POISED

ANNUAL REPORT 2015

SINGHAIYI
GROUP

POISED

At SingHaiyi, we believe that being poised is the key to success.

With determined resilience and persevering tenacity, we will conquer heights and mount summits.

Using our strengths as leverage and clear vision, we are primed to seek out new and growing opportunities.

We are geared up to achieve success.

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VISION

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

MISSION

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

CORPORATE PROFILE

SingHaiyi Group Ltd. (“SingHaiyi” or the “Group”) is a fast growing, diversified real estate company focused on property development, real estate investment and property management services. With strategic support from its major shareholders, the Group is led by a board and management team with deep insights and strong connections that provide access to unique investment opportunities.

Apart from an established track record in residential property development, the Group also holds a diversified portfolio of income-generative assets in the commercial and retail sectors, with geographical reach into USA and widening exposure in Asia. The Group’s exposure to various segments of the real estate sector in multiple countries stands as a testament to its calculated diversification strategy, which is designed to provide stable and visible earnings and deliver value to shareholders.

POISED WITH VISION

A DIVERSIFIED REAL ESTATE COMPANY

WELL-ROUNDED REAL ESTATE PLAYER

Property Development, Real Estate Investment and Property Management

DIVERSIFIED PROPERTY SECTORS

Residential, Commercial and Retail

UNIQUE GEOGRAPHICAL EXPOSURE

USA, Singapore and potentially other regions in future

With our well-rounded diversification strategies, we are certain of capturing the world of growing opportunities. Driven by focus and fortitude, continued explorations and distinguished projects will further widen new channels of growth possibilities.

OUR BUSINESS

SINGAPORE	UNITED STATES	MALAYSIA
Development Projects	**Development Projects**	**Investment Properties**
Private Residential	Commercial Condominium	Harmony Fund III
Public Housing	Residential Condominium	
Commercial		
Investment Properties	**Investment Properties**	**Others**
Retail	Retail	Real Estate Fund Management
Office		

POISED TO SCALE GREATER HEIGHTS

Headquartered in Singapore, SingHaiyi Group Ltd. develops and invests in residential, office and retail properties in Singapore and around the world. The Group is backed by an experienced management team that is dedicated to achieving sustainable growth through yield-accretive acquisitions, quality property developments, innovative asset enhancement strategies and proactive property management.

Subsequent to a change in corporate identity and controlling shareholders in 2013, Mr. Gordon Tang and his wife, Mdm Serena Chen entered as Directors and controlling shareholders of SingHaiyi Group. Together, they brought on board fresh perspectives from the global arena garnered through their collective experiences managing and developing properties within the international real estate space.

In Singapore, SingHaiyi's experience has predominantly been in the development of public and private residential property, through which the Group tirelessly finds new ways to break new ground. From 2014, the Group has ventured into the office and retail spaces in Singapore with its investment into TripleOne Somerset, a mixed development along the prime shopping belt in Orchard Road, and through its participation in the commercial redevelopment project for Park Mall, also a mixed commercial and retail development in a prime district.

SingHaiyi's operations in the USA is supported by a skilled team on the ground as well as American Pacific International Capital Inc. ("APIC"), the Group's related company whose extensive network and resources provides it with niche opportunities across the country. Since 2013, SingHaiyi has made three acquisitions across two USA states. Plans to either develop, re-develop or enhance these properties are underway and these, along with further potential acquisitions, are expected to contribute even more meaningfully to earnings over the next three to five years.

In 2015, the Group invested into a portfolio of income-producing commercial properties through a fund, the ARA Harmony Fund III, providing it with exposure to the commercial property sub-segment in Malaysia. The properties are strategically located in affluent and densely populated areas across prominent locations, including Malacca, Kuala Lumpur, Klang Valley, Ipoh and Selangor. Through this participation, the Group also holds a strategic stake in the general partner of the fund.

Constantly on the lookout for interesting projects, the Group will continue to capitalise on opportunities to expand the breadth of its offering and expertise, while building up competence in property management.

CHAIRMAN'S MESSAGE
主席致辞

Dear Shareholders,

A YEAR OF POSITIONING

On behalf of the Board of Directors for SingHaiyi Group Ltd, I would like to thank you for your continuous support in the financial year ended 31 March 2015 ("FY2015").

FY2015 was a pivotal year in which the careful and strategic investments we made last year began to take shape. Under the leadership of Group Managing Director, Serena Chen, and her management team, it became evident in FY2015 that the Group has forged a clear path towards its vision of becoming a premier, well-rounded property company with proven expertise in multiple geographies. Through taking bold steps to streamline operations, the Group has also taken leaps towards achieving sustainable growth and creating shareholder value.

Despite the lower contribution from Singapore development projects in FY2015, the Group still managed to turn in positive earnings, a feat that would not have been imaginable a mere two years ago. Even more notably, the bulk of revenues generated in FY2015 were recurrent in nature. This demonstrated a distinct and undeniable improvement to the quality of earnings, which was the result of the management team's foresight in embarking on projects in the prior year to lay the foundation for future growth.

In FY2015, the management team made decisions to streamline operations, leading to the planned divestments of the Group's City Suites residential project in Singapore and its holdings in Hong Kong, as well as refining its redevelopment plan for its 5 Thomas Mellon property in San Francisco. These decisions were made only after much deliberation and consultations with the Board which led to the conclusion that market conditions did not play to the favour for the original plans or, in the case of the properties in Hong Kong, were not aligned to the Group's strategic focus or growth path. Today, SingHaiyi is in a much stronger position to undertake other opportunities due to these actions taken.

Another key focus in FY2015 was on developing asset enhancement initiatives ("AEI") for the Group's investment property, Tri-County Mall, in the USA. The project called for a unique set of property management skills which we have demonstrated in the preliminary AEI plans unveiled to-date. We are confident that the full exploitation of our acquisitions, the broadening and strengthening of our real estate platforms and the deepening of our capabilities will drive stronger growth and have impact on shareholder value.

各位股东:

决定集团定位的一年

我谨代表新海逸集团有限公司董事会,衷心感谢各位在过去一年对集团的鼎力支持。

2015 财年是集团关键的一年,我们在这一年里所进行的谨慎而富有战略性的投资已经初见成效。在集团董事经理陈怀丹女士及其管理团队的领导下,集团在 2015 财年已经打造出一条实现愿景的明确道路,成为在多个国家和地区拥有广受认可的专业知识且全方位发展的房地产公司。通过精简运作为目的的举措,集团也在可持续增长和为股东创造价值方面取得了重大进展。

尽管新加坡的开发项目在 2015 财年的收益较低,但集团仍然实现了盈利增长。更值得一提的是,2015 财年所获得的营收多为持续性收益。毋庸置疑,这证明我们的盈利品质有了明显的进步,而这源于管理团队上一年度致力开展能奠定未来增长基础项目的远见。

2015 财年,集团管理团队做出精简运作的决定,使集团从新加坡的住宅项目 City Suites 中撤资、退出了对香港房地产项目的控股权,并完善了对于旧金山的 5 Thomas Mellon 房地产项目的重建计划。这都是董事会反复商讨后才做出的决定。大家一致认为,原计划的优势在市场条件下无法获得发挥,而香港的房地产项目则与集团的战略重心及发展道路不一致。如今,新海逸已处于更加有利的位置,可寻求其他发展机遇。

2015 财年的另一个重点是针对集团在美国的房地产投资项目 Tri-Country Mall 制定资产增值计划("AEI")。该项目需要一套独特的房地产管理技能,而我们已在最近公布的初步资产增值计划中证明了我们在这方面的实力。我们有信心,能够充分利用我们的收购项目、扩大并强化我们的房地产平台,以及不断深化我们的能力,来推动更强劲的增长并为股东创造更多价值。

"

THROUGH TAKING BOLD STEPS TO STREAMLINE OPERATIONS, THE GROUP HAS ALSO TAKEN LEAPS TOWARDS ACHIEVING SUSTAINABLE GROWTH AND CREATING SHAREHOLDER VALUE.

Neil Bush
Non-Executive Chairman

CHAIRMAN'S MESSAGE 主席致辞

In a strong show of support from the debt capital market, the Group successfully established a S$500 million multicurrency debt issuance programme in July 2014 and in the same month, issued S$100 million in notes under the programme at 5.25% per annum. This was in line with our FY2015 strategy to position the Group for greater things to come over the next few years, while maintaining flexibility in the management of the Group capital structure.

FORGING AHEAD

From the foundations laid in FY2015, the Group is forging ahead into FY2016 at full speed. In June this year, the Group announced two new investment projects in Singapore and Malaysia. With these investments, the Group will once again be venturing into uncharted territory that will further diversify and strengthen Group earnings. Tapping on the management team's rich experience and deep expertise, the Board is confident that these fresh challenges will take the Group to even greater heights.

In July, the Group launched The Vales, a new public residential property development project in Singapore, featuring first-of-its kind designs and concepts intended to incorporate a new level of luxury that has never been experienced in Singapore public housing projects. In addition, the Group is on track to complete and deliver two public housing projects, Pasir Ris One and CityLife@Tampines, in FY2016.

POISED FOR LONG-TERM SUCCESS

Our focus for the coming year will be to ride on the momentum built since FY2014 and the foundation-laying in FY2015, with recent projects announced bearing testimony to this. The Group will stay vigilant for opportunities around the world to fuel growth through yield-accretive investments.

While there will be challenges, the Group remains firmly focused on its core competencies and on leveraging those competencies to expand our geographical footprint and expertise to continue delivering strong performance to shareholders. With our sound strategy and strong leaders, I have every confidence that we will continue to build on our record of success.

ACKNOWLEDGEMENTS

I would like to thank the Board, our leadership team, employees, partners and customers – everyone of whom play an important role in our business. And finally, thank you, shareholders, for your confidence in us, which helps fuel the momentum towards an even brighter future for SingHaiyi.

With your backing, we look forward to conquering greater challenges and soaring to greater heights as we drive sustainable long term growth and shareholder value in the years ahead.

Neil Bush
Non-Executive Chairman

在债务资本市场的强劲支持下,集团已于 2014 年 7 月成功设立了一个 5 亿新元的多币种债券发行计划,并于同月依据该计划以 5.25%的年息发行了 1 亿新元的债券。这个项目不仅维持集团管理资本结构方面的灵活性,也符合我们 2015 财年对于迎接未来几年重大事项进行定位的战略。

开拓进取

在 2015 财年所奠定的基础之上,集团将在 2016 财年锐意进取。今年 6 月,集团宣布在新加坡和马来西亚推出两个新的投资项目。透过这些投资,集团将再次进军未知的领域,进一步强化并实现盈利的多元化。凭借集团管理团队的丰富经验和精深的专业知识,董事会相信,这些全新的挑战将会让集团再创高峰。

今年 7 月,集团推出了一个位于新加坡的共管公寓 The Vales。该项目拥有开创性的设计和理念,将把新加坡公共住宅项目带领至前所未有的全新奢华境界。此外,集团将在 2016 财年完成并交付两个公共住宅项目: Pasir Ris One 和 CityLife@Tampines。

为长期繁荣做好准备

我们在未来一年的重点,是延续 2014 财年以来的良好发展势头,并在 2015 财年所奠定的基础之上继续发展,最近所公布的几个项目是对此的最佳证明。集团将密切关注全球各地的投资机会,利用可增进收益的投资来推动增长。

尽管未来存在挑战,但本集团仍然坚定地专注于提升我们的核心竞争力,并利用这些能力来拓展我们的市场和专业知识,从而继续为股东呈现强劲的业绩表现。凭借我们完善战略和强大的领导团队,我有信心,我们必将能够在之前所取得的成功的基础之上再创辉煌。

鸣谢

我谨此感谢董事会、我们的领导团队、员工、商业伙伴和客户 — 你们每个人在我们的业务中都扮演着重要的角色。最后,我还要感谢各位股东对我们的信任,这将帮助我们为新海逸集团创 建更加美好、辉煌的未来。

有了各位的支持,我们才能在未来几年继续推动可持续的长期增长并为股东创造价值的同时, 期待征服更大的挑战、让业务更攀巅峰。

尼尔布什
非执行主席

GROUP MANAGING DIRECTOR'S MESSAGE
集团董事经理致辞

I AM PLEASED TO REPORT THAT WE HAVE ACCOMPLISHED WHAT WE SET OUT TO DO, AND SINGHAIYI IS IN A BETTER POSITION TODAY TO TAKE ADVANTAGE OF THE EXCITING INVESTMENT OPPORTUNITIES AHEAD OF US.

Dear Shareholders,

POISED FOR SUCCESS

We started FY2015 with a single-minded focus to ensure timely delivery for our development projects in Singapore as well as to derive higher value and returns from the acquisitions we had made in FY2014. I am pleased to report that we have accomplished what we set out to do, and SingHaiyi is in a better position today to take advantage of the exciting investment opportunities ahead of us.

We believe our efforts from past years have paid off and we are fully on track in improving our earnings through increasing our recurring income and diversification of our revenue stream.

For the financial year under review, the Group reported a net profit (after tax and minority interests) of S$21.2 million on the back of revenues amounting to S$20.9 million. Revenue in FY2015 was derived almost entirely from our development projects and rental income in the US, as the timing of our Singapore projects did not allow us to capture any property development contributions in the reporting period. As a result of the change in the nature of revenue contributions in FY2015, the Group registered a full year gross profit margin of 59.3%, which was a 20.1 percentage point improvement over the gross profit margin registered in the previous year.

我很荣幸的宣布,我们已经达成目标,集团处于良好状态,蓄势待发。

各位股东:

迈向成功

2015 财年新海逸专注于确保本地房地产开发项目准时交付以及 2014 财年的收购项目获得更高的价值和回报。我很荣幸的宣布,我们已经达成目标,集团处于良好状态,蓄势待发。

新海逸通过提高持续性收益以及多元化收入来增强我们盈利能力。我们确信近年来的努力已初见成效,并继续积极探索优质的投资机会。

在过去的这一财政年,本集团的净利润(除税及少数股东权益后)为 2120 万新元,营业额为 2090 万新元。2015 财年的营业额大部分来自于我们在美国的房地产开发项目和租金收入, 2015 财年集团全年毛利润率已录得 59.3%,比上一财年的毛利润率高出 20.1 个百分点。

ONGOING METAMORPHOSIS

The resilience of the Group's earnings has improved substantially through our active strategy to reduce the volatility of earnings through yield-generative commercial assets. In FY2015, 70.3% of Group revenue was derived through recurring rental income, up from a 16.3% in FY2014.

Although rental revenue was substantially derived from the US in FY2015, the Group also earned investment income from its interest in TripleOne Somerset, a mixed commercial and retail property in the prime shopping belt of Singapore, that contributed directly to earnings.

In FY2015, we also saw US contributions to Group revenue increase from S$11.8 million in the previous corresponding period to S$19.4 million, or by 64.4% year-on-year. US revenues comprised contributions from the sale of completed units in Vietnam Town as well as rental income from Tri-County Mall and 5 Thomas Mellon, the acquisitions in FY2014. Not only were these investments started contributing to Group earnings from day one, they also harbor great potential for further yield and earnings enhancements over the next few years.

The improvement to earnings resilience is the result of the management's active effort to enhance the Group's revenue composition through geographical and segmental diversification. The management has, over the past two years, expanded the Group's exposure solely from residential property development and residential rental units in Singapore to include commercial and retail holdings in Singapore as well as residential property development, commercial and retail holdings in the US. In so doing, not only have we successfully strengthened the Group's earnings resilience and sustainability, we have also lowered geographical concentration risk to take advantage of property cycles across our operational jurisdictions.

持续进行的蜕变

集团对各商业资产采取降低盈利波动性的积极策略,使盈利弹性获得了大幅提升。2015 财年, 持续性租金收入占总营业额的比重,从去年的 16.3%提升至 70.3%。

尽管 2015 财年的租金收入主要来自美国,但本集团也从位于新加坡黄金购物地段的零售与商业综合性房地产项目 111 索美塞 (TripleOne Somerset) 的权益中获得了投资收入。该收入已直接录入集团的收益中。

在 2015 财年,集团美国项目的收益从去年同期的 1180 万新元增长至 1940 万新元,增长幅度达到 64.4%。美国项目的收益源于我们在 2014 财年收购的资产,包括了 Vietnam Town 项目已建成单位的销售收入,来自 Tri-County Mall 项目和 5 Thomas Mellon 项目的租金收入。这些优质投资不仅从一开始就为集团盈利做出贡献,还将在未来的几年里进一步增值和提高盈利。

我们之所以能够改善盈利弹性,得益于管理层通过区域和项目类型两个方面实施多元化策略来强化集团的收益结构的积极努力。管理层在过去两年中,将本集团的业务从单纯在本地市场从事房地产开发及住宅租赁单位,扩展至在本地持有商业和零售房地产,以及在美国市场进行住宅房地产开发和持有商业和零售房地产。因此我们不仅成功地增强了盈利的弹性和可持续性, 更充分利用我们广阔的业务覆盖地区所带来的房地产周期方面的互补优势,降低了地域集中的风险。

GROUP MANAGING DIRECTOR'S MESSAGE
集团董事经理致辞

MAXIMISING RETURNS AND OPPORTUNITIES

Meanwhile, the Group is also on track to undertake asset enhancement initiatives to raise returns from Tri-County Mall, a retail asset in the US and TripleOne Somerset in Singapore. For Tri-County Mall, we plan to increase occupancy rate by rebranding it as a lifestyle mall. For TripleOne Somerset, we are seeking for yield-accretion through maximising net leasable areas ("NLA"), which entails the conversion of current use of space to increase NLA for commercial use.

We believe that in these early stages of steering SingHaiyi towards diversified growth, we need to respond swiftly and decisively to market trends and challenges. Thankfully, with a dedicated team on board, we are nimble enough to do this.

In the past year, the Group made pivotal decisions for two of our projects in Singapore and the US. In March 2015, the Group divested of a private residential development project in Singapore, City Suites, in light of challenging market conditions. Also, the Group shifted its redevelopment focus for the 5 Thomas Mellon property to a residential condominium to capitalise on the property market upturn in San Francisco, USA.

FURTHER EXPANSION OF FOOTPRINT AND EXPERTISE

Most recently, the Group embarked on two milestone investments that will enable us to make forays into real estate fund management and commercial property development.

In June 2015, the Group announced an S$45.0 million investment into a fund holding five income-producing commercial properties spread across prominent locations in Malaysia. At the same time, the Group took a strategic 35% stake in the general partner of the fund, which will enable the Group to expand its capabilities

将收益和机会最大化

同时,集团还有望通过资产增值计划来提高美国的 Tri-County Mall 和新加坡的 111 索美塞 (TripleOne Somerset) 这两个商业及零售项目的收益。对于 Tri-County Mall，我们计划将其塑造成一个时尚购物中心来提高租用率；而111索美塞，我们会通过最大化净可租赁面积（“NLA”）来增加收益，这需要将当前可以利用的空间转换为可用于商业用途的净可租赁面积.

目前是新海逸朝向多元化发展转型的阶段,我们必须迅速、果断地迎合市场的发展趋势并应对挑战。相信集团稳健的资金实力和旗下专业和高效率的团队,能快速灵活使集团成功转型。

在过去的一年中,本集团对我们在新加坡和美国的两个项目做出了关键性的决定。2015 年 3 月,鉴于严峻的市场环境,本集团剥离了新加坡的小型私人住宅开发项目 City Suites。集团也将 5 Thomas Mellon 项目确定为住宅公寓,以充分利用美国旧金山楼市复苏的市场环境。

进一步扩展市场和专业知识

最近,本集团投资两个里程碑式的项目。这两项投资将让我们进军房地产基金管理和商业房地产开发的领域。

2015 年 6 月,本集团宣布投资 4500 万新元在一个持有分布在马来西亚重要地段的 5 个收益性商业房地产的基金。同时,集团也收购该基金普通合伙人 35% 的股份。该投资将使集团业务扩展至房地产基金管理领域,也让我们能够扩展在马来西亚区域的专业知识。

into real estate fund management, also to scale up on expertise and local knowledge within Malaysia. Shortly after this investment, the Group entered into a joint venture with other established real estate players to undertake the redevelopment of Park Mall, a commercial and retail property located within a prime district in Singapore.

此外,集团也与另一著名房地产企业合作,承建位于新加坡黄金地段的商业和零售房地产 Park Mall 的重建项目。

SPECIAL THANKS

SingHaiyi's transformation is ongoing and we are aggressively pursuing projects to build upon the momentum we have achieved. The success thus far is the result of a cohesive and experienced team working towards our strategic focus tirelessly. In a short span of time, we have managed to achieve more in building SingHaiyi than we dared imagine at the start, and for this, I am grateful to our management team and all our staff for their dedication and hard work.

I would also like to extend our appreciation to our Board of Directors and Sponsor for their strategic and insightful contributions, our stakeholders, partners, customers and suppliers for their continued support.

Together, we have come a long way and I am confident that we are poised for greater success in the years ahead.

特别鸣谢

新海逸目前正处于转型阶段,我们正在积极寻求能充分发挥我们现有优势的优质项目。迄今为止,我们所取得的成功源于有一支非常团结、经验丰富的团队一直朝向我们的战略重心不懈地努力。在短时间内,我们的成绩已经超过了开始时所设想的目标,我非常感谢我们管理团队和全体员工的奉献和辛勤工作。

我还要感谢新海逸董事会给予管理层的大力支持和战略指导,感谢保荐人对我们的指导和帮助, 感谢广大股东、合作伙伴、客户和供应商对新海逸的鼎力支持。

功夫不负有心人,我们已为在未来几年取得更大的成功做好了准备。

Chen Huaidan
Group Managing Director

陈怀丹
集团董事经理

BOARD OF DIRECTORS

NEIL BUSH
Non-Executive Chairman

Mr Neil Bush was appointed as Non-Executive Chairman on 22 April 2013 and was last re-elected as a Director on 29 July 2013. He is also a director of American Pacific International Capital, Inc. (APIC). He is a business partner of Mr Gordon Tang through APIC and also serves as the Chairman of Points of Light, Chairman of the Barbara Bush Houston Literacy Foundation, and 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 three decades beginning in 1980 where he worked with Amoco Production Company (now BP) in Denver, Colorado. During the 1980s, he 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 fifteen years, Mr Bush was engaged in various international business development activities with a focus on China and the Middle East. He has travelled to at least twenty 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.

CHEN HUAIDAN
Group Managing Director

Mdm Chen Huaidan was appointed Non-Executive Director on 14 January 2013 and re-designated as Executive Director on 1 February 2013 and subsequently Group Managing Director on 1 December 2013. Mdm Chen was last re-elected as a Director on 29 July 2013. She has 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, Mdm Chen was the Assistant Judicial Officer of Shantou Longhu District Court, China and was also the General Manager of Centaur International LLC, USA from 2001 to 2003. In addition to her extensive management experience, she is a keen supporter of youth education. She has been a member of the Advisory Committee of West Spring Secondary School since 2003 and has provided donor support to the school's activities.

Mdm Chen 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).

Mdm Chen is the spouse of Mr. Gordon Tang who is a Non-Executive Director of the Company.

MAO JINSHAN
Managing Director, USA Operations

Mr Mao Jinshan was appointed as Managing Director on 22 April 2013 and last re-elected as a Director on 29 July 2013. He has been the Vice President of APIC since 2012. Mr Mao oversees all aspects of the development process of complex urban development projects in APIC, which have included the development of two medium-sized apartment properties and two large-sized shopping center 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, he 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. Mr Mao's career with APIC began shortly after he joined the Haiyi group as a General Manager in 2004.

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.

GORDON TANG
Non-Executive Director

Mr Gordon Tang was appointed as Non-Executive Director on 14 January 2013 and last re-elected as a Director on 25 July 2014. He has also been the Chairman of APIC since 2003.

Under Mr Tang's 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 Mdm Chen Huaidan, who is the Group Managing Director of the Company.

BOARD OF DIRECTORS

YANG DEHE

Independent Non-Executive Director

Mr Yang Dehe was appointed as Non-Executive Director on 6 September 2013 and re-designated as an Independent Non-Executive Director with effect from 30 May 2014. Mr Yang was last re-elected as a Director on 25 July 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 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 leadership, the company clinched a compliance award in China for reliability and credibility under his effective management and emphasis on corporate integrity.

GN HIANG MENG

Lead Independent Non-Executive Director

Mr Gn Hiang Meng was appointed as Independent Non-Executive Director and Chairman of the Audit Committee on 1 December 2013. Mr Gn was last re-elected as a Director on 25 July 2014. Mr Gn is currently an independent and non-executive director of several other SGX-ST listed companies, namely Centurion Corporation Limited, Haw Par Corporation Limited, Koh Brothers Group Limited and Tee International Limited.

Mr Gn brings with him more than 30 years of professional experience in the financial industry, particularly in the areas of corporate planning, stockbroking, asset management, portfolio management, private equity investing, merchant banking and merger and acquisitions. Having served 28 years in United Overseas Bank Limited as the Senior Executive Vice-President and Head of Investment Banking, Mr Gn subsequently joined UOL Group Limited in 2001 where he acquired some experience in the hospitality industry as its Deputy President (Hotels) until 2007.

In addition, Mr Gn is a non-executive director of Treasure Resort Private Limited, which owns the Movenpick Heritage Hotel in Sentosa, and serves as an advisor for Cairnhill Group Holdings Pte Ltd.

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

DAVID HWANG SOO CHIN

Independent Non-Executive Director

Mr David Hwang was appointed as Independent Non-Executive Director and Chairman of the Remuneration Committee on 29 July 2013. Mr Hwang was last re-elected as a Director on 25 July 2014. Mr. Hwang has more than 40 years of working 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. He currently also serves as Independent Director on the board of SGX main board listed Longcheer's Holdings Ltd.

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. Mr Hwang is also a Fellow of the Singapore Institute of Directors.

JASON LIM CHEONG TIONG

Independent Non-Executive Director

Mr Jason Lim was appointed as Independent Non-Executive Director on 29 July 2013 and Chairman of the Nominating Committee on 1 December 2013. Mr Lim was last re-elected as a Director on 25 July 2014.

With close to 3 decades of experience in the construction and warehousing industry, he has accumulated immense experience in accounting, finance and business advisory. Mr Lim completed his technical training in 1978 and attained the accolade of Fellow Member of the Association of Accounting Technicians, United Kingdom in 1994.

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, she is also an Executive Director of Hai Run Pte. Ltd., which is the second largest shareholder of SingHaiyi Group Ltd. She has several years of experience in the accounting field.

EXECUTIVE MANAGEMENT

NG KHENG CHOO (NICOLE)
Group Chief Operating Officer

Ms Nicole Ng has close to 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 Company 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 the Group's investments and acquisitions. In addition, she handles key stakeholder engagements.

Nicole currently sits on the board of SGX-listed ISO Team Ltd. as an Independent non-executive Director.

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

TAY ENG KIAT JACKSON
Chief Financial Officer

Mr Jackson Tay has more than 10 years of experience in the fields of accounts and finance functions of various entities in the public and private sector.

He was appointed in February 2015 as Chief Financial Officer (CFO) of the Company.

As CFO, he is responsible for overseeing the financial, taxation and management reporting functions, as well as corporate secretarial matters of the Group.

Jackson holds a Bachelor of Accountancy from the Nanyang Technological University, and is a non-practising member of the Institute of Singapore Chartered Accountants.

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

Ms Catherine Chang has close to 20 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.

Catherine is experienced 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 the National University of Singapore, as well as a CFA Charter.

MICHAEL CHIA-MIN LIU

Vice President (Project Development)

Mr Michael Liu has more than 18 years of experience in construction and design management and consulting in 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 USA Operations, Inc.

He graduated with 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.

K. MICHELLE QUICK

Acting General Manager, Tri-County Mall

Ms Michelle Quick has more than 12 years of experience in shopping center management, exclusively in enclosed, super-regional malls.

As Assistant General Manager for the most part of the 12 years, Michelle has worked for both property owners such as Thor Equities and Developers Diversified Realty, as well as third-party management groups such as Urban Retail Properties.

She is Bachelor of Science (English Literature) from Miami University.

TAN TONG CHEE

Senior Manager (Project Management)

Mr. Tan Tong Chee has over 20 years of building and project management experience in Singapore. He is trained as a quantity surveyor and has in-depth experience in the costing and contracts management.

He has been the Project Manager for several residential and commercial developments in Singapore.

Mr. Tan holds a Bachelor’s Degree in Construction Economics from RMIT University, Australia.

GARY LIM

Sales & Marketing Director

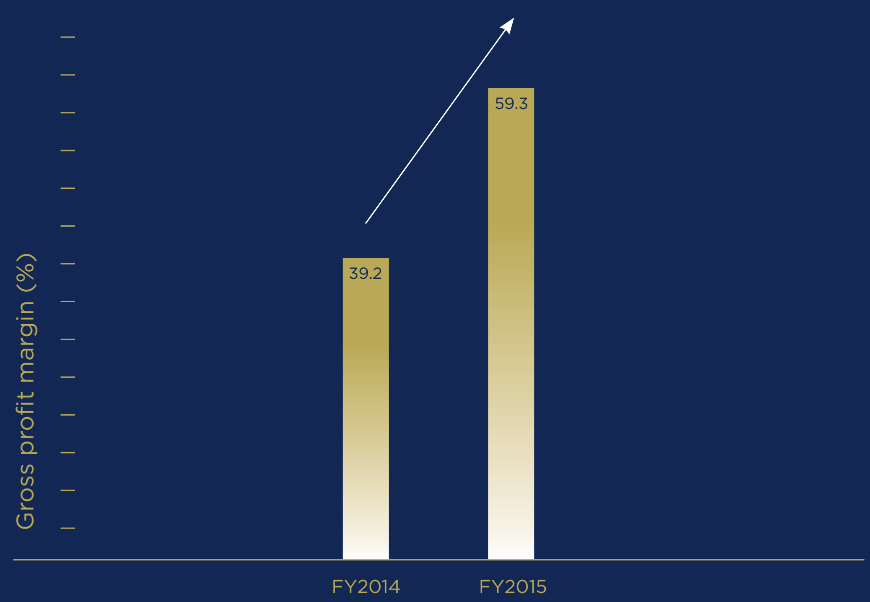
Mr Gary Lim has close to 7 years of experience in property sales and marketing.

He was a Sales Director with DTZ before joining the company in 2010. He was subsequently promoted to Sales and Marketing Director in May 2015.

Gary holds dual Diploma, one in Business Management from the Brookes University, and another in Business Administration from the Murdoch University.

POISED
TO CONQUER

GROWTH IN THE GROSS PROFIT MARGIN



Focused on fortifying the Group to be a well-rounded property company, we have expertise in diverse strategies, and are able to harness maximum strength from each segment.
We are determined in this mission to drive multiple avenues of growth, to create value and deliver solid returns.

TRI-COUNTY MALL

USA PROJECTS

Type
Investment - Retail

Location
Cincinnati, Ohio

Acquisition Cost
US$45.0 million

SingHaiyi's Stake
100%

Total Land Area
~ 3,314,916 square feet

Net Leasable Area
~ 1,261,502 square feet*

Tenure
Freehold

*Macy's owns 227,072 square feet.

The acquisition of Tri-County Mall is paramount for SingHaiyi's success in its first project venture into the USA real estate market. This debt-free project was acquired with a 100% stake at US$45.0 million in September 2013. With a total land area of approximately 3.3 million sq ft and 7,118 parking lots, Tri-County Mall is one of the most popular shopping destinations in Cincinnati, Ohio. It is situated in the northern suburbs of greater Cincinnati, with a total lettable retail area of approximately 1.26 million sq ft.

The majority of the area is leased by large retailers, such as Dillard's and Sears. Most notably, Macy's, one of our anchor tenants, owns a total of 227,072 square feet. Tri-County Mall is expected to benefit from high demographics and patron traffic with the inclusion of lifestyle tenants in F&B, fashion and entertainment, which would bolster its market name as a lifestyle mall.

Construction has started on new outparcel buildings which will house Starbucks, Chipotle and Men's Wearhouse. The Group is also currently in discussion with several new tenants including new national anchors, retail shops and upscale restaurant tenants, and is expected to sign new leases in the near future. Additionally, other initiatives such as streetscape developments with outward-facing retail shops would further enhance pedestrian traffic and increase occupancy rate.

VIETNAM TOWN

USA PROJECTS

Type
Development –
Commercial Condominium

Location
San Jose, California

Acquisition Cost
US$33.1 million

SingHaiyi's Stake
100%

Total Land Area
~853,502 square feet

Gross Development Value
(approx.)
US$105.6 million*

Tenure
Freehold

Completion
2H2016

*The estimated GDV relates to the 51 completed units acquired and the uncompleted 141 units

Vietnam Town is SingHaiyi's second real estate venture into the USA market, with a 100% equity stake acquired at US$33.1 million in November 2013. Vietnam Town is a partially completed commercial condominium development project located in San Jose, California, and sits on a total land area of 853,502 sq ft.

Each condominium unit has an average size of 1,000 sq ft. 115 units out of 256 planned condominium units have been built, of which 64 units have been sold. SingHaiyi's acquisition comprises of 51 completed units and 141 uncompleted units, with 13 out of these units sold to-date. The selling price for this project has been on a rise consistently and has reached US$600 per sq ft at its peak. SingHaiyi plans to sell off the remaining 38 completed units over the next 24 months to capitalise on the growing price trend and maximise returns. The construction funding of the remaining 141 units would suffice from the sales proceeds of the 51 completed units. SingHaiyi also aims to sell off the 141 units within the next three to five years.

Vietnam Town consists of nine blocks with a parking structure, and is strategically located in a mixed-use neighbourhood with convenient access to transportation networks, retail and commercial facilities. The estimated gross development value ("GDV") of the 51 completed units and 141 uncompleted units is approximately US$105.6 million.

5 THOMAS MELLON CIRCLE

USA PROJECTS

Type
Development – Residential Condominium

Location
San Francisco, California

Acquisition Cost
US$24.4 million

SingHaiyi's Stake
100%

Total Land Area
~204,300 square feet

Gross Development Value (approx.)
US$420.0 million

Tenure
Freehold

Completion
2H2018

SingHaiyi's third real estate project in the USA market, 5 Thomas Mellon Circle, is acquired with a 100%-stake at US$24.4 million from APIC at cost, through the exercise of the right-of-first- refusal, in February 2014.

5 Thomas Mellon Circle is situated at the prestigious Candlestick Point, which is transforming into a prime retail, entertainment and residential neighbourhood area along San Francisco Bay, California. With a parcel of waterfront land and an existing office building that is approximately 50% occupied, the development sits at a total area of 204,300 sq ft.

SingHaiyi plans to demolish the existing office building to develop more than 550 units residential condominium with project completion targeted in 2H2018. Sited on a parcel of waterfront land, 5 Thomas Mellon Circle will emphasise on waterfront living, active lifestyle, convenience and value.

PASIR RIS ONE

SINGAPORE RESIDENTIAL PROJECTS – PUBLIC

Type
Development – Design, Build and Sell Scheme

Location
Pasir Ris, Singapore

SingHaiyi's Stake
80%

Tenure
Leasehold – 99 years

Units
447

Sales Progress
94%

Launch Date
April 2012

Expected Completion Year
Completed

Gross Development Value
~ S$270.0 million

Permissible Gross Floor Area
~ 441,002 sq ft

Pasir Ris One is a condominium-styled public residential development under the Singapore Housing and Development Board's Design, Build and Sell Scheme ("DBSS") which sits at 176,400-sq ft site.

The development is situated in the heart of Pasir Ris town centre and surrounded by shopping centres like White Sands Shopping Centre, and prestigious primary and secondary schools such as Hai Sing Catholic School, Meridian Junior College and Tampines Junior College.

This affordable elegance adorned with clean and contemporary architectural details has four 13/14-storey blocks, with 447 units of 3-, 4- and 5-room apartments. Surrounded by lush greenery, this stylishly designed neighbourhood is also a family-friendly enclave with a variety of amenities such as a child care centre, car park, and ancillary facilities located conveniently within the estate.

Pasir Ris One is easily accessible via public transport with a one-minute walk from Pasir Ris MRT station. It is also in close proximity to Pasir Ris Bus Interchange and connected to major expressways like the TPE and PIE. Pasir Ris One is ideal for residents who seek a serene and peaceful living environment with the modern comforts of a city lifestyle. Construction of the project has completed and the development received its TOP in May 2015.

CITYLIFE@TAMPINES

SINGAPORE RESIDENTIAL PROJECTS – PUBLIC

Type
Development – Executive Condominium

Location
Tampines, Singapore

SingHaiyi's Stake
24.5%

Tenure
Leasehold – 99 years

Units
514

Sales Progress
100%

Launch Date
Dec 2012

Expected Completion Year
2H2015

Gross Development Value
~ S$528.0 million

Permissible Gross Floor Area
~ 625,398 square feet

CityLife@Tampines is Singapore's first luxury-hotel style Executive Condominium ("EC") project which provides residents with hotel-inspired facilities with the coziness of a home. In December 2012, this project was launched with the highest number of e-applications for an EC development. 90% of the 514 units sold within the two days of its launch, and the development was completely sold out by March 2013.

In 2013, CityLife@Tampines received the Green Mark Gold Plus award by the Building Construction Authority in 2013 for its sustainability effort. This project consists of 2/3/4/5- bedroom with uniquely designed dual-key, Sky Suite and penthouse units, in addition to personal Home Concierge Service, 100-metre Infinity Pool and fully-equipped Function Suite. With a 4,000 sq ft residential Presidential Penthouse Suite among its range of units, CityLife@Tampines provides a valued opportunity to live in luxury and style.

The 223,356-sq ft site is located in District 18, a desirable neighbourhood that is in the vicinity of Tampines Mall, Tampines One, Century Square, and educational institutions such as St. Hilda's, Gongshang, and Poi Ching Primary Schools. In close proximity Tampines Eco Park, Sun Plaza Park, Bedok Reservoir Park, and the upcoming Tampines Town Hub, residents can easily visit these places to enjoy outdoor activities.

Construction of this project is progressing well and due for completion in 2015.

THE VALES

SINGAPORE RESIDENTIAL PROJECTS – PUBLIC

Type
Development – Executive Condominium

Location
Sengkang, Singapore

SingHaiyi's Stake
80%

Tenure
Leasehold – 99 years

Units
517

Sales Progress
N/A

Launch Date
3Q2015 (Expected)

Expected Completion Year
1H2017

Gross Development Value
~S$450.0 million*

Permissible Gross Floor Area
~ 525,709 square feet

*The gross development value is estimated to be S$450 million prior to the official launch of the project.

The Vales is an Executive Condominium ("EC") located at Anchorvale Crescent, which was acquired at S$192.9 million, approximately 1% higher than the next highest bidder in February 2014. The 175,236 sq ft site is SingHaiyi's second EC property development project and fifth residential property project in Singapore.

The Vales is adjacent to expressways and easily accessible by public transport with close proximity to Cheng Lim Light Rapid Transit ("LRT") station, Sengkang Mass Rapid Transit ("MRT") station and a bus interchange. Located at Sengkang New Town, residents get easy access to malls, like Compass Point Shopping Centre and Rivervale Mall, and well-known schools, such as Nan Chiau Primary School and CHIJ St. Joseph's Convent.

With full and unique facilities such as aqua deck, lap pool, spa pool, family pod, cabana, water play area, family pavilion, outdoor fitness, tennis court and jogging path, the condo is a retreat paradise that satisfies family entertainment needs. 517 units will be developed within the permissible gross floor area of approximately 525,709 sq ft. Substructure work is in progress and the project will be completed by 2017.

PARK MALL

SINGAPORE COMMERCIAL/RETAIL PROJECTS

Type
Re-development – Mixed commercial/retail

Location
Penang Road, Singapore

SingHaiyi's Stake
35%

Tenure
99 years from 1969

Committed Occupancy as at 31 December 2014
100%

Expected Completion Year of the Redevelopment
2H2019

On 29 June 2015, the Group entered into a joint venture for the purpose of acquiring Park Mall with the intention of redeveloping Park Mall into two office blocks with a retail component. The Group has a 35% stake in the joint venture.

The Group's investment in the joint venture, in June 2015 marks its initial foray into commercial property redevelopment.

Park Mall is a commercial and retail development located within a prime district in Singapore and comprising a 15-storey office cum retail space. Apart from its close proximity to the commercial and shopping district along the Orchard road spine, Park Mall is also easily accessible from the nearby Dhoby Ghaut MRT station.

The completion of the acquisition of Park Mall is subject to satisfaction of the conditions precedent in the property sale agreement. Park Mall will continue to operate prior to the demolition.

TRIPLEONE SOMERSET

SINGAPORE COMMERCIAL/RETAIL PROJECTS

Type
Investment – Mixed commercial/retail

Location
Orchard, Singapore

Acquisition Cost
S$970.0 million

SingHaiyi's Stake
20% (for S$65 million)

Gross floor area
~ 766,550 square feet (648,610 square feet – Office / 117,940 square feet – Retail)

Tenure
Leasehold – 59 years remaining

Occupancy Rate
>90%

TripleOne Somerset is SingHaiyi's first commercial property investment in Singapore, acquired with a 20% stake at S$65.0 million, making it the second largest shareholder in March 2014. The acquisition is made in a consortium led by Perennial Real Estate Holdings which purchased TripleOne Somerset for S$970.0 million. The 17-storey commercial building comprises of two office towers, two floors of retail space and over 400 parking lots.

The building sits at a total gross floor area of about 766,550 sq ft, of which approximately 648,610 sq ft is for office use and 117,940 sq ft is dedicated to retail use.

TripleOne Somerset is situated at an premium location with great connectivity and convenient access to Somerset MRT Station, in Singapore's prime shopping district at Orchard Road.

The office-cum-mall centers on premium retail concepts, alongside innovative new-to-market brands and niche international and local labels.

SingHaiyi aims to boost the value of TripleOne Somerset in cooperation with the consortium by expanding its retail offerings while offering an optimum retail experience.

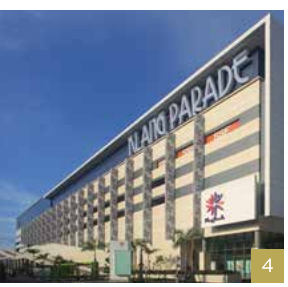
ARA HARMONY FUND III

MALAYSIA PROJECTS

1


2


3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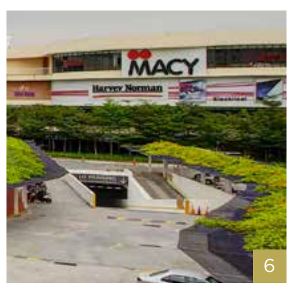

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SingHaiyi's S$45.0 million investment in ARA Harmony Fund III and 35% stake acquisition in ARA Fund Management (Harmony III) Limited, the fund's General Partner, has enabled the Group to diversify into the Malaysia commercial sector. With the subscription for a 25% interest in a portfolio of high-quality income-producing properties, SingHaiyi has tapped into a rare opportunity to penetrate into the Malaysia's retail mall segment.

The portfolio of commercial properties located across various prominent locations in Malaysia includes AEON Malacca located in Malacca, 1 Mont Kiara Mall and Wisma Mont Kiara in Kuala Lumpur, Klang Parade in Klang, Ipoh Parade in Ipoh and Citta Mall in Petaling Jaya, Selangor. The portfolio, with an overall occupancy rate of over 90%, has an aggregate gross floor area ("GFA") of approximately 4.5 million square feet and a net leaseable area ("NLA") amounting to approximately 2.7 million square feet.

With a strategic stake in the Fund's General Partner, SingHaiyi will be able to leverage on the established property investment and management track record of SGX-listed ARA Asset Management Limited, and continue to expand its capacity in the real estate fund management sector.

		Location	Gross Floor Area (sq ft)	Net Lease-able Area (sq ft)	Year of Completion / Major Renovation	Land Tenure	Car Park Space (lots)	Occu-pancy as at 31 Jan 2015
1	Aeon Malacca	Malacca	955,865	623,429	2009 / N.A.	99 years exp. 2095	1,905	100.0%
2	1 Mont Kiara (Retail)	Kuala Lumpur	385,035	234,170	2009 / 2014	Freehold	1,445	89.4%
3	1 Mont Kiara (Office)	Kuala Lumpur	241,682	183,406	2009 / N.A.	Freehold	1,445	94.3%
4	Klang Parade	Klang	1,255,007	654,690	1995 / 2014	Freehold	1,374	89.7%
5	Ipoh Parade	Ipoh	975,016	615,526	1998 / 2014	999 years exp. 2885	1,150	91.8%
6	Citta Mall	Petaling Jaya, Selangor	651,453	433,476	2011 / N.A.	99 years exp. 2097	1,200	73.6%

CORPORATE MILESTONES

2015

February
Appointment of Tay Eng Kiat Jackson as Chief Financial Officer

May
Grant of Temporary Occupation Permit by Building and Construction Authority on Pasir Ris One

June
Investment into a portfolio of retail malls across Malaysia and acquisition of 35% stake in the general partner of the fund

Investment into Park Mall in Singapore for the purpose of redevelopment

2014

January
Acquisition of 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 (SingHaiyi Group Ltd. emerged as the highest bidder at approximately 1% higher than the next highest bidder)

Acquisition of 5 Thomas Mellon Circle, with plans to re-develop into a condominium project

March
Completion of the Share Consolidation of every 10 to 1 ordinary share

May
Grant of Temporary Occupation Permit by Building and Construction Authority on Charlton Residences

June
Establishment of S$500.0 million of Multicurrency Debt Issuance Programme

July
Promotion of Ng Kheng Choo (Nicole) as Group Chief Operating Officer

August
Appointment of Yang Manlin as Alternate Director to Yang Dehe

2013

January
Appointment of Chen Huaidan (Serena) as Executive Director

March
Change of corporate identity to SingHaiyi Group Ltd.

April
Appointment of Neil Bush as Non-Executive Chairman

Appointment of Mao Jinshan (Jason) as Executive Director

May
Launch of Cosmoloft, a freehold private residential project in Singapore

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

July
Appointment of Ng Kheng Choo (Nicole) as Chief Financial Officer

September
Acquisition of Tri-County Mall, a two storey enclosed shopping mall in Cincinnati, Ohio, being the Company's first investment in USA

November
SingHaiyi Group Ltd. was included in the listing of the MSCI Singapore Small Cap Index

Acquisition of Vietnam Town, a commerical condominium project in San Jose, California

December
Re-designation of Chen Huaidan as Group Managing Director

Awarded BCA Green Mark Award (Gold+) for CityLife@Tampines

2012

April
Launch of 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 becoming the controlling shareholder through conversion of CCPS into ordinary shares

December
Launch of CityLife@Tampines, an Executive Condominium (EC) project in Singapore

2011

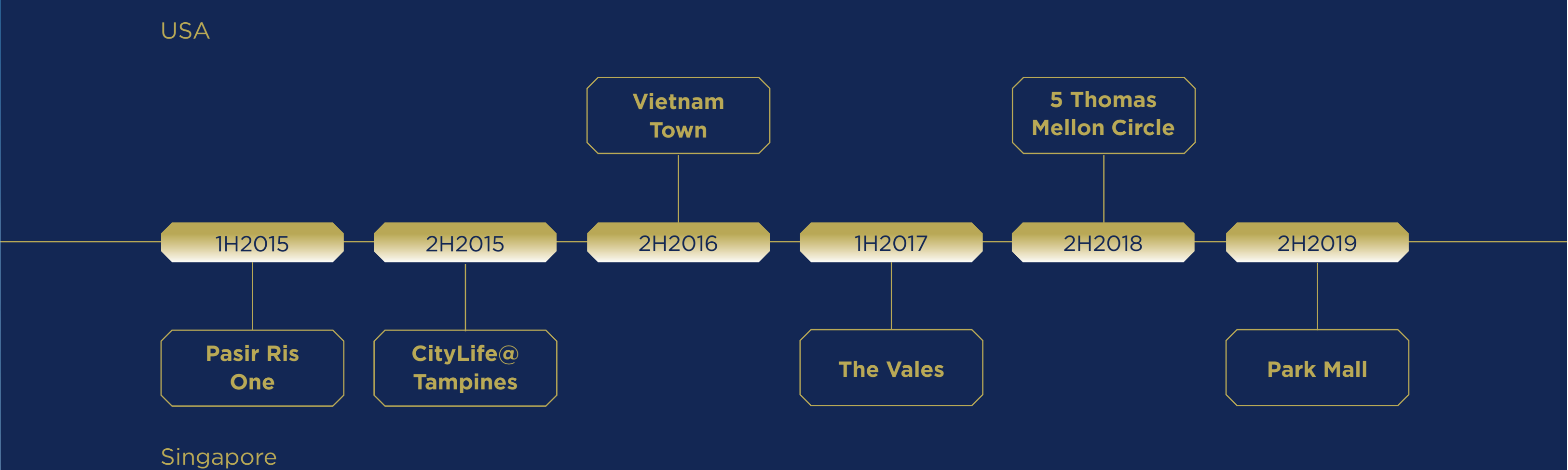
November
Launch of Charlton Residences, a freehold cluster housing project, being the Company's first development project in Singapore

2002

July
Listed on SGX Sesdaq as Futuristic Image Builder Ltd.

POISED FOR SUCCESS

ESTIMATED COMPLETION DATES OF SINGAPORE AND USA PROJECTS

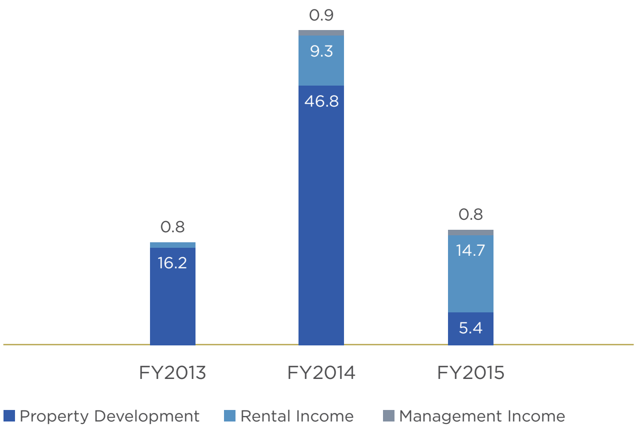


Our ongoing pursuit of delivering sustained premium value and achieving long-term growth is driven by the keen foresight of a dedicated management, supported by a determined and disciplined team.

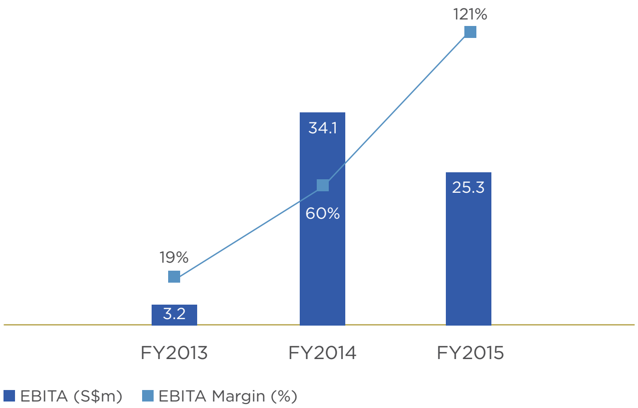
This pursuit of excellence has enabled the Group to be poised for success.

FINANCIAL HIGHLIGHTS

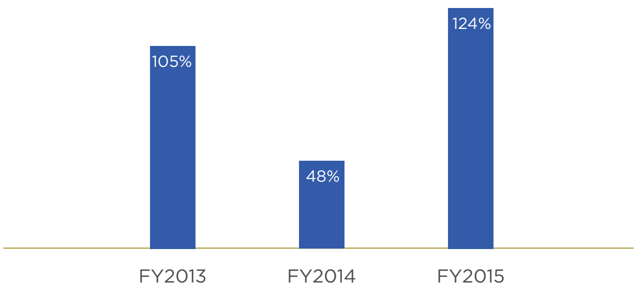
REVENUE BY BUSINESS SEGMENTS
(S$million)



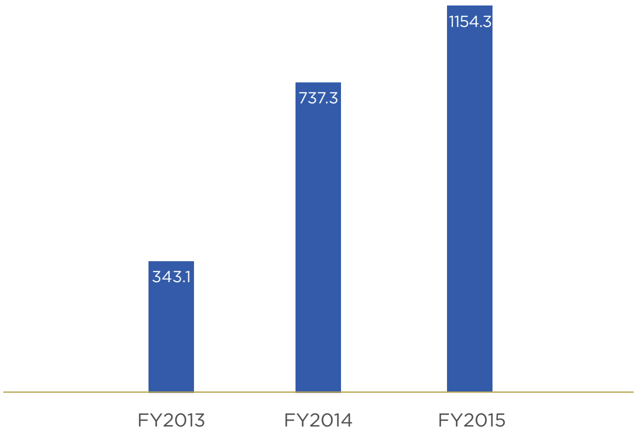
EBITA
(S$million)



TOTAL DEBT / TOTAL EQUITY
(percent)



TOTAL ASSETS
(S$million)



OPERATIONAL & FINANCIAL REVIEW

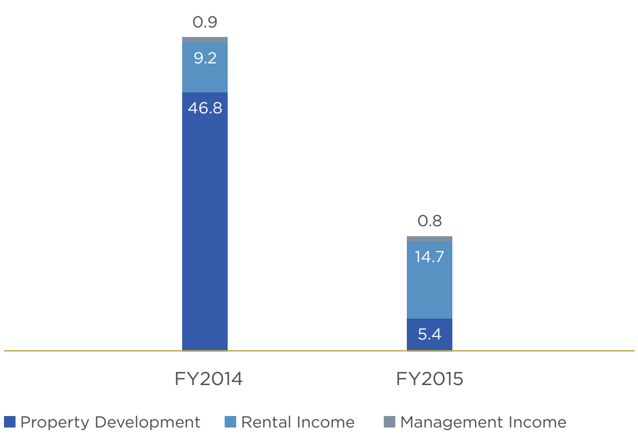
On the back of a year of rapid expansion following five new investments across Singapore and the USA in FY2014, the Group sharpened its focus on expanding capabilities and raising the base level of recurring earnings with a view of lowering long-term earnings volatility. These efforts were evident in the Group's FY2015 results.

Group revenue came in at S$20.9 million in FY2015. The decline of S$36.1 million from S$57.0 million in FY2014, mainly due to the lower property development income contribution following the completion of Singapore projects in FY2014. The Group reported net profit (after tax and minority interests) of S$21.2 million in FY2015, which remained relatively stable compared to S$23.2 million in FY2014. FY2015 property development income of S$5.4 million comprised sales of completed units from Vietnam Town in the US, while FY2014 property development income of S$46.8 million mainly included contributions from Charlton Residences amounting to S$43.4 million.

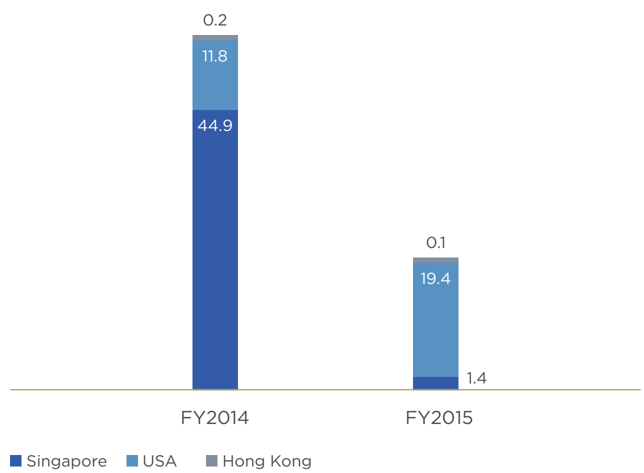
The increase in rental revenue by 58.4% from S$9.3 million in FY2014 to S$14.7 million in FY2015 partially offset the impact of lower revenue from the property development segment. The improved rental revenues were mainly attributable to full year contributions from Tri-County Mall (as compared with seven-month contribution from the asset in FY2014). The combined effect of lower property development income and an improved contribution from investment properties, saw contribution from recurring rental income grow from 16% in FY2014 to 70% in FY2015.

Cost of sales decreased by S$26.1 million, from S$34.6 million in FY2014 to S$8.5 million in FY2015, which is in line with the decrease in revenue.

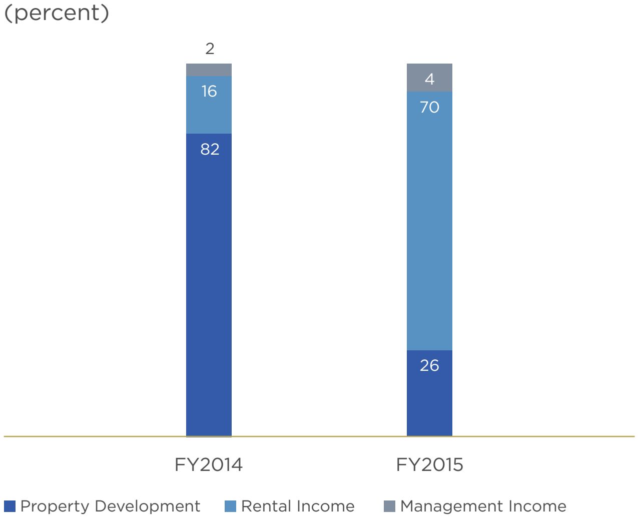
SEGMENTAL BREAKDOWN OF FY2015 AND FY2014 REVENUE
(S$million)



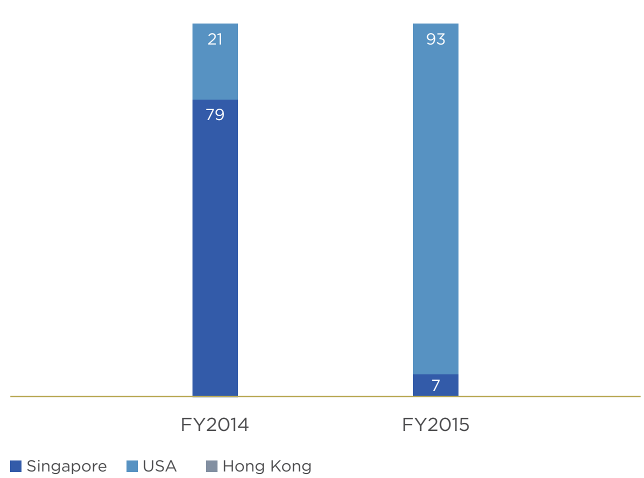
GEOGRAPHICAL BREAKDOWN OF FY2015 AND FY2014 REVENUE
(S$million)



SEGMENTAL COMPOSITION OF FY2015 AND FY2014 REVENUE
(percent)



GEOGRAPHICAL COMPOSITION OF FY2015 AND FY2014 REVENUE
(percent)



OPERATIONAL & FINANCIAL REVIEW

The Group's diversification strategy into the USA continued to bring incremental benefits to the earnings and profitability. Contributions from the USA grew from 21% in FY2014 to 93% in FY2015, illustrating a reduction of the Group's reliance on Singapore projects. To date, most of the Group's projects in Singapore comprise property development projects, where their project-based nature and revenue recognition method gives rise to higher volatility in earnings. By diversifying into projects in the USA, the Group is better positioned to manage concentration risks and improve earnings sustainability.

Gross profit margin grew by 20.1 percentage points from 39.2% in FY2014 to 59.3% in FY2015, which is representative of the profitability and high recurring earnings potential of the Group's investments in the USA, from which the bulk of FY2015 revenues were derived.

In FY2015, the Group also benefitted from a net foreign exchange gain of S$14.3 million, an increase of S$13.6 million from FY2014. Additionally, the Group's subscription of unquoted junior bonds relating to its investment in TripleOne Somerset in Singapore produced an investment income totalling S$4.6 million in FY2015. Consequently, net earnings remained relatively stable amid the absence of revenue contributions from Singapore development projects.

Other operating expenses decreased by S$10.1 million, from S$11.6 million in FY2014 to S$1.5 million in FY2015, mainly due to the absence of a S$10.5 million allowance made for diminution in value of a development property project, City Suites in FY2014.

CAPITALISING ON THE MARKET'S BEST OPPORTUNITIES

SingHaiyi Group believes that one of the keys to capitalising on the market's best opportunities lies in keeping operations and the balance sheet lean and nimble. In FY2015, the Group undertook debt capital-raising, as well as certain divestments, to lay the foundation for greater opportunities to come.

In June 2014, the Group announced the establishment of an S$500 million MultiCurrency Debt Issuance Programme and issued S$100 million 5.25% Notes under the programme in July 2014. Proceeds from the issuance were earmarked for general corporate purposes, including refinancing of borrowings, financing of property developments, investments, acquisitions as well as general working capital.

In December 2014, the Group divested certain non-core assets in Hong Kong. The divestment served to improve the Group's focus on businesses in Singapore and the USA.

FINANCIAL POSITION

As at 31 March 2015, the Group's holdings in cash and cash equivalents increased by S$20.4 million to S$163.1 million, arising mainly from proceeds raised at the issuance of S$100.0 million medium term notes.

Investment properties held by the Group amounted to S$119.7 million as at 31 March 2015, which reflected a decrease from S$161.3 million as at 31 March 2014, mainly due to the reclassifying of 5 Thomas Mellon Circle with a carrying amount of S$44.0 million to development properties with the decision to redevelop it into a residential property.

Development properties increased by S$307.3 million to S$586.5 million as at 31 March 2015, due mainly to costs relating to The Vales Executive Condominium project, the reclassification of 5 Thomas Mellon Circle, as well as cumulative project costs for the existing development projects.

Trade and other receivables decreased by S$27.9 million to S$28.2 million as at 31 March 2015, due mainly to collection from buyers of Charlton Residences and Vietnam Town of approximately S$16.0 million and S$3.1 million respectively and reclassifying the allocated cost on the undeveloped land parcel of Vietnam Town of approximately S$27.0 million from deposit to development properties upon the completion of the transfer of title. This is partially offset by the placement of bank deposits with maturity of more than 3 months of approximately S$13.7 million.

Trade and other payables (including amounts due to related companies) increased by S$36.0 million to S$136.1 million as at 31 March 2015, mainly due to project claims and progress billings amounting to approximately S$60.2 million made for the Group's DBSS project, Pasir Ris One and project claims of approximately S$2.8 million made for the Group's EC project, The Vales. This is offset by the payments made to American Pacific International Capital Inc. ("APIC") amounting to approximately S$24.4 million for the acquisition of 5 Thomas Mellon Circle.

The increase in total borrowings to S$523.8 million as at 31 March 2015 from S$173.7 million in 31 March 2014 was due to the combined effects of a drawdown of loans relating to the development of the Group's executive condominium project, The Vales, totalling S$165.6 million, proceeds from the issuance of S$100.0 million Notes pursuant to the S$500.0 million Multicurrency Debt Issuance Programme and S$100.0 million terms loans secured by the Group's financial assets.

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE RESPONSIBILITY

At SingHaiyi, corporate responsibility is part of the normal course of 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.

In FY2015, which spans from April 2014 to March 2015, we took full advantage of the visibility and reach we had through Tri-County Mall, our retail mall asset in Cincinnati, Ohio, and focused most of our corporate responsibility efforts on charitable causes on the grass roots level. We set out with the goal to connect with every sector of the community to create a broad and loyal customer base.

SPECIAL OLYMPICS OF OHIO

Earlier in the year, we worked together with the Special Olympics of Ohio, which provides year-round sports training and competition opportunities for children and adults with intellectual disabilities, to raise funds for the organisation through the sale of customizable gold and silver medals with personalised names or messages to shoppers. These medals were then added to the wall of support located on the lower level of Tri-County Mall to raise awareness for the cause.

We were able to reach out to a greater pool of audience to join us in this meaningful event with the support from Cincinnati's most popular radio station, Q102, who ran advertisements for the fundraiser and broadcasted live from Tri-County Mall.

HANDBAGS FOR HOPE

We were also the main sponsor for Handbags for Hope, a fundraiser event organised by and in support of the Literacy Network of Greater Cincinnati, a nonprofit organisation that serves as the contact centre for literacy programmes in the Ohio and surrounding areas and works with a coalition of more than 30 schools to improve lives throughout the region. The Network strives for the development of literacy in the individual, the family, the workplace, the school and the community by raising awareness, improving access, and serving as a catalyst for literacy efforts.

At the cocktail event, which was held in February 2015, designer handbags and purses were auctioned off to raise funds for programmes to improve literacy in Ohio and the surrounding areas. The Hope Award, which is presented each year to a stellar student who has overcome illiteracy, was also presented at Handbags for Hope 2015.

MY FURRY VALENTINE

Over the Valentine's Day weekend in February 2015, we worked with a dedicated team of volunteers who partnered 50 shelters and rescue groups in the area to give hundreds of pets a chance to find their "forever homes". This year, Tri-County Mall served as a satellite location to the adoption drive, helping to draw a crowd of over 6,000 people to the two locations hosting the drive.

Through this event, we are happy to report that approximately 767 animals were adopted into loving homes.

SGX BULL CHARGE

Closer to home, we were privileged to participate in the SGX Bull Charge Run in 2014, the only corporate charity run that brings the financial industry and all SGX-listed companies together for a common cause of empowering communities through financial literacy and promoting sustainable societies. SGX Bull Charge has raised more than S$22.0 million for more than 50 different charities over the past 11 years and we are honoured to be a sponsor for this great cause.

RESPONSIBILITY TOWARDS OUR SHAREHOLDERS

Apart from giving back to the 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, where one would also be able to access historical information, past announcements and annual reports in the dedicated Investor Relations section. As part of our shareholders communications programme, we also 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 investor community has viable channels to raise their questions and concerns. Apart from our annual general meetings, where our Board of Directors and senior management team are able to address shareholders' queries and take in feedback, we also welcome comments at any other time. We can be reached at:

SingHaiyi Group Ltd.

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

Kreab

Contact:	Chin May Nah / Stella Tan
Tel:	65-6339 9110

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive

Chen Huaidan (Group Managing Director)
Mao Jinshan (Managing Director, USA Operations)

Non-Executive

Neil Bush (Chairman)
Tang Yigang @ Gordon Tang
Gn Hiang Meng (Lead Independent)
David Hwang Soo Chin (Independent)
Jason Lim Cheong Tiong (Independent)
Yang Dehe (Independent)
Yang Manlin (Alternate Director to Yang Dehe)

AUDIT COMMITTEE

Gn Hiang Meng (Chairman)
David Hwang Soo Chin
Jason Lim Cheong Tiong

NOMINATING COMMITTEE

Jason Lim Cheong Tiong (Chairman)
Gn Hiang Meng
David Hwang Soo Chin

REMUNERATION COMMITTEE

David Hwang Soo Chin (Chairman)
Gn Hiang Meng
Jason Lim Cheong Tiong
Tang Yigang @ Gordon Tang

COMPANY SECRETARY

Cho Form Po

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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

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

Kreab
Chin May Nah
Tel: 65-6339 9110
Email: SingHaiyi@kreab.com

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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 2015 ("FY2015") 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 expenditure. 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 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 at least on a quarterly basis. Ad hoc meetings are also convened when circumstances warrant. For the FY2015, 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 Articles of Association provide for participation in meetings via telephone and/or video conference where Directors are unable to be physically present at such meetings. During FY2015, 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 FY2015**			
	Board	**AC**	**NC**	**RC**
Neil Bush	4	–	–	–
Tang Yigang @ Gordan Tang	4	–	–	1
Chen Huaidan @ Celine Tang	4	–	–	–
Yang Dehe	2	–	–	–
Yang Manlin [1]	1	–	–	–
Mao Jinshan	4	–	–	–
Gn Hiang Meng	4	4	1	1
David Hwang Soo Chin	4	4	1	1
Jason Lim Cheong Tiong	4	4	1	1
Number of meetings held in FY2015	4	4	1	1

[1] Appointed as Alternate Director to Mr Yang Dehe with effect from 1 August 2014.

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 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 Board and where applicable, as Board Committee members. During the year, Ms Yang Manlin who was appointed as an alternate director to Mr Yang Dehe, 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

During the year, the changes to the Board took into account the appropriateness of the board size and composition as a result of change of nature and scope of business of the Group's operations. The Board presently comprises of eight (8) directors with an alternate director. All members of the Board, except for the Group Managing Director and Managing Director, 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
Tang Yigang @ Gordon Tang	-	Non-Executive Director
Chen Huaidan @ 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
Jason Lim Cheong Tiong	-	Independent Non-Executive Director
Yang Manlin	-	Alternate Director to Mr Yang Dehe

Key information on the Directors' particulars and background can be found on pages 12 to 15 of the Annual Report. The Notice of Annual General Meeting sets out the directors proposed for re-election at the Annual General Meeting.

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 Mdm Chen Huaidan @ 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 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 Jason Lim Cheong Tiong (Chairman), Mr David Hwang Soo Chin and Mr Gn Hiang Meng. The NC met once in FY2015.

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 Articles of Association 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 Jason Lim Cheong Tiong, Mr Gn Hiang Meng (all of whom are independent) and Mr Tang Yigang @ Gordan Tang. The RC met once in FY2015.

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 Directors are proposed as a lump sum. The lump sum, subject to the approval of shareholders of the Company at its forthcoming Annual General Meeting, will be divided among the Directors, as the Board deems appropriate. 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 FY2015 is shown below.

Disclosure on Directors' Remuneration for FY2015

Name of Director	**Appointed**	**Salary %**	**Bonus %**	**Directors' Fee (1) %**	**Others %**	**Total Remuneration %**
Below S$250,000						
Neil Bush		–	–	100%	–	100%
Tang Yigang @ Gordan Tang		–	–	100%	–	100%
Chen Huaidan @ Celine Tang		81%	7%	–	12%	100%
Mao Jinshan		86%	14%	–	–	100%
Yang Dehe		–	–	100%	–	100%
Gn Hiang Meng		–	–	100%	–	100%
David Hwang Soo Chin		–	–	100%	–	100%
Jason Lim Cheong Tiong		–	–	100%	–	100%
Yang Manlin (Alternate Director to Yang Dehe)	1/8/2014	–	–	–	–	–

(1) Directors' fee is subject to shareholders' approval at the forthcoming annual general meeting.

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. 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.

Directors and Key Management Personnel's' Remuneration
Number of Directors and key management personnel of the Company in each remuneration band (inclusive of those who had resigned during the year):

Remuneration Bands	**Number of Directors (including alternate director)**	**Number of Key Management Personnel (who are not also Directors or the GMD)**
Below S$250,000	9	6
S$250,000 to S$499,999	–	1
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 at least the 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 FY2015, or may be granted to them.

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 112 to 113 of this annual report for details of the Scheme.

There were 6,000,000 share options granted under the Scheme to the employees of the Company during FY2015. No options have been 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 Jason Lim Cheong Tiong. 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 FY2015.

The principal functions of the AC include:

- 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 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 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 FY2015 amounted to S$239,000 and S$104,000 respectively. Accordingly, the AC has recommended to the Board the nomination of the external auditors, Messrs KPMG LLP, for re-appointment at the forthcoming Annual General Meeting to be held on 20 July 2015. The AC has met the external auditors and with the internal auditors without the presence of Management during FY2015.

The details of the remuneration of the auditors of the Company during FY2015 are as follows:

	FY2015 (S$'000)	FY2014 (S$'000)
Auditors' remuneration paid/payable to :		
Auditors of the Company	239	234
Other auditors	50	31
Other fee paid/payable to :		
- Auditors of the Company	104	86
- Other auditors	–	38

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. In FY2015, the AC commissioned Baker to perform an Enterprise Risk Management exercise to assess the significant business risks, and the strategies and internal controls to mitigate these risks. 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 of the opinion that the Group's risk management systems and internal controls are adequate in addressing financial, operational, compliance and IT risks as at 31 March 2015.

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 to 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 FY2015. Report can be lodged via email at acm@singhaiyi.com.

For FY2015, 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 118 to 129 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 FY2015 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 Articles of Association, 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. No dividend was declared in the respect of the financial year ended 31 March 2015 as the Company has taken into consideration its earnings, general financial condition, projected capital requirements for business growth, cash position, positive cash flow generated from operations, general business condition and development plans.

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.

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 FY2015 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$658,000	-
David Hwang (2)	S$120,000	-

Note:

(1) APIC is an entity controlled by the controlling shareholders of the Company, 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.

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

There were no material contracts entered into between the Company or any of its subsidiaries with any Director or controlling shareholder in FY2015.

G. NON-SPONSOR FEES

There was no non-sponsor fees paid to SAC Capital Private Limited for the financial year ended 31 March 2015.

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 utilized 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
3) Repayment of secured debt (“US$29.8 million”) in relation to acquisition of VT	8.59
4) Transaction costs in relation to TCM	1.95
5) Transaction costs in relation to VT	0.99
6) Transaction costs in relation to 5TM	0.57
7) General working capital	1.47
Balance of net proceeds	92.11

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2015

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 2015.

DIRECTORS

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

Mr. Neil Bush
Mr. Tang Yigang @ Gordon Tang
Mdm Chen Huaidan @ Celine Tang
Mr. Yang Dehe
Mr. Mao Jinshan
Mr. Gn Hiang Meng
Mr. David Hwang Soo Chin
Mr. Jason Lim Cheong Tiong

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
Tang Yigang @ Gordon Tang (2)		
- ordinary shares		
- deemed interests	1,821,391,481	1,821,391,481
Chen Huaidan @ Celine Tang (3)		
- ordinary shares		
- deemed interests	1,601,391,481	1,601,391,481
David Hwang Soo Chin		
- ordinary shares		
- interests held	500,000	500,000

Name of director and corporation in which interests are held	Holdings at beginning of financial year	Holdings at end of financial year
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"). It is assumed that NPDL is, or its directors are accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of Mr. Neil Bush. 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. Tang Yigang @ 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) Mdm Chen Huaidan @ 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 report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations either at the beginning or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2015.

Except as disclosed under the 'Share Options' section of this report, 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.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 28 and 33 to the financial statements, since the end of the last financial year, no director has received, or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

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, 6,000,000 share options were granted 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 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 report are:

- Mr. Gn Hiang Meng (Chairman)
- Mr. David Hwang Soo Chin
- Mr. Jason Lim Cheong Tiong

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' report. 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.

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2015

AUDITORS

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

On behalf of the Board of Directors

____
Chen Huaidan @ Celine Tang
Director

____
Mao Jinshan
Director

17 June 2015

STATEMENT BY DIRECTORS

YEAR ENDED 31 MARCH 2015

In our opinion:

(a) the financial statements set out on pages 61 to 130 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results, 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.

On behalf of the Board of Directors

____
Chen Huaidan @ Celine Tang
Director

____
Mao Jinshan
Director

17 June 2015

INDEPENDENT AUDITORS' REPORT

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 2015, 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 61 to 130.

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 profit and loss accounts and balance sheets 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 to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results, 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 subsidiaries 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
17 June 2015

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2015

		Group		Company	
	Note	2015	2014	2015	2014
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	4	5,316	6,728	316	367
Investment properties	5	119,720	161,268	–	–
Interests in subsidiaries	6	–	–	141,463	17,022
Interests in associates	8	19,949	19,665	–	–
Other investments	9	45,800	45,800	–	–
Amounts due from associates	10	–	23,573	–	–
Amounts due from subsidiaries	11	–	–	135,844	265,283
Deferred tax assets	21	1,473	1,071	–	–
		192,258	258,105	277,623	282,672
Current assets					
Development properties	12	586,479	279,173	–	–
Trade and other receivables	13	28,212	56,052	14,908	169
Amounts due from subsidiaries	11	–	–	68,005	39,281
Amounts due from associates	10	23,573	90	–	157
Amounts due from non-controlling interests	14	–	1,167	–	–
Financial assets at fair value through profit or loss	15	160,738	–	160,738	–
Cash and cash equivalents	16	163,077	142,729	127,728	119,099
		962,079	479,211	371,379	158,706
Total assets		1,154,337	737,316	649,002	441,378
Non-current liabilities					
Loans and borrowings	17	281,388	119,541	98,847	169
Amounts due to non-controlling interests	18	13,165	25,623	–	–
Deferred tax liabilities	21	20,421	16,873	–	–
		314,974	162,037	98,847	169
Current liabilities					
Trade and other payables	19	136,107	75,755	2,542	474
Loans and borrowings	17	242,404	54,165	150,038	50,084
Amounts due to related company	20	–	24,377	–	24,377
Amount due to non-controlling interests	18	13,758	–	–	–
Current tax payable		3,730	3,397	–	–
		395,999	157,694	152,580	74,935
Total liabilities		710,973	319,731	251,427	75,104
Equity attributable to owners of the Company					
Share capital	22	382,272	382,253	382,272	382,253
Accumulated profits		49,477	28,296	9,887	(21,495)
Reserves	22	12,061	5,791	5,416	5,516
		443,810	416,340	397,575	366,274
Non-controlling interests		(446)	1,245	–	–
Total equity		443,364	417,585	397,575	366,274
Total equity and liabilities		1,154,337	737,316	649,002	441,378

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

CONSOLIDATED INCOME STATEMEMT

YEAR ENDED 31 MARCH 2015

	Note	2015 $'000	2014 $'000
Revenue	23	20,878	56,957
Cost of sales		(8,493)	(34,607)
Gross profit		12,385	22,350
Other income	24	25,652	39,281
Selling and marketing expenses		(3,949)	(4,128)
Administrative expenses		(7,722)	(12,199)
Other operating expenses		(1,487)	(11,585)
Results from operating activities		24,879	33,719
Finance income	25	3,617	550
Finance costs	26	(5,760)	(387)
Share of results of associates, net of tax		509	474
Profit before tax		23,245	34,356
Tax expense	27	(2,475)	(10,507)
Profit for the year	28	20,770	23,849
Profit attributable to:			
Owners of the Company		21,181	23,157
Non-controlling interests		(411)	692
Profit for the year		20,770	23,849
Earnings per share	30		
Basic earnings per share (cents)		0.740	0.997
Diluted earnings per share (cents)		0.739	0.995

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2015

	2015 $'000	2014 $'000
Profit for the year	20,770	23,849
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences realised on disposal of subsidiaries	(477)	–
Currency translation differences relating to foreign operations	6,847	(97)
Other comprehensive income for the year, net of income tax	6,370	(97)
Total comprehensive income for the year	27,140	23,752
Total comprehensive income attributable to:		
Owners of the Company	27,551	23,060
Non-controlling interests	(411)	692
Total comprehensive income for the year	27,140	23,752

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2015

	Note	Attributable to owners of the Company						
		Share capital $'000	Capital reserve $'000	Translation reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2013		145,974	489	372	5,139	151,974	353	152,327
Total comprehensive income for the year								
Profit for the year		–	–	–	23,157	23,157	692	23,849
Other comprehensive income								
Currency translation differences relating to foreign operations		–	–	(97)	–	(97)	–	(97)
Total other comprehensive income		–	–	(97)	–	(97)	–	(97)
Total comprehensive income for the year		–	–	(97)	23,157	23,060	692	23,752
Transactions with owners, recognised directly in equity								
Issuance of new shares pursuant to rights issue		193,013	(351)	–	–	192,662	–	192,662
Issuance of new shares pursuant to private placement		33,000	–	–	–	33,000	–	33,000
Share options exercised		10,500	–	–	–	10,500	–	10,500
Share-based payment transactions	29	–	5,140	–	–	5,140	–	5,140
Reclassification of share capital		(239)	239	–	–	–	–	–
Conversion of convertible bonds		5	(1)	–	–	4	–	4
Capital contribution from non-controlling interests		–	–	–	–	–	200	200
Total transactions with owners		236,279	5,027	–	–	241,306	200	241,506
At 31 March 2014		382,253	5,516	275	28,296	416,340	1,245	417,585

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

YEAR ENDED 31 MARCH 2015

	Attributable to owners of the Company						
	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'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, recognised 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 CASH FLOWS

YEAR ENDED 31 MARCH 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Profit for the year		23,245	34,356
Adjustments for:			
Allowance for diminution in value of development property	12	–	10,500
Changes in fair value of investment properties	5	(163)	(21,459)
Depreciation of property, plant and equipment	4	384	366
Gain on bargain purchase	24	–	(16,552)
Loss on disposal of subsidiaries	34	51	–
Adjustment to carrying value upon reclassifying investment property to development property	24	(5,617)	–
Investment income	24	(4,580)	–
Gain on acquisition of associated company	24	(233)	–
Gain on disposal of investment properties	24	(15)	(73)
Net unrealised foreign exchange gain		(12,421)	–
Interest expense	26	5,760	387
Interest and dividend income	25	(4,926)	(550)
Changes in fair value of financial assets at fair value through profit or loss	25	1,309	1
Plant and equipment written off		–	12
Share-based payment expenses	29	–	5,140
Share of profits of associates, net of tax		(509)	(474)
		2,285	11,654
Changes in:			
Development properties		(217,026)	(91,156)
Trade and other receivables		11,750	(55,624)
Trade and other payables		58,159	45,252
Cash used in operations		(144,832)	(89,874)
Tax paid		(551)	–
Net cash used in operating activities		(145,383)	(89,874)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

YEAR ENDED 31 MARCH 2015

	Note	2015 $'000	2014 $'000
Cash flows from investing activities			
Acquisition of property, plant and equipment		(82)	(193)
Acquisition of investment properties		–	(34,918)
Acquisition of business		–	(56,705)
Acquisition of other bank deposits		(13,720)	–
Capital expenditure on investment properties		(961)	–
Deposits pledged		–	(50,000)
Investments in associates		–	(19,191)
Interest received		4,064	550
Investment income received		3,435	–
Proceeds from sale of financial assets at fair value through profit or loss		–	1
Proceeds from sale of investment properties		2,363	3,021
Subscription of unquoted junior bonds		–	(45,800)
Disposal of subsidiaries	34	5,188	–
Purchase of financial assets		(162,047)	–
Net cash used in investing activities		(161,760)	(203,235)
Cash flows from financing activities			
Repayment from/(advances) to associates		90	(43)
Advances from non-controlling interests		2,467	11,865
Capital contribution from non-controlling interests		–	200
Interest paid		(3,261)	(382)
Payment of transaction costs in relation to rights issue		–	(351)
Proceeds from issuance of shares under private placement		–	33,000
Proceeds from issuance of shares under rights issue		–	193,013
Proceeds from exercise of share options		–	10,500
Proceeds from bank loans		294,475	84,556
Repayment of bank loans		(43,117)	(56,731)
(Repayment to)/Advance from related company		(24,377)	24,377
Payment of transaction costs in relation to medium term notes		(1,749)	–
Proceeds from issuance of medium term notes		100,000	–
Purchase of treasury shares		(99)	–
Dividend paid to non-controlling interest		(1,280)	–
Net cash generated from financing activities		323,149	300,004
Net increase in cash and cash equivalents		16,006	6,895
Cash and cash equivalents at beginning of the year	16	92,729	85,873
Effect of exchange rate fluctuations on cash held		4,342	(39)
Cash and cash equivalents at end of the year	16	113,077	92,729

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

The notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 17 June 2015.

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 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

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, associates 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.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

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 Fair value determination of investment properties
- Note 12 Estimation of the percentage of completion of the projects, attributable profits and diminution in value of development properties
- Note 21 Utilisation of tax losses

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.

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 that the Group can access at the measurement date
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

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.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

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

- Note 5 Fair value determination of investment properties
- Note 29 Share based payment arrangements

2.5 Changes in accounting policies

Offsetting of financial assets and financial liabilities

Under the Amendments to FRS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*, to qualify for offsetting, the right to set off a financial asset and financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

There is no financial impact to the Group's statement of financial position arising from the adoption of amendments to FRS 32.

Consolidated Financial Statements

FRS 110 *Consolidated financial Statements* changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power with the investee. FRS 110 introduces a single control model with a series of indicators to assess control. FRS 110 also adds additional context, explanation and application guidance based on the principal of control.

The Group has re-evaluated its involvement with investees under the new control model. There are no changes to the Group's control conclusion as a result of the re-evaluation.

Disclosure of interests in other entities

From 1 April 2014, as a result of FRS 112 *Disclosure of Interests in Other Entities*, the Group has expanded its disclosures about its non-controlling interests (see note 7) and associates (see note 8).

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, except as explained in note 2.5, which addresses changes in accounting policies.

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.

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 acquisition date and included in the consideration transferred. If the contingent consideration 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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Business combinations (cont'd)

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.

Investment in associates

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 between 20% or more of the voting power of another entity.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Investment in associates (cont'd)

Investment in associates are accounted for using the equity method (equity-accounted investees). 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 the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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 and associates in the separate financial statements

Investments in subsidiaries and associates 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

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 a foreign operation is disposed of such that control, or significant influence 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 that includes a foreign operation while retaining significant influence, 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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 investments, trade and other receivables, amounts due from subsidiaries, amounts due from associates, amounts due from non-controlling interests and cash and cash equivalents.

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

All 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, amounts due to related company and trade and other payables.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Share capital

Ordinary shares

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

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

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

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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment

Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

Reclassification to investment property

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

When the property is sold, the related amount in the revaluation reserve is transferred to retained earnings.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

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

Leasehold buildings	over remaining lease terms
Leasehold improvements	3 to 5 years
Furniture and fittings	5 years
Office equipment	5 years
Motor vehicles	5 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.

3.5 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Development properties (cont'd)

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.

3.7 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate, 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 the 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

Loans and receivables (cont'd)

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

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 8. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

Non-financial assets (cont'd)

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 ojective 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.

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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the 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.

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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 is 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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Revenue recognition (cont'd)

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.

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.

3.13 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.

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.

3.14 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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 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.

3.16 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.

3.17 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 2014, and have not been applied in preparing these financial statements. The Group is in the midst of assessing the impact on the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings $'000	Leasehold improvements $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
Group							
Cost							
At 1 April 2013	6,095	499	108	27	390	91	7,210
Additions	–	124	21	10	–	38	193
Written off	–	(12)	(7)	(3)	–	(4)	(26)
Currency translation differences	–	(1)	–	–	–	–	(1)
At 31 March 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
Accumulated depreciation							
At 1 April 2013	80	71	44	14	47	40	296
Depreciation charge for the year	108	183	20	4	39	12	366
Written off	–	(4)	(7)	(2)	–	(1)	(14)
At 31 March 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
Carrying amounts							
At 1 April 2013	6,015	428	64	13	343	51	6,914
At 31 March 2014	5,907	360	65	18	304	74	6,728
At 31 March 2015	4,677	170	24	13	387	45	5,316

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture and fixtures $'000	Office equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
Company					
Cost					
At 1 April 2013	27	4	390	35	456
Additions	–	9	–	19	28
Written off	(4)	(3)	–	(4)	(11)
At 31 March 2014	23	10	390	50	473
Additions	–	1	–	4	5
At 31 March 2015	23	11	390	54	478
Accumulated depreciation					
At 1 April 2013	5	2	47	4	58
Depreciation charge for the year	5	1	39	9	54
Written off	(3)	(2)	–	(1)	(6)
At 31 March 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
Carrying amounts					
At 1 April 2013	22	2	343	31	398
At 31 March 2014	16	9	304	38	367
At 31 March 2015	11	8	265	32	316

At 31 March 2015, leasehold buildings of the Group with carrying amounts of $4,677,000 (2014: $5,907,000) are pledged as security to secure credit facilities (note 17).

At 31 March 2015, motor vehicles of the Group and the Company with carrying amounts of $265,000 (2014: $304,000) are held under finance lease (note 17).

During the year, one office unit 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

Investment properties are carried at fair value at the reporting date as determined by independent professional valuers. Valuations are made based on the properties' highest-and-best use using direct market comparison method and discounted cash flows method.

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. Contingent rents, representing income based on certain sales achieved by tenants, recognised in profit or loss amounted to $700,000 (2014: $1,080,000).

At 31 March 2015, investment properties of the Group with carrying amounts of $16,813,106 (2014: $25,095,222) are pledged as security to secure credit facilities (note 17).

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.

The fair value measurement for investment properties has been catogorised 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	
	2015 $'000	2014 $'000
At beginning of the year	161,268	25,774
Additions	961	117,097
Disposals	(8,096)	(3,003)
Change in fair value	163	21,459
Reclassification from property, plant and equipment	1,128	–
Reclassification to development properties	(44,041)	–
Currency translation differences	8,337	(59)
At end of the year	119,720	161,268

5. INVESTMENT PROPERTIES (CONT'D)

Valuation technique and significant unobservable inputs

In the absence of a price per square metre 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 value of investment property, 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	4.4% to 7.1% 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 $2,969	

The details of the Group's investment properties as at 31 March 2015 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

6. INTERESTS IN SUBSIDIARIES

	Company	
	2015	2014
	$'000	$'000
Equity investment, at cost	142,363	17,022
Less: Allowance for impairment loss of investments	(900)	–
	141,463	17,022

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

	Company	
	2015	2014
	$'000	$'000
At beginning of the year	–	–
Provisions made during the year	900	–
At end of the year	900	–

During the year, an impairment loss amounting to $900,000 was recognised in respect of certain subsidiaries as a result of decline in market value of the underlying assets of the subsidiary.

Conversion of shareholder loans to share capital

On 2 February 2015, the Company converted its United States Dollar denominated shareholder loans to a subsidiary of $125,340,000 into share capital.

6. INTERESTS IN SUBSIDIARIES (CONT'D)

List of significant subsidiaries

The following are the Company's significant subsidiaries:

Company name	Principal activities	Place of incorporation	Effective equity held by the Group	
			2015	2014
			%	%
Anchorvale Residences Pte Ltd	Real estate development	Singapore	80	80
SingXpress Kaylim Pte Ltd	Real estate development	Singapore	80	80
Corporate Residences 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
SingXpress 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
SingXpress 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
SingHaiyi TripleOne Pte Ltd	Investment holding	Singapore	100	100
SingXpress Development Pte Ltd	Property development advisory services	Singapore	100	100

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

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

7. NON-CONTROLLING INTERESTS ("NCI")

The following subsidiaries have material NCI:

Name	Principal place of business/Country of incorporation	Ownership interests held by NCI	
		2015	2014
		%	%
Anchorvale Residences Pte Ltd	Singapore	20	20
SingXpress Kaylim Pte Ltd	Singapore	20	20
Corporate Residences Pte Ltd	Singapore	10	10
Charlton Residences Pte Ltd	Singapore	20	20

7. NON-CONTROLLING INTERESTS ("NCI") (CONT'D)

The following summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	Anchorvale Residences Pte Ltd $'000	Charlton Residences Pte Ltd $'000	Corporate Residences Pte Ltd $'000	SingXpress Kaylim Pte Ltd $'000	Other individually immaterial subsidiary $'000	Total $'000
2015						
Revenue	–	–	–	–		
Loss/Total comprehensive income	(2,030)	(43)	824	(389)		
Loss/Total comprehensive income attributable to NCI	(406)	(9)	82	(78)	–	(411)
Non-current assets	–	–	–	1,071		
Current assets	233,345	13,619	22,538	247,749		
Non-current liabilities	(219,886)	–	(29,821)	(106,115)		
Current liabilities	(14,489)	(5,067)	(3,140)	(147,208)		
Net assets/(liabilities)	(1,030)	8,552	(10,423)	(4,503)		
Net assets/(liabilities) 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 investing activities	–	–	–	–		
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)		
2014						
Revenue	–	43,401	–	–		
Loss/Total comprehensive income	–	11,063	(11,736)	(1,707)		
Loss/Total comprehensive income attributable to NCI	–	2,213	(1,174)	(341)	(6)	692
Non-current assets	–	–	–	1,071		
Current assets	1,000	29,958	18,409	205,937		
Non-current liabilities	–	–	(26,390)	(118,169)		
Current liabilities	–	(14,962)	(3,265)	(92,953)		
Net assets/(liabilities)	1,000	14,996	(11,246)	(4,114)		
Net assets/(liabilities) attributable to NCI	200	2,999	(1,125)	(823)	(6)	1,245
Cash flows from operating activities	–	6,968	(3,754)	2,417		
Cash flows from investing activities	–	4,744	–	–		
Cash flows from financing activities (dividends to NCI: nil)	1,000	(13,235)	3,724	(1,534)		
Net increase/(decrease) in cash and cash equivalents	1,000	(1,523)	(30)	883		

8. INTERESTS IN ASSOCIATES

	Group 2015 $'000	Group 2014 $'000
Investment in unquoted shares		
Shares, at cost	19,490	19,491
Share of post-acquisition results of associates	459	174
At end of year	19,949	19,665

Details of significant associates are as follows:

Name	Principal activities	Place of incorporation	Proportion of ownership interests 2015 %	Proportion of ownership interests 2014 %
Perennial Somerset Investors Pte Ltd ("PSIPL") [1]	Investment holding	Singapore	20.00	20.00
Tampines EC Pte Ltd [2]	Real estate development	Singapore	24.48	24.48

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

The following summarises the financial information of each of the Group's material associates, based on their respective (consolidated) financial statements prepared in accordance with 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.

8. INTERESTS IN ASSOCIATES (CONT'D)

	Perennial Somerset Investors Pte Ltd $'000	Tampines EC Pte Ltd* $'000	Immaterial associates $'000	Total $'000
2015				
Revenue	51,149	–	–	
Profit for the year/Total comprehensive income	2,028	40	212	
Attributable to NCI	405	10	104	
Attributable to investee's shareholders	1,623	30	108	
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/(Net liabilities)	99,745	(5,841)	–	
Attributable to NCI	19,949	(1,430)	–	
Attributable to investee's shareholders	79,796	(4,411)	–	
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

8. INTERESTS IN ASSOCIATES (CONT'D)

	Perennial Somerset Investors Pte Ltd $'000	Tampines EC Pte Ltd $'000	Immaterial associates $'000	Total $'000
2014				
Revenue	–	–	–	
Profit/(loss) for the year/Total comprehensive income	1,766	(3,415)	247	
Attributable to NCI	353	(836)	121	
Attributable to investee's shareholders	1,413	(2,579)	126	
Non-current assets	983,044	1,411	–	
Current assets	43,336	357,471	247	
Non-current liabilities	(906,734)	(114,798)	–	
Current liabilities	(21,929)	(249,965)	–	
Net assets/(Net liabilities)	97,717	(5,881)	247	
Attributable to NCI	19,544	(1,440)	121	
Attributable to investee's shareholders	78,173	(4,441)	126	
Group's interest in net assets of investee at beginning of the year	–	–	–	–
Group's share of:				
Profit/(loss) for the year/Total comprehensive income	353	(836)	121	(362)
Group's contribution during the year	19,191	–	–	19,191
Effects of cumulative losses not recognised*	–	836	–	836
Carrying amount of interest in investee at end of the year	19,544	–	121	19,665

* The Group has not recognised its share of the cumulative losses relating to one of its associates, Tampines EC Pte Ltd, amounting to $1,430,000 (2014: $1,440,000), because the Group has no obligation in respect of these losses. Additionally, these losses are mainly due to the recognition of sales commissions and marketing expenses for the property development, CityLife@Tampines. As this is an EC project, revenue is only recognised upon the transfer of control and significant risk and rewards of ownership of the properties to the buyers (note 3.12).

9 OTHER INVESTMENTS

In 2014, the Group subscribed for junior bonds issued by PSIPL with a principal amount of $45,800,000. The junior bonds are expected to mature in 2019, bear interest at 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 investments is disclosed in note 32.

10 AMOUNTS DUE FROM ASSOCIATES

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Non-current	–	23,573	–	–
Current	23,573	90	–	157
	23,573	23,663	–	157

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

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

11 AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2015 $'000	2014 $'000
Non-current		
Loans to subsidiaries	145,294	274,733
Less: Allowance for impairment loss of loans	(9,450)	(9,450)
	135,844	265,283
Current		
Loans to subsidiaries	77,874	51,801
Less: Allowance for impairment loss of loans	(9,869)	(12,520)
	68,005	39,281

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

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

The Company's exposure to credit risk and impairment loss related to amounts due from subsidiaries are disclosed in note 32.

12 DEVELOPMENT PROPERTIES

	Group	
	2015	2014
	$'000	$'000
Properties under development, sold units for which revenue is recognised using percentage of completion method		
- Costs incurred and attributable profits	31,809	28,634
- Allowance for diminution in value	(10,500)	(10,500)
	21,309	18,134
Other properties under development		
- Costs incurred	549,409	244,888
Completed properties	15,761	16,151
Total development properties	586,479	279,173
Finance costs capitalised during the year:	5,487	2,746

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

At 31 March 2015, development properties of the Group with carrying amounts of $487,509,000 (2014: $219,512,000) are pledged as security to secured credit facilities (note 17).

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 $10,500,000 as at 31 March 2015 (2014: $10,500,000).

In addition, the Group assess its obligations relating to the timeline of its project completion based on its estimate of development timeline. Based on currently available information, the Group believes that no provision is necessary at year end.

12 DEVELOPMENT PROPERTIES (CONT'D)

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	28%	2016	90%
Pasir Ris Central/ Pasir Ris Drive 1, Singapore	99 year leasehold	176,400	441,000	99%	2015	80%
Anchorvale Crescent, Singapore	99 year leasehold	175,236	525,709	7%	2018	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%

13 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade receivables	1,964	5,546	280	70
Deposits	110	24,782	–	17
Other bank deposits	13,720	–	13,720	–
Accrued receivables	8,940	24,988	–	–
Property tax recoverable	192	174	–	–
Other receivables	2,837	196	892	39
	27,763	55,686	14,892	126
Prepaid expenses	449	366	16	43
	28,212	56,052	14,908	169

13 TRADE AND OTHER RECEIVABLES (CONT'D)

In 2014, included in deposits was an amount of $24,744,000 relating to acquisition of an undeveloped land parcel of Vietnam Town. At 31 March 2014, as the transfer of the title deed of the undeveloped land parcel was not yet completed and the outcome of which could be uncertain, the Group has classified the allocated cost of the undeveloped land parcel as a deposit.

At 31 March 2015, the Group reclassified the allocated cost of the undeveloped land parcel to development properties on the basis that the receipt of title deed is highly probable.

On 28 April 2015, the Group had received the deed from the trustee of the undeveloped land parcel of Vietnam Town.

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 32.

14 AMOUNTS DUE FROM NON-CONTROLLING INTERESTS

The amounts due from non-controlling interests were unsecured, interest-free and repayable at a date mutually agreed by both parties.

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

15 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 17).

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

16 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Amount held under "Project Account Rules – 1997 Ed" withdrawals from which are restricted to payments for expenditure incurred on projects	14,326	14,056	–	–
Short term bank deposits	93,430	102,627	93,430	102,627
Cash at banks and in hand	55,321	26,046	34,298	16,472
Cash and cash equivalents	163,077	142,729	127,728	119,099
Deposits pledged	(50,000)	(50,000)		
Cash and cash equivalents in the statement of cash flows	113,077	92,729		

The Group's and the Company's short term deposits bear interest at rates ranging from 0.12% to 1.17% (2014: 0.10% to 0.48%) per annum during the year. Interest rates are repriced at intervals of between one week to three months.

Deposits pledge represent bank balances pledged as security to secure credit facilities (note 17).

The Group's and the Company's exposures to credit risk, interest rate risk and foreign currency risk related to cash and cash equivalents are disclosed in note 32.

17 LOANS AND BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Secured				
Bank loans	424,906	173,453	149,999	50,000
Finance lease liabilities	158	213	158	213
	425,064	173,666	150,157	50,213
Unsecured				
Medium term notes	98,728	–	98,728	–
Convertible bonds	–	40	–	40
	98,728	40	98,728	40
	523,792	173,706	248,885	50,253

17 LOANS AND BORROWINGS (CONT'D)

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Repayable:				
Within 1 year	242,404	54,165	150,038	50,084
After 1 year but within 5 years	273,429	109,682	98,847	160
After 5 years	7,959	9,859	–	9
	281,388	119,541	98,847	169
	523,792	173,706	248,885	50,253

(i) Bank loans

The bank loans are secured by:

- the borrowing subsidiaries' leasehold buildings, investment properties and development properties (notes 4, 5 and 12);
- 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;
- a charge over a foreign currency fixed deposit with an amount equivalent to $50,000,000; and
- a charge over financial assets with an amount equivalent to $160,738,000.

The effective interest rates of the bank loans for the Group and the Company are 1.56% (2014: 1.95%) and 1.93% (2014: 0.95%) per annum respectively.

(ii) Medium term notes

On 9 June 2014, the Company established a $500,000,000 Multicurrency Debt Issuance Programme. On 10 July 2014, the Company 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.

	2015	2014
	$'000	$'000
Medium term notes	100,000	–
Less: Unamortised transaction costs	(1,272)	–
	98,728	–

17 LOANS AND BORROWINGS (CONT'D)

(iii) Convertible bonds

	Group and Company	
	2015	**2014**
	$'000	**$'000**
At beginning of the year	40	39
Interest expense	3	5
Conversion to share capital	(18)	(4)
Redemption upon maturity	(25)	–
At end of the year	–	40

(iv) Finance lease liabilities

	Group and Company	
	2015	**2014**
	$'000	**$'000**
Minimum lease payments due:		
- Within 1 year	39	44
- After 1 but within 5 years	119	160
- After 5 years	–	9
	158	213

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

18 AMOUNTS DUE TO NON-CONTROLLING INTERESTS

The non-current amounts due to non-controlling interests are unsecured, interest-free and are not expected to be repaid within the next 12 months. The carrying amounts are assumed to approximate their fair value because 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 32.

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade payables	14,212	18,494	118	86
Other payables	415	484	17	–
Deferred income	117,296	55,348	–	–
Accrued expenses	3,116	576	2,407	388
Accrued real estate taxes	1,068	853	–	–
	136,107	75,755	2,542	474

Deferred income relates to billing in advance of work completed.

The Group's and the Company's exposures to liquidity risk related to trade and other payables are disclosed in note 32.

20 AMOUNTS DUE TO RELATED COMPANIES

The amounts due to related companies were unsecured, interest-free and repayable on demand.

The Group's exposure to liquidity risk and foreign currency risk related to amount due to related company is disclosed in note 32.

21 DEFERRED TAX ASSETS AND LIABILITIES

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

	Balance at beginning of the year	Acquired in business combination	Currency translation difference	Recognised in profit or loss (note 27)	Balance at end of the year
	$'000	$'000	$'000	$'000	$'000
Group					
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)
2014					
Investment properties	(570)	(8,923)	24	(7,404)	(16,873)
Tax losses	764	–	–	307	1,071
	194	(8,923)	24	(7,097)	(15,802)

21 DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

Unrecognised deferred tax assets

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

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Tax losses	4,661	2,843	546	546

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.

22 SHARE CAPITAL AND RESERVES

Ordinary shares

	2015		2014	
	No. of shares '000	$'000	No. of shares '000	$'000
Company				
At beginning of the year	2,863,514	382,253	12,867,088	145,974
Conversion from convertible bonds	265	19	482	5
Exercise of share options	–	–	700,000	10,500
Rights issue	–	–	12,867,570	193,013
Private placements	–	–	2,200,000	33,000
Reclassification of share capital to capital reserve	–	–	–	(239)
	2,863,779	382,272	28,635,140	382,253
2014 Shares Consolidation	–	–	(25,771,626)	–
At end of the year	2,863,779	382,272	2,863,514	382,253

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.

22 SHARE CAPITAL AND RESERVES (CONT'D)

Reserves

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Translation reserve	6,645	275	–	–
Capital reserve	5,416	5,516	5,416	5,516
At 31 March	12,061	5,791	5,416	5,516

Translation reserve

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

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.

During the year, 689,000 of ordinary shares were purchased by the Company by way of market acquisition at an average price of $0.144 per share.

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, including 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 borrowings divided by total capital employed.

22 SHARE CAPITAL AND RESERVES (CONT'D)

Capital management (cont'd)

	Group	
	2015	**2014**
	$'000	**$'000**
Gross borrowings	523,792	173,706
Cash and cash equivalents	(163,077)	(142,729)
Net debts	360,715	30,977
Total capital employed	443,364	417,585
Net debt equity ratio	0.81	0.07

No changes were made to the above objectives, policies and processes during the years ended 31 March 2015 and 2014.

23 OPERATING SEGMENTS

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

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

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

23 OPERATING SEGMENTS (CONT'D)

	Property development		Property investment		Others		Unallocated items		Total	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Group										
External revenue	5,372	46,751	14,666	9,257	840	949	–	–	20,878	56,957
Profit/(Loss) from operating activities	7,847	(8)	13,933	40,850	1,250	(289)	1,849	(6,834)	24,879	33,719
Share of results of associates, net of tax	–	–	405	353	104	121	–	–	509	474
Interest income	5	–	6	6	3,606	544	–	–	3,617	550
Interest expense	(8)	(20)	(268)	(169)	(5,421)	(81)	(63)	(117)	(5,760)	(387)
Reportable segment profit/(loss) before tax	7,844	(28)	14,076	41,040	(461)	295	1,786	(6,951)	23,245	34,356
Depreciation of property, plant and equipment	–	–	189	41	3	4	192	321	384	366
Other material items:										
Gain on bargain purchase	–	–	–	16,552	–	–	–	–	–	16,552
Change in fair value of investment properties	–	–	163	21,459	–	–	–	–	163	21,459
Allowance for diminution in value of development property	–	10,500	–	–	–	–	–	–	–	10,500
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	–	–	19,949	19,543	–	122	–	–	19,949	19,665
Capital expenditure	23	–	1,128	117,213	–	–	16	77	1,167	117,290
Reportable segment assets	642,004	376,203	194,796	233,705	208,010	663	109,527	126,745	1,154,337	737,316
Reportable segment liabilities	422,574	257,915	59,768	36,465	200,795	298	27,836	25,053	710,973	319,731

* Capital expenditure comprises property, plant and equipment of $206,000 (2014: $193,000) and investment properties of $961,000 (2014: $117,097,000).

23 OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segments, profit or loss, assets and liabilities and other material items

	Group	
	2015	2014
	$'000	$'000
Profit or loss		
Total profit for reportable segments	21,459	41,307
Unallocated items:		
- Cost of share-based payments	–	(5,140)
- Net unrealised foreign exchange gain	4,342	–
- Corporate expenses	(2,493)	(1,694)
- Interest expense	(63)	(117)
Consolidated profit before tax	23,245	34,356
Assets		
Total assets for reportable segments	1,044,810	610,571
Unallocated items:		
- Property, plant and equipment	5,139	6,575
- Cash and cash equivalents	102,915	119,099
- Deferred tax assets	1,473	1,071
Consolidated total assets	1,154,337	737,316
Liabilities		
Total liabilities for reportable segments	683,137	294,678
Unallocated items:		
- Borrowings	3,136	4,476
- Trade and other payables	549	307
- Current tax payable	3,730	3,397
- Deferred tax liabilities	20,421	16,873
Consolidated total liabilities	710,973	319,731

23 OPERATING SEGMENTS (CONT'D)

Geographical information

The property development, property investment and others segments are managed and operated in Singapore, USA and Hong Kong. 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		Hong Kong	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group						
Revenue	1,396	44,884	19,368	11,834	114	239
Current assets	854,650	428,277	107,429	49,161	–	1,773
Non-current assets	90,835	114,038	101,423	136,270	–	7,797

Major customer

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

24 OTHER INCOME

	Group	
	2015	**2014**
	$'000	**$'000**
Adjustment to carrying value upon reclassifying investment property to development property	5,617	–
Changes in fair value of investment properties	163	21,459
Gain on acquisition of associated company	233	–
Gain on bargain purchase	–	16,552
Gain on disposal of investment properties	15	73
Investment income	4,580	–
Net foreign exchange gain	14,292	702
Others	752	495
	25,652	39,281

25 FINANCE INCOME

	Group	
	2015	2014
	$'000	$'000
Dividend income	4,320	–
Interest income	606	551
Net change in fair value of financial assets at fair value through profit or loss	(1,309)	(1)
	3,617	550

26 FINANCE COSTS

	Group	
	2015	2014
	$'000	$'000
Interest on bank loans	1,472	387
Interest and amortisation of transaction cost on medium term notes	4,288	–
	5,760	387

27 TAX EXPENSE

	Group	
	2015	2014
	$'000	$'000
Current tax		
Current year	452	3,410
Deferred tax		
Origination and reversal of temporary differences	2,023	7,097
Total tax expense	2,475	10,507

27 TAX EXPENSE (CONT'D)

	Group	
	2015	2014
	$'000	$'000
Reconciliation of effective tax rate		
Profit before tax	23,245	34,356
Tax using Singapore tax rate of 17% (2014: 17%)	3,952	5,841
Income not subject to tax	(4,612)	(3,128)
Non-deductible expenses	583	2,847
Effect of tax rates in foreign jurisdictions	1,422	4,396
Effect of unrecognised deferred tax assets	409	288
Tax effect of losses not allowed to be set off against future taxable profits	808	344
Effect of results of associates presented net of tax	(87)	(81)
Total tax expense	2,475	10,507

Judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provision for income tax and deferred income tax provisions in the period in which such determination is made.

28 PROFIT FOR THE YEAR

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

	Group	
	2015	2014
	$'000	$'000
Audit fees payable to:		
- Auditors of the Company	239	234
- Other auditors of the Company	50	31
Non-audit fees payable:		
- Auditors of the Company	104	86
- Other auditors of the Company	–	38
Employee benefits expense (exclude Directors' fees)		
- Salaries and wages	3,118	2,059
- Central provident fund contributions	182	256
- Other short-term benefits	11	41
- Equity-settled share-based payment transactions	–	5,140
- Director's remuneration	516	616
Allowance for diminution in value of development properties	–	10,500
Depreciation of property, plant and equipment	384	366

29 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.

29 SHARE-BASED PAYMENT ARRANGEMENTS (CONT'D)

Share option scheme (cont'd)

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

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 2014 '000	Options granted '000	Options exercised '000	Options outstanding at 31 March 2015 '000	Number of option holders at 31 March 2015	Exercise period
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 (S$)	–
Share price at grant date (S$)	0.1740
Exercise price (S$)	0.1760
Expected volatility	79.0%
Expected life (years)	5.50
Expected dividends	–
Risk-free interest rate	1.30%

29 SHARE-BASED PAYMENT ARRANGEMENTS (CONT'D)

Share option scheme (cont'd)

(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.

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 2014 '000	Options exercised '000	Options outstanding at 31 March 2015 '000	Number of option holders at 31 March 2015	Exercise period
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.

29 SHARE-BASED PAYMENT ARRANGEMENTS (CONT'D)

Share option scheme (cont'd)

	Tranche A	Tranche B	Tranche C	Tranche D
Fair value at grant date (S$)	0.17	0.17	0.17	0.17
Share price at grant date (S$)	0.21	0.21	0.21	0.21
Exercise price (S$)	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%

Expense recognised in profit or loss

	2015 $'000	2014 $'000
Share options granted	–	5,140

Reconciliation of outstanding share options

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

	Weighted average exercise price per share 2015 $	Number of options 2015 '000	Weighted average exercise price per share 2014 $	Number of options 2014 '000
Outstanding at the beginning of the year	0.090	7,208	0.09	7,208
Granted during the year	0.176	6,000	0.15	70,000
Exercised during the year	–	–	0.15	(70,000)
Outstanding at end of the year	0.129	13,208	0.09	7,208
Exercisable at end of the year	0.090	7,208	0.09	7,208

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

30 EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 March 2015 was based on profit attributable to ordinary shareholders of $21,181,000 (2014: $23,157,000) and weighted average number of ordinary shares outstanding of 2,863,571,000 (2014: 2,321,858,000), calculated as follows:

(i) Profit attributable to ordinary shareholders

	Group	
	2015	**2014**
	$'000	**$'000**
Profit attributable to ordinary shareholders	21,181	23,157

(ii) Weighted average number of ordinary shares

	Group	
	2015	**2014**
	'000	**'000**
Issued ordinary shares at beginning of the year	2,863,514	1,286,709
Effect of own shares held	(130)	–
Effect of conversion of convertible bonds	187	39
Effect of shares issued	–	154,904
Effect of share options exercised	–	27,068
Effect of rights issue	–	853,138
Weighted average number of ordinary shares during the year	2,863,571	2,321,858

Diluted earnings per share

The calculation of diluted earnings per share at 31 March 2015 was based on profit attributable to ordinary shareholders of $21,184,000 (2014: $23,162,000) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 2,866,699,000 (2014: 2,327,016,000), calculated as follows:

30 EARNINGS PER SHARE (CONT'D)

Diluted earnings per share (cont'd)

(i) Profit attributable to ordinary shareholders (diluted)

	Group	
	2015	**2014**
	$'000	**$'000**
Profit attributable to ordinary shareholders (basic)	21,181	23,157
Interest expense on convertible bonds, net of tax	3	5
Profit attributable to ordinary shareholders (diluted)	21,184	23,162

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

	Group	
	2015	**2014**
	'000	**'000**
Weighted average number of ordinary shares (basic)	2,863,571	2,321,858
Effect of conversion of convertible bonds	–	616
Effect of share options on issue	3,128	4,542
Weighted average number of ordinary shares (diluted) during the year	2,866,699	2,327,016

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.

In 2014, the convertible bonds outstanding have anti-dilutive effect on the basic earnings per share for the year and were not taken into account in the calculation of diluted earnings per share. Accordingly, diluted earnings per share is the same as basic earnings per share.

31 COMMITMENTS

Operating lease commitments

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

	Group	
	2015	**2014**
	$'000	**$'000**
Within 1 year	8,522	7,769
After 1 year but within 5 years	14,726	17,109
After 5 years	6,977	7,249
	30,225	32,127

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 $5,660,000 was recognised as an expense in profit or loss in respect of operating leases (2014: $3,110,000).

Commitments

	Group	
	2015	**2014**
	$'000	**$'000**
Estimated development expenditure contracted but not provided for	122,691	165,779

32 FINANCIAL INSTRUMENTS

Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

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

32 FINANCIAL INSTRUMENTS (CONT'D)

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.

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	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Amounts due from subsidiaries	–	–	203,849	304,564
Other investments	45,800	45,800	–	–
Trade and other receivables	27,763*	55,686*	14,892*	126*
Amounts due from associates	23,573	23,663	–	157
Amounts due from non-controlling interests	–	1,167	–	–
Financial assets at fair value through profit or loss	160,738	–	160,738	–
Cash and cash equivalents	163,077	142,729	127,728	119,099
	420,951	269,045	507,207	423,946

* Excludes prepaid expenses of $449,000 (2014: $366,000) and $16,000 (2014: $43,000) for the Group and the Company, respectively.

32 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

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	
	2015	**2014**
	$'000	**$'000**
At beginning of the year	21,970	8,263
Impairment loss recognised	–	13,707
Reversals of impairment losses	(2,651)	–
At end of the year	19,319	21,970

(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.

32 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

(ii) Trade and other receivables (cont'd)

The ageing of trade receivables at the reporting date is:

	Group		Company	
	Gross 2015 $'000	**Gross 2014 $'000**	**Gross 2015 $'000**	**Gross 2014 $'000**
Not past due	1,867	5,378	280	70
Past due 1 – 30 days	38	38	–	–
Past due 30 – 60 days	20	22	–	–
Past due 60 – 90 days	27	53	–	–
Past due over 90 days	12	55	–	–
	1,964	5,546	280	70

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables past due.

(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

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

32 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

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					
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
2014					
Non-derivative financial liabilities					
Bank loans	173,453	179,856	56,448	110,328	13,080
Finance lease liabilities	213	231	52	170	9
Convertible bonds	40	45	45	–	–
Trade and other payables*	20,407	20,407	20,407	–	–
Amounts due to non-controlling interests	25,623	25,623	–	25,623	–
Amounts due to related company	24,377	24,377	24,377	–	–
	244,113	250,539	101,329	136,121	13,089

32 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Company					
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	–
Convertible bonds	–	–	–	–	–
Trade and other payables	2,542	2,542	2,542	–	–
	251,427	263,560	159,503	104,057	–
2014					
Non-derivative financial liabilities					
Bank loans	50,000	50,000	50,000	–	–
Finance lease liabilities	213	231	52	170	9
Convertible bonds	40	45	45	–	–
Trade and other payables	474	474	474	–	–
Amounts due to related company	24,377	24,377	24,377	–	–
	75,104	75,127	74,948	170	9

* Excludes deferred income of $117,296,000 (2014: $55,348,000).

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 $430,493,000 (2014: $256,117,000). Management considers that the possibility of default of the parties is remote.

32 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

Guarantees (cont'd)

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Within one year	80,700	80,700	191,980	–
Between one and five years	–	–	227,900	245,504
After five years	–	–	10,613	10,613
	80,700	80,700	430,493	256,117

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.

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	13,720	–	13,720	–
Financial liabilities	(98,728)	–	(98,728)	–
	(85,008)	–	(85,008)	–
Variable rate instruments				
Financial assets	93,430	102,627	93,430	102,627
Financial liabilities	(424,906)	(173,453)	(149,999)	(50,000)
	(331,476)	(70,826)	(56,569)	52,627

32 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Interest rate risk (cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates for variable rate instruments 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. The analysis is performed on the same basis for 2014.

	Profit before tax	
	100 bp increase	100 bp decrease
	$'000	$'000
Group		
2015		
Variable rate instruments	(3,315)	3,315
2014		
Variable rate instruments	(708)	708
Company		
2015		
Variable rate instruments	(566)	566
2014		
Variable rate instruments	526	(526)

32 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Foreign currency risk

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

Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily SGD, but also USD and GBP. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

Exposure to foreign currency risk

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

	USD		GBP		Total	
	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Cash and cash equivalents	57,920	74,289	20,479	–	78,399	74,289
Other receivables	13,720	–	–	–	13,720	–
Amounts due to related company	–	(24,377)	–	–	–	(24,377)
	71,640	49,912	20,479	–	92,119	49,912
Company						
Cash and cash equivalents	57,920	74,289	20,479	–	78,399	74,289
Other receivables	13,720	–	–	–	13,720	–
Amounts due to related company	–	(24,377)	–	–	–	(24,377)
	71,640	49,912	20,479	–	92,119	49,912

32 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Foreign currency risk (cont'd)

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) equity and 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.

	Group		Company	
	Profit before tax $'000	Equity $'000	Profit before tax $'000	Equity $'000
2015				
USD (10% strengthening)	7,164	–	7,164	–
GBP (10% strengthening)	2,048	–	2,048	–
2014				
USD (10% strengthening)	4,991	–	4,991	–

Accounting classifications and fair values

The following tables show the carrying amounts and fair value of financial assets and financial liabilities including their levels of the fair value hierarchy. It does not include fair value information of trade and other receivables, other investments, amounts due from associates, amounts due from non-controlling interests, cash and cash equivalents, loans and borrowings, amounts due to non-controlling interests, trade and other payables, and amounts due to related company as their carrying amounts are reasonable approximation of fair values.

32 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amount				Fair value
	Loans and receivables $'000	Financial assets at fair value through profit or loss $'000	Other financial liabilities within scope of FRS 39 $'000	Total carrying amount $'000	Level 1 $'000
Group					
2015					
Other investments	45,800	–	–	45,800	–
Trade and other receivables	27,653*	–	–	27,653*	–
Amounts due from associates	23,573	–	–	23,573	–
Financial assets at fair value through profit or loss	–	160,738	–	160,738	160,738
Cash and cash equivalents	163,077	–	–	163,077	–
Total assets	260,103	160,738	–	420,841	
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#	–
Total liabilities	–	–	569,526	569,526	
2014					
Other investments	45,800	–	–	45,800	–
Trade and other receivables	30,904*	–	–	30,904*	–
Amounts due from associates	23,663	–	–	23,663	–
Amounts due from non-controlling interests	1,167	–	–	1,167	–
Cash and cash equivalents	142,729	–	–	142,729	–
Total assets	244,263	–	–	244,263	
Loans and borrowings	–	–	173,706	173,706	–
Amounts due to non-controlling interests	–	–	25,623	25,623	–
Trade and other payables	–	–	20,407#	20,407#	–
Amounts due to related company	–	–	24,377	24,377	–
Total liabilities	–	–	244,113	244,113	

* Excludes prepaid expenses of $449,000 (2014: $366,000) and deposits of $110,000 (2014: $24,782,000)

\# Excludes deferred income of $117,296,000 (2014: $55,348,000).

32 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amount				Fair value
	Loans and receivables	Financial assets at fair value through profit or loss	Other financial liabilities within scope of FRS 39	Total carrying amount	Level 1
	$'000	$'000	$'000	$'000	$'000
Company					
2015					
Amounts due from subsidiaries	203,849	–	–	203,849	–
Financial assets at fair value through profit or loss	–	160,738	–	160,738	160,738
Trade and other receivables	14,892*	–	–	14,892*	–
Cash and cash equivalents	127,728	–	–	127,728	–
Total assets	346,469	160,738	–	507,207	
Loans and borrowings	–	–	248,885	248,885	–
Trade and other payables	–	–	2,542	2,542	–
Amounts due to related company	–	–	–	–	–
Total liabilities	–	–	251,427	251,427	
2014					
Amounts due from subsidiaries	304,564	–	–	304,564	–
Trade and other receivables	109*	–	–	109*	–
Amounts due from associates	157	–	–	157	–
Cash and cash equivalents	119,099	–	–	119,099	–
Total assets	423,929	–	–	423,929	
Loans and borrowings	–	–	50,253	50,253	–
Trade and other payables	–	–	474	474	–
Amounts due to related company	–	–	24,377	24,377	–
Total liabilities	–	–	75,104	75,104	

* Excludes prepaid expenses and deposits of $16,000 (2014: $43,000) and Nil (2014: $17,000), respectively.

33 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transaction took place between the Group and related parties during the financial year on terms agreed between the parties concerned.

Key management personnel compensation

	Group	
	2015	**2014**
	$'000	**$'000**
Short-term employee benefits	354	607
Contributions to defined contribution plans	17	9
	371	616

Other related party transactions

	Transaction value for the year ended 31 March	
	2015	**2014**
	$'000	**$'000**
Holding costs payable to American Pacific International Capital, Inc ("APIC")	–	1,069
Property consultancy fees payable to APIC	658	58

34 DISPOSAL OF SUBSIDIARIES

On 31 December 2014, the Group disposed of its 100% equity interest in SingXpress Properties Limited and Sansui Resorts Ltd to third-parties for a total consideration of $5,188,000.

The cash flows and the net assets of the subsidiaries disposed are provided below:

	2015
	$'000
Investment properties	5,749
Property, plant and equipment	5
Trade and other receivables	6
Trade and other payables	(44)
Net identified assets disposed	5,716
Realisation of foreign currency translation reserve	(477)
Loss on disposal	(51)
Consideration received, satisfied in cash	5,188

The loss on disposal was recognised in other operating expenses in the consolidated income statement.

SHAREHOLDERS' INFORMATION

AS AT 16 JUNE 2015

Class of equity securities	:	Ordinary
Number of equity securities	:	2,863,778,912
Number of equity securities (excluding Treasury Shares)	:	2,863,089,912
Number / Percentage of Treasury Shares	:	689,000 / 0.02%
Voting rights	:	One vote per share

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	5	0.12	165	0.00
100 - 1,000	392	9.49	161,271	0.01
1,001 - 10,000	990	23.96	6,795,294	0.24
10,001 - 1,000,000	2,684	64.99	232,852,159	8.13
1,000,001 and above	59	1.43	2,623,281,023	91.60
	4,130	100.00	2,863,089,912	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%*
1	Citibank Nominees Singapore Pte Ltd	1,618,312,500	56.52
2	Phillip Securities Pte Ltd	339,068,581	11.84
3	Acquire Wealth Limited	220,000,000	7.68
4	DBS Nominees Pte Ltd	142,763,536	4.99
5	Maybank Kim Eng Securities Pte Ltd	51,658,706	1.80
6	UOB Kay Hian Pte Ltd	50,481,700	1.76
7	Raffles Nominees (Pte) Ltd	39,707,400	1.39
8	Goh Bee Lan	19,913,000	0.70
9	DBS Vickers Securities (S) Pte Ltd	17,350,200	0.61
10	OCBC Securities Private Ltd	8,733,400	0.30
11	Bank of Singapore Nominees Pte Ltd	6,185,500	0.22
12	Hong Leong Finance Nominees Pte Ltd	6,183,370	0.22
13	Lee Che Hung	6,151,000	0.21
14	United Overseas Bank Nominees Pte Ltd	5,923,400	0.21
15	Chean Sock Hoon	5,460,000	0.19
16	CIMB Securities (S) Pte Ltd	4,537,700	0.16
17	HSBC (Singapore) Nominees Pte Ltd	4,488,300	0.16
18	Mao Jinshan	4,075,600	0.14
19	RHB Securities Singapore Pte Ltd	3,966,800	0.14
20	Ong Kian Kok	3,300,000	0.11
		2,558,260,693	89.35

* The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the company as at 16 June 2015, excluding 689,000 treasury shares as at that date.

SHAREHOLDERS' INFORMATION

AS AT 16 JUNE 2015

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF PUBLIC

27.95% 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 16 Junes 2015)

	Direct Interest		Deemed Interest	
	No. of Shares	%(1)	No. of Shares	%(1)
Haiyi Holdings Pte. Ltd.	1,601,391,481	55.93	-	-
Tang Yigang @ Gordon Tang (2)	-	-	1,821,391,481	63.62
Chen Huaidan @ Celine Tang (3)	-	-	1,601,391,481	55.93
Hai Run Pte. Ltd	237,000,000	8.28	-	-
Yang Dehe (4)	-	-	237,000,000	8.28
Yang Manlin (5)	-	-	237,000,000	8.28
Acquire Wealth Limited	220,000,000	7.68	-	-
New Palace Developments Limited (6)	-	-	220,000,000	7.68
Neil Bush (7)	-	-	220,000,000	7.68

Notes:

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

(2) Mr. Tang Yigang @ 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) Mdm Chen Huaidan @ 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 accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of Mr. Neil Bush. Accordingly, Mr. Neil Bush is deemed to have an interest in the shares which NPDL is interested in by virtue of Section 7 of the Companies Act.

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Singhaiyi Group Ltd. (the "Company") will be held at Pan Pacific Singapore, Ocean 4-5, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Monday, 20 July 2015 at 11.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 March 2015 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Article 95 of the Articles of Association of the Company:

   Mr Neil Bush **(Resolution 2)**
   Mr Mao Jinshan **(Resolution 3)**
   Mr Lim Cheong Tiong **(Resolution 4)**

   Mr Neil Bush will, upon re-election as a Director of the Company, remain as the Non-executive Chairman of the Company and will be considered non-independent.

   Mr Mao Jinshan will, upon re-election as a Director of the Company, remain as a Managing Director, US Operations of the Company and will be considered non-independent.

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

3. To approve the payment of Directors' fees of S$347,000.00 for the year ending 31 March 2016, to be paid quarterly in arrears. **(Resolution 5)**

4. 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 6)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

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

6. **Authority to 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 Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in 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 centum (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 centum (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 Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

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

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; 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 Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)] **(Resolution 7)**

7. **Authority to 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 centum (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 Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (ii)] **(Resolution 8)**

8. **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 Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-Catalist in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) 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 Companies Act and Listing Manual (Section B: Rules of Catalist) of the SGX-ST ("**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 annual general meeting 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;

(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, 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 annual general meeting of the Company was held and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier, after the date this Resolution is passed;

"**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 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; 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 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 9)**

By Order of the Board

Cho Form Po
Company Secretary
Singapore, 3 July 2015

Explanatory Notes:

(i) The Ordinary Resolution 7 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting 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 8 in item 7 above, if passed will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting 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 9 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting 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 3 July 2015.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy 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.

This Notice has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this Notice.

This Notice has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinion made or reports contained in this Notice.

The contact person for the Sponsor is Mr. Ong Hwee Li (Telephone: 65-6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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 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. For investors who have used their CPF monies to buy SingHaiyi Group Ltd.'s shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. 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.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

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 Pan Pacific Singapore, Ocean 4-5, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 20 July 2015 at 11.30 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.	To receive and adopt the Directors' Report and Audited Financial Statements of the Company for the year ended 31 March 2015 together with Auditors' Report thereon		
2.	To re-elect Mr Neil Bush as a Director.		
3.	To re-elect Mr Mao Jinshan as a Director.		
4.	To re-elect Mr Lim Cheong Tiong as a Director.		
5.	To approve the payment of Directors' fees of S$347,000.00 for the financial year ending 31 March 2016, to be paid quarterly in arrears.		
6.	To re-appoint Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Authority to issue shares.		
8.	Authority to issue shares under the SingHaiyi Share Option Scheme 2013.		
9.	Renewal of Share Purchase Mandate.		

Dated this .... day of 2015

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

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 3 July 2015.

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 130A of the Companies Act, Chapter 50 of Singapore), 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 of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. 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. 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.

5. 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.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. 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.

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 48 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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