	–	–
Past due 60 – 90 days	3	27	–	–
Past due over 90 days	21	12	–	–
	359	1,964	94	280

30 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(ii) Trade and other receivables (continued)

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

	Group	
	2016	**2015**
	$'000	**$'000**
At 1 April 2015	–	–
Impairment loss recognised	18	–
At 31 March 2016	18	–

(iii) Cash and cash equivalents

Cash and fixed deposits are placed with banks and financial institutions of significant standing. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities which are placed with a diversity of creditworthy financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets.

The Group actively manages its operating cash flows and the availability of funding so as to ensure all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. All the properties under development have adequate cash or credit facilities to ensure availability of funding till project completion.

30 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

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

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group					
2016					
Non-derivative financial liabilities					
Bank loans	298,872	309,566	133,290	167,071	9,205
Medium term notes	99,450	104,156	104,156	–	–
Finance lease liabilities	119	119	41	78	–
Trade and other payables*	31,286	31,286	31,286	–	–
Amounts due to non-controlling interests	26,643	26,643	10,758	15,885	–
	456,370	471,770	279,531	183,034	9,205
2015					
Non-derivative financial liabilities					
Bank loans	424,906	437,186	247,279	180,173	9,734
Medium term notes	98,728	109,188	5,250	103,938	–
Finance lease liabilities	158	158	39	119	–
Trade and other payables*	18,811	18,811	18,811	–	–
Amounts due to non-controlling interests	26,923	26,923	13,758	13,165	–
	569,526	592,266	285,137	297,395	9,734
Company					
2016					
Non-derivative financial liabilities					
Bank loans	113,402	114,689	114,689	–	–
Medium term notes	99,450	104,706	104,706	–	–
Finance lease liabilities	119	119	41	78	–
Trade and other payables	2,424	2,424	2,424	–	–
	215,395	221,938	221,860	78	–

30 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

	Carrying amount	Contractual cash flows	Within 1 year	After 1 year but within 5 years	After 5 years
	$'000	$'000	$'000	$'000	$'000
Company					
2015					
Non-derivative financial liabilities					
Bank loans	149,999	151,672	151,672	–	–
Medium term notes	98,728	109,188	5,250	103,938	–
Finance lease liabilities	158	158	39	119	–
Trade and other payables	2,542	2,542	2,542	–	–
	251,427	263,560	159,503	104,057	–

* Excludes deferred income of $41,324,000 (2015: $117,296,000).

The maturity analysis shows the undiscounted cash flows of the Group's and the Company's financial liabilities on the basis of their earliest possible contractual maturity. It is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Guarantees

The Company issued financial guarantees to certain banks in respect of banking facilities granted to certain subsidiaries and associates amounting to $320,728,000 (2015: $430,493,000). Management considers that the possibility of default of the parties is remote.

The periods in which the financial guarantees will expire are as follows:

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Within 1 year	80,700	80,700	80,700	191,980
After 1 year but within 5 years	–	–	227,900	227,900
After 5 years	–	–	12,128	10,613
	80,700	80,700	320,728	430,493

30 FINANCIAL INSTRUMENTS (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relate primarily to the Group's debt obligations and deposits with financial institutions. Interest rates on borrowings and deposits are determined based on floating market rates. The Group does not use derivative financial instruments to hedge interest rate risk.

Exposures to interest rate risk

At the reporting date, the interest rate profile of the Group's and the Company's interest-bearing financial instruments were:

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Fixed rate instruments				
Financial assets	–	13,720	–	13,720
Financial liabilities	(99,569)	(98,886)	(99,569)	(98,886)
	(99,569)	(85,166)	(99,569)	(85,166)
Variable rate instruments				
Financial assets	13,482	93,430	12,953	93,430
Financial liabilities	(298,872)	(424,906)	(113,402)	(149,999)
	(285,390)	(331,476)	(100,449)	(56,569)

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.

30 FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation and tax effect. The analysis is performed on the same basis for 2015.

	Profit before tax	
	100 bp increase	**100 bp decrease**
	$'000	**$'000**
Group		
2016		
Variable rate instruments	(2,854)	2,854
2015		
Variable rate instruments	(3,315)	3,315
Company		
2016		
Variable rate instruments	(1,004)	1,004
2015		
Variable rate instruments	(566)	566

Foreign currency risk

The Group has no exposure to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily United States Dollar ("USD").

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

30 FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Exposure to foreign currency risk

The summary of quantitative data about the Group's exposure to foreign currency risk as provided to management of the Group based on its risk management policy was as follows:

	USD		GBP		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group and Company						
Cash and cash equivalents	8,902	57,920	–	20,479	8,902	78,399
Other receivables	–	13,720	–	–	–	13,720
	8,902	71,640	–	20,479	8,902	92,119

Sensitivity analysis

A 10% strengthening of the following major currencies against the functional currency of each of the Group entities at the reporting date held by the Group would increase/(decrease) profit before taxation by the amounts shown below. Similarly, a 10% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit before tax	
	10% strengthening	**10% weakening**
	$'000	**$'000**
2016		
USD	890	(890)
2015		
USD	7,164	(7,164)
GBP	2,048	(2,048)

30 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels of the fair value hierarchy. It does not include fair value information of financial assets and financial liabilities not measured at fair value as the carrying amounts of these financial assets and financial liabilities are reasonable approximation of fair values.

	Carrying amount				Fair value
	Loans and receivables	Financial assets at fair value through profit or loss	Other financial liabilities	Total carrying amount	Level 1
	$'000	$'000	$'000	$'000	$'000
Group					
2016					
Financial assets measured at fair value					
Financial assets at fair value through profit or loss	–	154,957	–	154,957	154,957
Financial assets not measured at fair value					
Other investment	45,800	–	–	45,800	
Trade and other receivables*	47,461	–	–	47,461	
Amounts due from associates	23,573	–	–	23,573	
Cash and cash equivalents	40,988	–	–	40,988	
	157,822	–	–	157,822	
Financial liabilities not measured at fair value					
Loans and borrowings	–	–	398,441	398,441	
Amounts due to non-controlling interests	–	–	26,643	26,643	
Trade and other payables#	–	–	31,286	31,286	
	–	–	456,370	456,370	
2015					
Financial assets measured at fair value					
Financial assets at fair value through profit or loss	–	160,738	–	160,738	160,738

30 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values (continued)

	Carrying amount				Fair value
	Loans and receivables	**Financial assets at fair value through profit or loss**	**Other financial liabilities**	**Total carrying amount**	**Level 1**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group (continued)					
2015 (continued)					
Financial assets not measured at fair value					
Other investment	45,800	–	–	45,800	
Trade and other receivables*	27,763	–	–	27,763	
Amounts due from associates	23,573	–	–	23,573	
Cash and cash equivalents	163,077	–	–	163,077	
	260,213	–	–	260,213	
Financial liabilities not measured at fair value					
Loans and borrowings	–	–	523,792	523,792	
Amounts due to non-controlling interests	–	–	26,923	26,923	
Trade and other payables#	–	–	18,811	18,811	
	–	–	569,526	569,526	
Company					
2016					
Financial assets measured at fair value					
Financial assets at fair value through profit or loss	–	154,957	–	154,957	154,957
Financial assets not measured at fair value					
Amounts due from subsidiaries	257,217	–	–	257,217	
Trade and other receivables*	788	–	–	788	
Cash and cash equivalents	14,805	–	–	14,805	
	272,810	–	–	272,810	

30 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values (continued)

	Carrying amount				Fair value
	Loans and receivables	**Financial assets at fair value through profit or loss**	**Other financial liabilities**	**Total carrying amount**	**Level 1**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Company (continued)					
2016 (continued)					
Financial liabilities not measured at fair value					
Loans and borrowings	–	–	212,971	212,971	
Trade and other payables	–	–	2,424	2,424	
	–	–	215,395	215,395	
2015					
Financial assets measured at fair value					
Financial assets at fair value through profit or loss	–	160,738	–	160,738	160,738
Financial assets not measured at fair value					
Amounts due from subsidiaries	203,849	–	–	203,849	
Trade and other receivables*	14,892	–	–	14,892	
Cash and cash equivalents	127,728	–	–	127,728	
	346,469	–	–	346,469	
Financial liabilities not measured at fair value					
Loans and borrowings	–	–	248,885	248,885	
Trade and other payables	–	–	2,542	2,542	
	–	–	251,427	251,427	

* Excludes prepaid expenses of $408,000 (2015: $449,000) and $23,000 (2015: $16,000) for the Group and the Company, respectively.

Excludes deferred income of $41,324,000 (2015: $117,296,000) for the Group.

31 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	
	2016	**2015**
	$'000	**$'000**
Short-term employee benefits	2,311	1,591
Contributions to defined contribution plans	54	41
	2,365	1,632

Other related party transactions

	Transaction value for the year ended 31 March	
	2016	**2015**
	$'000	**$'000**
Property consultancy fees payable to American Pacific International Capital, Inc ("APIC")	490	658

SHAREHOLDERS INFORMATION

AS AT 22 JUNE 2016

Class of equity securities	:	Ordinary
Number of equity securities	:	2,870,986,850
Number of equity securities (excluding Treasury Shares)	:	2,870,297,850
Number / Percentage of Treasury Shares	:	689,000 / 0.02%
Voting rights	:	One vote per share

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders (excluding treasury shares)	%	No. of Shares (excluding treasury shares)	%
1 - 99	7	0.19	254	0.00
100 - 1,000	386	10.16	160,410	0.01
1,001 - 10,000	919	24.19	6,180,194	0.21
10,001 - 1,000,000	2,428	63.91	207,807,895	7.24
1,000,001 and above	59	1.55	2,656,149,097	92.54
	3,799	100.00	2,870,297,850	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%*
1	Citibank Nominees Singapore Pte Ltd	1,655,950,400	57.69
2	Phillip Securities Pte Ltd	352,280,981	12.27
3	Acquire Wealth Limited	220,000,000	7.66
4	DBS Nominees Pte Ltd	143,987,336	5.02
5	Raffles Nominees (Pte) Ltd	57,235,900	1.99
6	Maybank Kim Eng Securities Pte Ltd	49,726,706	1.73
7	Goh Bee Lan	23,000,000	0.80
8	DBS Vickers Securities (S) Pte Ltd	17,470,200	0.61
9	OCBC Securities Private Ltd	11,564,300	0.40
10	Lee Che Hung	10,201,700	0.36
11	Bank of Singapore Nominees Pte Ltd	6,490,500	0.23
12	Goi Seng Hui	6,160,800	0.21
13	Chean Sock Hoon	5,630,000	0.20
14	UOB Kay Hian Pte Ltd	5,334,000	0.19
15	Ong Kian Kok	5,100,000	0.18
16	Hong Leong Finance Nominees Pte Ltd	4,680,770	0.16
17	United Overseas Bank Nominees Pte Ltd	4,506,200	0.16
18	Fong Kim Chit	4,320,000	0.15
19	Mao Jinshan	4,075,600	0.14
20	RHB Securities Singapore Pte Ltd	3,553,000	0.12
		2,591,268,393	90.27

* The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 22 June 2016, excluding 689,000 ordinary shares held as treasury shares as at that date.

SHAREHOLDERS INFORMATION

AS AT 22 JUNE 2016

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF PUBLIC

27.74% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 22 June 2016)

	Direct Interest		Deemed Interest	
	No. of Shares	**%[1]**	**No. of Shares**	**%[1]**
Haiyi Holdings Pte. Ltd.	1,612,364,081	56.17	-	-
Gordon Tang [2]	-	-	1,832,364,081	63.84
Celine Tang [3]	-	-	1,612,364,081	56.17
Hai Run Pte. Ltd.	237,000,000	8.26	-	-
Yang Dehe [4]	-	-	237,000,000	8.26
Yang Manlin [5]	-	-	237,000,000	8.26
Acquire Wealth Limited	220,000,000	7.66	-	-
New Palace Developments Limited [6]	-	-	220,000,000	7.66
Neil Bush [7]	-	-	220,000,000	7.66

Notes:

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

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

(3) Mrs. Celine Tang is entitled to exercise or control the exercise of not less than 20% of the votes attached to the shares held by her in Haiyi. She is therefore deemed interested in the shares held by Haiyi by virtue of Section 7 of the Companies Act.

(4) Mr. Yang Dehe has a controlling interest in Hai Run Pte. Ltd. He is a director of Hai Run Pte. Ltd. and is deemed interested in the shares held by Hai Run Pte. Ltd by virtue of Section 7 of the Companies Act.

(5) Ms. Yang Manlin is a substantial shareholder and director of Hai Run Pte. Ltd. and is deemed interested in the shares held by Hai Run Pte. Ltd. by virtue of Section 7 of the Companies Act.

(6) New Palace Developments Limited ("NPDL") owns 30% interest in AWL, and accordingly NPDL is deemed to have interest in the shares which AWL is interested in by virtue of Section 7 of the Companies Act.

(7) Mr. Neil Bush and his spouse are ultimate shareholders of NPDL. It is assumed that NPDL is, or its directors are accus tomed 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 3, Room 324 - 326 Suntec Singapore Convention & Exhibition Centre 1 Raffles Boulevard Singapore 039593 on Thursday, 28 July 2016 at 11.00 a.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 2016 together with the Auditors' Report thereon.

   (Resolution 1)

2. To declare a final dividend of S$0.002 per ordinary share (one-tier tax exempt) for the financial year ended 31 March 2016.

   (Resolution 2)

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

   Mr See Yen Tarn (Retiring under Article 77) **(Resolution 3)**
   Mr Gordon Tang (Retiring under Article 95) **(Resolution 4)**
   Mr David Hwang Soo Chin (Retiring under Article 95) **(Resolution 5)**

   Mr See Yen Tarn will, upon re-election as a Director of the Company, remain as Independent Director, Chairman of the Nomination Committee and members of the Audit and Remuneration Committees respectively and will be considered independent pursuant to Rule 704(7) of Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual ("Catalist Rules").

   Mr Gordon Tang will, upon re-election as a Director of the Company, remain as the Non-Executive Director of the Company and a member of the Remuneration Committee and will be considered non-independent.

   Mr David Hwang Soo Chin will, upon re-election as a Director of the Company, remain as Independent Director, Chairman of the Remuneration Committee and members of the Audit and Nominating Committees respectively and will be considered independent pursuant to Rule 704(7) of the Catalist Rules.

4. To approve the payment of Directors' fees of S$347,000.00 for the financial year ending 31 March 2017, to be paid quarterly in arrears.

   (Resolution 6)

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

   (Resolution 7)

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

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 Section B: Rules of Catalist of the SGX-ST (the "Catalist Rules"), 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 one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising of share options or vesting of share awards which are outstanding and/or subsisting at the time of the passing of this Resolution; 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 Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)]

(Resolution 8)

8. **Authority to allot and issue shares under the SingHaiyi Share Option Scheme 2013**

That pursuant to Section 161 of the Companies Act, Cap 50, the Directors of the Company be authorised and empowered to offer and grant options ("Options") under the SingHaiyi Share Option Scheme 2013 (the "Scheme") and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be transferred or issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (ii)]

(Resolution 9)

9. **Renewal of Share Buy-Back Mandate**

That:

(a) for the purposes of the Companies Act, Cap. 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(i) on-market purchase(s) (each a "Market Purchase") on the Catalist Board ("SGX- Catalist") 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 Catalist Rules as may for the time being be applicable, be and is hereby authorized and approved generally and unconditionally (the "Share Buy-Back Mandate");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM of the Company is held or required by law to be held; or

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated;

(iii) the date on which the authority conferred by the proposed Share Buy-Back Mandate is varied or revoked by Shareholders in a general meeting.

(c) in this Resolution:

"Maximum Limit" means that number of Shares representing not more than ten per cent (10%) of the total number of Shares as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of Shares shall be taken to be the total number of Shares as altered by the said reductions of share capital (excluding any treasury shares that may be held by the Company from time to time). Any Shares which are held as treasury shares will be disregarded for purposes of computing the ten per cent (10%) limit;

"Relevant Period" means the period commencing from the date on which the last AGM of the Company was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date this Resolution is passed;

"Market Day" means a day on which the SGX-ST is open for securities trading;

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) to be paid for the Share which shall not exceed:

(a) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price (as defined below); and

(b) in the case of an Off-Market Purchase pursuant to an Equal Access Scheme, one hundred and twenty per cent (120%) of the Average Closing Price,

where:

"Average Closing Price" means the average of the closing market prices of the Shares for the last five (5) consecutive Market Days on which transactions in the Shares were recorded, immediately preceding the date on which a Market Purchase was made by the Company, or as the case may be, the date of the making of the offer pursuant to an Off-Market Purchase on an Equal Access Scheme, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

"date of the making of the offer" means the date on which the Company makes an announcement of an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the Equal Access Scheme for effecting the Off-Market Purchase; and

(d) the Directors of the Company and/or any of them be and are hereby authorized 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 authorized by this Resolution.
[See Explanatory Note (iii)]

(Resolution 10)

By Order of the Board

Cho Form Po
Company Secretary
Singapore, 13 July 2016

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, 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

(ii) The Ordinary Resolution 9 in item 8 above, if passed will empower the Directors of the Company, from the date of this Meeting (as defined below) until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) 15% of the total number of issued shares excluding treasury shares in the capital of the Company from time to time, and the aggregate number of ordinary shares which may be issued pursuant to the Scheme and any other share based schemes (if applicable) shall not exceed 15% of the total issued share capital of the Company excluding treasury shares, from time to time.

(iii) The Ordinary Resolution 10 in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to repurchase or otherwise acquire its Shares on the terms of such mandate. Details of the proposed renewal of Share Buy-Back Mandate are set out in the Appendix dated 13 July 2016.

Notes:

1. (a) A member who is not a Relevant Intermediary (as defined below) entitled to attend the AGM (the "Meeting") and vote, is entitled to appoint one or two proxies to attend and vote at the Meeting.

   (b) A member who is a Relevant Intermediary entitled to attend the Meeting and vote, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 81 Ubi Avenue 4, #02-20 UB.One, Singapore 408830 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the meeting in order for the Depositor to be entitled to attend and vote at the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "Relevant Intermediary").
2. For investors who have used their CPF monies to buy the SingHaiyi Group Ltd.'s shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ...

of ....

being a member/members of SingHaiyi Group Ltd. (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Level 3, Room 324 - 326 Suntec Singapore Convention & Exhibition Centre 1 Raffles Boulevard Singapore 039593 on 28 July 2016 at 11.00 a.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 discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a 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' Statements and Audited Financial Statements of the Company for the financial year ended 31 March 2016 together with the Auditors' Report thereon.		
2.	Approval of a final dividend of S$0.002 per ordinary share (one-tier tax exempt) for the financial year ended 31 March 2016.		
3.	Re-election of Mr See Yen Tarn as a Director.		
4.	Re-election of Mr Gordon Tang as a Director.		
5.	Re-election of Mr David Hwang Soo Chin as a Director.		
6.	Approval of the payment of Directors' fees of S$347,000.00 for the financial year ending 31 March 2017, 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 2016

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 instead 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 capacityof an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 81 Ubi Avenue 4, #02-20 UB.One, Singapore 408830 **not less than 48 hours** before the time appointed for the Meeting.

7. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the meeting in order for the Depositor to be entitled to attend and vote at the Meeting.

8. 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, Chapter 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 13 July 2016.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

SINGHAIYI
GROUP

SingHaiyi Group Ltd.
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Singapore 408830

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