CIRCULAR DATED 10 DECEMBER 2021

THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by the Company (as defined herein). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Offer Shares (as defined herein) held through CDP (as defined herein), you need not forward this Circular to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Offer Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser, the transferee or the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained, opinions expressed or advice given in this Circular.

SINGHAIYI
GROUP

SINGHAIYI GROUP LTD.

(Incorporated in the Republic of Singapore)
Company Registration No. 198803164K

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No.: 193500026Z

for and on behalf of

HAIYI TREASURE PTE. LTD.

(Incorporated in the Republic of Singapore)
Company Registration No. 202130991D

for all the issued ordinary shares in the capital of SingHaiyi Group Ltd.

Independent Financial Adviser to the Independent Directors of the Company

PROVENANCECAPITAL

PROVENANCE CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
Company Registration No. 200309056E

AFTER THE LATEST PRACTICABLE DATE, AND ON 6 DECEMBER 2021, UOB DECLARED, FOR AND ON BEHALF OF THE OFFEROR, THAT THE OFFER IS UNCONDITIONAL IN ALL RESPECTS. ACCORDINGLY, THE OFFER WILL REMAIN OPEN FOR ACCEPTANCES UNTIL 5.30 P.M. (SINGAPORE TIME) ON THE FINAL CLOSING DATE (AS DEFINED HEREIN). THE OFFEROR DOES NOT INTEND TO EXTEND THE OFFER BEYOND THE FINAL CLOSING DATE AND NOTICE IS HEREBY GIVEN THAT THE OFFER WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 5.30 P.M. (SINGAPORE TIME) ON THE FINAL CLOSING DATE. ACCEPTANCES RECEIVED AFTER 5.30 P.M. (SINGAPORE TIME) ON THE FINAL CLOSING DATE WILL BE REJECTED.

TABLE OF CONTENTS

	PAGE
DEFINITIONS	2
SUMMARY TIMETABLE	7
LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS	8
1. INTRODUCTION	8
2. THE OFFER	9
3. INFORMATION ON THE OFFEROR	11
4. IRREVOCABLE UNDERTAKINGS	11
5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY	12
6. THE OFFEROR'S INTENTIONS REGARDING LISTING STATUS AND COMPULSORY ACQUISITION	14
7. DIRECTORS' INTERESTS	15
8. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER	15
9. OVERSEAS SHAREHOLDERS	17
10. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS	18
11. ACTION TO BE TAKEN BY SHAREHOLDERS	18
12. DIRECTORS' RESPONSIBILITY STATEMENT	19
APPENDIX I	I-1
LETTER FROM PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER	I-1
APPENDIX II	II-1
ADDITIONAL GENERAL INFORMATION	II-1
APPENDIX III	III-1
PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS	III-1
APPENDIX IV	IV-1
VALUATION SUMMARY LETTER	IV-1
APPENDIX V	V-1
UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021	V-1
APPENDIX VI	VI-1
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2021	VI-1

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

GENERAL

"**Act**"	:	The Companies Act (Chapter 50 of Singapore)
"**Announcement Date**"	:	9 November 2021, being the date of the Offer Announcement
"**Board**"	:	The board of Directors of the Company as at the Latest Practicable Date
"**Business Day**"	:	A day other than Saturday, Sunday or a public holiday on which commercial banks are open for business in Singapore
"**Circular**"	:	This circular to Shareholders in relation to the Offer enclosing, *inter alia*, the recommendation of the Independent Directors and the IFA Letter
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Constitution**"	:	The constitution of the Company
"**CPFIS**"	:	Central Provident Fund Investment Scheme
"**CPFIS Investors**"	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"**CT**"	:	Ms. Chen Huaidan (also known as Mrs. Celine Tang)
"**Date of Receipt**"	:	The date of receipt of the Relevant Acceptance Forms by CDP or the Registrar (as the case may be), on behalf of the Offeror (provided always that the Date of Receipt falls on or before the Closing Date)
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date
"**Electronic Dissemination Notification**"	:	The written notification dated 26 November 2021 issued by UOB, for and on behalf of the Offeror, informing Shareholders of, *inter alia*, the electronic dissemination of the Offer Document and related documents
"**Encumbrances**"	:	Shall have the meaning ascribed to it in Section 2.3 of the Letter to Shareholders in the Offer Document and described in Section 2.1 of this Circular
"**FAA**"	:	Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, applicable to Shareholders whose Offer Shares are deposited with CDP
"**FAT**"	:	Form of Acceptance and Transfer for Offer Shares in respect of the Offer, applicable to Shareholders whose Offer Shares are registered in their own names in the Register and are not deposited with CDP
"**Final Closing Date**"	:	10 January 2022, such date being the last day for the lodgement of acceptances of the Offer

“**FY**”	:	The financial year ending or ended 31 March
“**GT**”	:	Mr. Tang Yigang (also known as Mr. Gordon Tang)
“**IFA Letter**”	:	The letter dated 10 December 2021 from Provenance Capital to the Independent Directors in relation to the Offer as set out in Appendix I to this Circular
“**Independent Directors**”	:	The Directors who are considered independent for the purposes of making recommendations to the Shareholders in respect of the Offer, namely Mr. Gn Hiang Meng, Mr. David Hwang Soo Chin, Mr. Lawrence Lua Gek Pong and Ms. Yang Manlin
“**Interested Person**”	:	As defined in the Note on Rule 24.6 of the Code and read with Note on Rule 23.12 of the Code, an Interested Person, in relation to a company, is: (a) a director, chief executive officer, or substantial shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
“**Interim Results**”	:	Unaudited condensed financial statements for the Group for the half year ended 30 September 2021
“**Irrevocable Undertakings**”	:	Shall have the meaning ascribed to it in Section 8.1.1 of the Letter to Shareholders in the Offer Document and described in Section 4 of this Circular
“**Latest Practicable Date**”	:	3 December 2021, being the latest practicable date prior to the dissemination of this Circular
“**Listing Manual**”	:	The Listing Manual of the SGX-ST, as amended up to the Latest Practicable Date
“**Market Day**”	:	A day on which the SGX-ST is open for trading of securities

"**Non-Independent Directors**"	:	CT, Mr. Neil Bush and Mr. Mao Jinshan collectively
"**Offer**"	:	The voluntary conditional cash offer made by UOB, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
"**Offer Announcement**"	:	The announcement relating to the Offer released by UOB, for and on behalf of the Offeror, on the Announcement Date
"**Offer Document**"	:	The offer document dated 26 November 2021, including the FAA and FAT, and any other document which may be issued by UOB, for and on behalf of the Offeror, to amend, revise, supplement or update the document(s) from time to time
"**Offer Price**"	:	S$0.117 in cash for each Offer Share
"**Offer Shares**"	:	All the issued shares (excluding treasury shares) in the capital of the Company
"**Offeror Securities**"	:	(a) shares of the Offeror; (b) securities which carry substantially the same rights as any shares of the Offeror; and (c) convertible securities, warrants, options and derivatives in respect of (a) or (b)
"**Overseas Shareholders**"	:	Shareholders whose addresses are outside Singapore as shown in the Register or, as the case may be, in the records of CDP
"**Register**"	:	The register of holders of Offer Shares, as maintained by the Registrar
"**Relevant Acceptance Forms**"	:	FAA and/or FAT
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
"**SFA**"	:	Securities and Futures Act (Chapter 289 of Singapore)
"**SGXNET**"	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"**Shareholders**"	:	Holders of Offer Shares (other than CDP) as indicated on the Register and Depositors who have Offer Shares entered against their names in the Depository Register
"**SingHaiyi Securities**"	:	(a) Offer Shares; or (b) convertible securities, warrants, options and derivatives in respect of Offer Shares
"**SRS**"	:	The Supplementary Retirement Scheme
"**SRS Agent Banks**"	:	Agent banks included under SRS
"**SRS Investors**"	:	Investors who have purchased Offer Shares pursuant to SRS
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, being the lawful currency of Singapore

"**Subject Properties**"	:	The properties of the Group at the following locations: (a) Lot No. 6165X Mukim 24 at 5 to 19 (Odd Nos.) How Sun Drive "The Gazania", Singapore 538527/30/33/36/40/45/50/55 (b) Lot No. 5780W Mukim 24 at 29/31/33 How Sun Road "The Lilium", Singapore 538499/500/501 (c) Lot No. 4512W Mukim 5 at 2/2A/2B/2C/2D/2E/2F/2G/2H/2J/2K/2L, 6/6A, 8A to 8F & 10/12/14/16/18/20 Jalan Lempeng "Parc Clematis", Singapore 126740, 128793, 123795 to 128802 & 128811 to 128827
"**Undertaking Shareholders**"	:	HHPL, AWL and Senz Holdings Limited collectively
"**Valuation Summary Letter**"	:	The valuation summary letter together with the valuation certificates of the Subject Properties from the Valuer as set out in Appendix IV to this Circular
"**%**" or "**per cent.**"	:	Percentage or per centum

COMPANIES / ORGANISATIONS

"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**AWL**"	:	Acquire Wealth Limited
"**CDP**"	:	The Central Depository (Pte) Limited
"**Company**" or "**SingHaiyi**"	:	SingHaiyi Group Ltd.
"**CPF**"	:	The Central Provident Fund
"**Group**"	:	The Company and its subsidiaries
"**Haiyi Group**"	:	HHPL and its subsidiaries
"**HHPL**"	:	Haiyi Holdings Pte. Ltd.
"**IFA**" or "**Provenance Capital**"	:	Provenance Capital Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the Offer
"**M & C Services**" or "**Registrar**"	:	M & C Services Private Limited
"**Offeror**"	:	Haiyi Treasure Pte. Ltd.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SIC**"	:	Securities Industry Council of Singapore
"**UOB**"	:	United Overseas Bank Limited
"**Valuer**"	:	Knight Frank Pte Ltd

Unless otherwise defined, the term "**acting in concert**" shall have the meaning ascribed to it in the Code.

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one (1) gender shall include the other gender. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Act, the SFA, the Listing Manual or the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Act, the SFA, the Listing Manual or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancies in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics. Capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

In this Circular, any reference to the total number of Offer Shares is a reference to 4,212,025,475 Offer Shares (excluding 24,110,300 treasury shares) as at the Latest Practicable Date (based on the business profile of the Company extracted from ACRA on the Latest Practicable Date), unless the context otherwise requires. Unless otherwise specified, all references to a percentage shareholding in the capital of the Company in this Circular are based on 4,212,025,475 Offer Shares (excluding 24,110,300 treasury shares) in issue as at the Latest Practicable Date (based on the business profile of the Company extracted from ACRA on the Latest Practicable Date).

Forward-looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "believe", "estimate", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "if", "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SUMMARY TIMETABLE

Dissemination of Offer Document	:	26 November 2021
Final Closing Date [(1)]	:	5.30 p.m. (Singapore time) on 10 January 2022.
Settlement of consideration for Offer Shares acquired by the Offeror [(2)]	:	(a) in respect of acceptances of the Offer which are complete and valid in all respects and whose Date of Receipt falls on or before the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms (such date, the "**Unconditional Date**") within seven Business Days of the Unconditional Date; and (b) in respect of acceptances which are complete and valid in all respects and whose Date of Receipt falls after the Unconditional Date, but before the Offer closes, within seven Business Days of the Date of Receipt of such acceptance.

Notes:

(1) Please refer to the announcement of 6 December 2021 by UOB, for and on behalf of the Offeror, for further details.

(2) Please refer to Paragraph 2 of Appendix 1 to the Offer Document for further details.

SINGHAIYI GROUP LTD.

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

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

Board of Directors:	**Registered Office:**
Mr. Neil Bush	6 Shenton Way
Mrs. Celine Tang	#45-01
Mr. Mao Jinshan	OUE Downtown
Mr. Gn Hiang Meng	Singapore 068809
Mr. David Hwang Soo Chin	
Mr. Lawrence Lua Gek Pong	
Ms. Yang Manlin	

10 December 2021

To: The Shareholders of the Company

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER BY UNITED OVERSEAS BANK LIMITED FOR AND ON BEHALF OF HAIYI TREASURE PTE. LTD.

1. INTRODUCTION

1.1 Offer Announcement

On 9 November 2021, UOB announced, for and on behalf of the Offeror, *inter alia*, that the Offeror intends to make a voluntary conditional cash offer for all the Offer Shares, including all the Offer Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror.

A copy the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 Offer Document

Shareholders should have by now received a copy of the Electronic Dissemination Notification, which contains the address and instructions for the electronic retrieval of the Offer Document disseminated on 26 November 2021 setting out, *inter alia*, the terms and conditions of the Offer. The principal terms of the Offer are set out in Section 2 of the Letter to Shareholders in the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

1.3 Independent Financial Adviser

Provenance Capital has been appointed as the independent financial adviser to the Independent Directors in relation to the Offer.

1.4 Purpose of the Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of Provenance Capital to the Independent Directors in relation to the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix I to this Circular carefully and consider the recommendation of the Independent Directors and the advice of Provenance Capital to the Independent Directors in relation to the Offer before deciding whether to accept or reject the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

2. THE OFFER

Based on the Offer Document, UOB, for and on behalf of the Offeror, made the Offer for all the Offer Shares in accordance with Section 139 of the SFA and the Code and subject to the terms and conditions of the Offer Document.

2.1 Terms of the Offer

The Offer is made by the Offeror on, *inter alia*, the principal terms set out in Section 2 of the Letter to Shareholders in the Offer Document, which are reproduced in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"2. THE OFFER

2.1 Offer Price. *For and on behalf of the Offeror, UOB hereby makes the Offer, in accordance with Section 139 of the SFA and the Code and subject to the terms and conditions of this Offer Document, for all the Offer Shares on the following basis:*

For each Offer Share: S$0.117 in cash.

The aggregate consideration payable to each Shareholder in respect of the Offer Shares validly tendered in acceptance of the Offer shall be rounded down to the nearest cent.

2.2 Offer Shares. *The Offer is extended to all Offer Shares, including any and all Offer Shares owned, controlled or agreed to be acquired by any party acting or deemed to be acting in concert with the Offeror in connection with the Offer.*

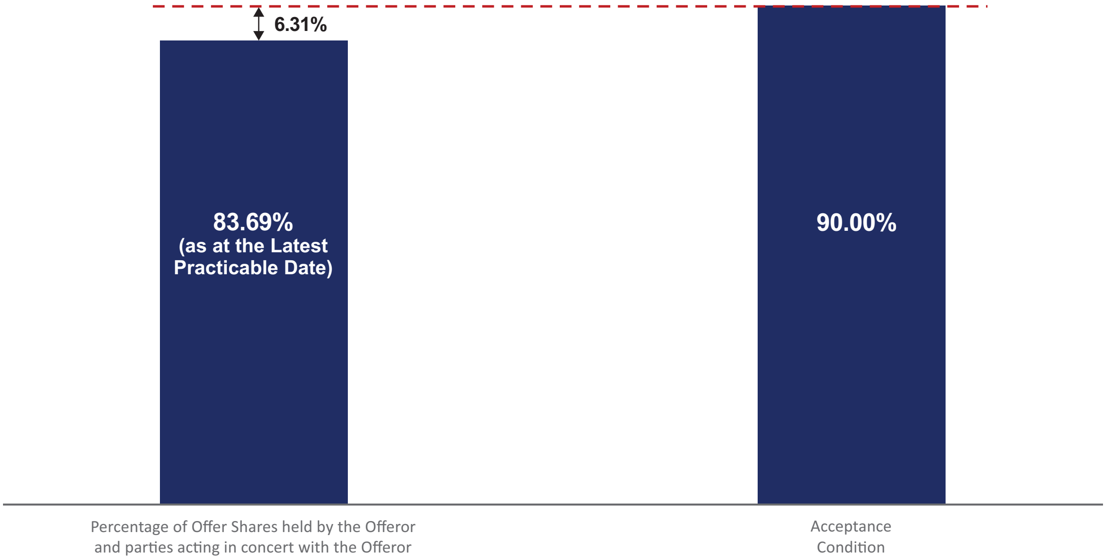
2.3 No Encumbrances. *The Offer Shares will be acquired (i) fully paid; (ii) free from all liens, equities, claims, charges, pledges, mortgages, encumbrances, options, powers of sale, declarations of trust, hypothecations, retentions of title, rights of pre-emption, rights of first refusal, moratorium or any other third party rights or security interests of any nature whatsoever or any agreements, arrangements or obligations to create any of the foregoing (the "**Encumbrances**"); and (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions and/or return of capital (if any) (collectively, the "**Distributions**") announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date.*

2.4 Adjustment for Distributions. *Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Announcement Date.*

*Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date to a Shareholder who validly accepts or has accepted the Offer (the "**Accepting Shareholder**"), and the Offeror is not entitled to receive such Distribution in full in respect of any Offer Share tendered in acceptance of the Offer, the Offer Price payable to such Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution.*

*2.5 **Acceptance Condition.** The Offer will be subject to the Offeror having received, by the Closing Date, valid acceptances (which have not been withdrawn) in respect of such number of the Offer Shares which, together with the Offer Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with the Offeror holding Offer Shares representing not less than 90 per cent. (the "**Offer Threshold**") of all the Offer Shares in issue as at the Closing Date (the "**Acceptance Condition**").*

As at the Latest Practicable Date, based on the latest information available to the Offeror, the Offeror and parties acting in concert with the Offeror hold in aggregate 3,525,095,767 Offer Shares representing approximately 83.69 per cent. of all the issued Offer Shares.



The Offeror reserves the right to revise the Acceptance Condition, subject to the consent of the SIC, by reducing the Offer Threshold to more than 50 per cent. of the total number of Offer Shares. In the event that the Acceptance Condition is revised, the revised Offer will remain open for another 14 days following such revision and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptance within eight days of the notification of such revision.

***Save for the Acceptance Condition, the Offer is unconditional in all respects.**"*

After the Latest Practicable Date, and on 6 December 2021, UOB declared, for and on behalf of the Offeror, that the Offer is unconditional in all respects.

2.2 Details of the Offer

Further details on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) requirements relating to announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer are set out in Appendix 1 to the Offer Document.

2.3 Final Closing Date

Shareholders should note that the Offer is open for acceptance by the Shareholders for at least 28 days from the date of despatch of the Offer Document, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

After the Latest Practicable Date, and on 6 December 2021, UOB declared, for and on behalf of the Offeror, that the Offer is unconditional in all respects. Accordingly, the Offer will remain open for acceptances until 5.30 p.m. (Singapore time) on the Final Closing Date. The Offeror does not intend to extend the Offer beyond the Final Closing Date. Notice is hereby given that the Offer will not be open for acceptance beyond 5.30 p.m. (Singapore time) on the Final Closing Date. Acceptances received after 5.30 p.m. (Singapore time) on the Final Closing Date will be rejected.

2.4 Procedures for Acceptance of the Offer

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document.

3. INFORMATION ON THE OFFEROR

Information on the Offeror is set out in Section 6 of the Letter to Shareholders in the Offer Document, which is reproduced in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

*"6. **INFORMATION ON THE OFFEROR***

*6.1 **The Offeror.** The Offeror is a private company limited by shares incorporated in Singapore on 6 September 2021 and its principal activity is investment holding.*

6.2 As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S$100 comprising 100 ordinary shares, of which 30% is owned by CT and 70% is owned by GT. CT and GT are also directors of the Offeror.

*6.3 **Further Information. Appendix 3** to this Offer Document sets out additional information on the Offeror."*

4. IRREVOCABLE UNDERTAKINGS

Information regarding the Irrevocable Undertakings provided by the Undertaking Shareholders is set out in Section 8 of the Letter to Shareholders in the Offer Document, which is reproduced in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

*"8. **IRREVOCABLE UNDERTAKINGS***

8.1 Undertaking Shareholders

*8.1.1 Each of Haiyi Holdings Pte. Ltd. ("**HHPL**"), Acquire Wealth Limited ("**AWL**"), and Senz Holdings Limited ("**SHL**", and together with HHPL and AWL, the "**Undertaking Shareholders**" and each an "**Undertaking Shareholder**") has provided an irrevocable undertaking (the "**Irrevocable Undertakings**" and each an "**Irrevocable Undertaking**") to accept the Offer in respect of the Offer Shares held by each of the Undertaking Shareholders prior to and up to the Closing Date.*

*8.1.2 As at the Latest Practicable Date, the Undertaking Shareholders collectively hold 3,301,080,467 Offer Shares (the "**Deferred Consideration Shares**"), representing approximately 78.37 per cent. of the total number of issued Offer Shares. Details of the Offer Shares held by the Undertaking Shareholders as at the Latest Practicable Date are set out in **paragraph 3** of **Appendix 5** to this Offer Document.*

8.1.3 Each of the Irrevocable Undertakings will lapse if the Offer lapses or is withdrawn.

*8.2 **Deferred Consideration.** In addition, pursuant to the terms of each Irrevocable Undertaking, each Undertaking Shareholder will (i) tender the Offer Shares held by it unconditionally in acceptance of the Offer and (ii) also waive its right to receive the cash consideration within the stipulated timeline under the Code. Each Undertaking Shareholder has agreed that payment for its respective Deferred Consideration Shares shall be deferred to a date falling three months after the Closing Date or such later date as may be agreed between each Undertaking Shareholder and the Offeror and such payment shall be made on the agreed date free of interest.*

*8.3 **Further Details.** Further details of the Irrevocable Undertakings are set out in **paragraph 3** of **Appendix 5** to this Offer Document."*

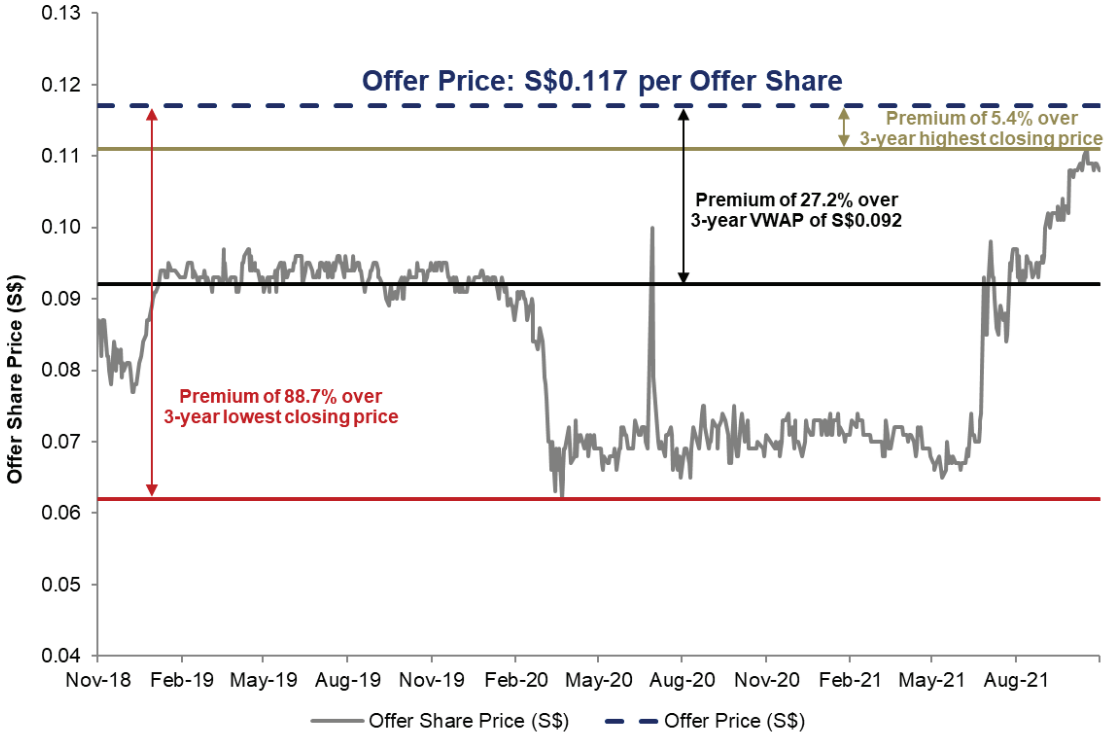
5. **RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY**

The Offeror's rationale for the Offer and the Offeror's intentions for the Company are set out in Sections 9 and 10 of the Letter to Shareholders in the Offer Document respectively, which are reproduced in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extracts below carefully and note the Offeror's intentions relating to the Company as set out therein.**

*"9. **RATIONALE FOR THE OFFER***

*9.1 **Opportunity for Shareholders to realise their investment at a premium without incurring brokerage fees.** The Offer presents Shareholders with an opportunity to realise their investment in their Offer Shares at a premium over historical traded prices of the Offer Shares without incurring brokerage fees and other trading costs.*

The Offer Price exceeds the highest closing price of the Offer Shares in the 3-year period prior to and including the Last Trading Date. It represents a premium ranging between 5.4 per cent. and 88.7 per cent. over the closing prices of the Offer Shares during this period. Additionally, the Offer Price represents a premium of 27.2 per cent. over the 3-year VWAP of S$0.092.



The Offer Price represents a premium of approximately 8.3 per cent. over the Company's closing price of S$0.108 as of 8 November 2021, being the Last Trading Date and a premium of approximately 7.3 per cent., 10.4 per cent., 18.2 per cent., and 19.4 per cent. over the one-month VWAP of S$0.109, three-month VWAP of S$0.106, six-month VWAP of S$0.099 and 12-month VWAP of S$0.098, respectively. The Offer Price also represents a premium of 17.0 per cent. over the rights shares allotted and issued at a price of S$0.100 on 14 March 2018.

*9.2 **Opportunity for Shareholders who may otherwise find it difficult to exit their investment in the Company due to low trading liquidity.** The trading volume of the Offer Shares has been generally low. The average daily trading volume[1] (the "**ADTV**") of the Offer Shares during the one-month period, three-month period, six-month period and 12-month period up to and including the Last Trading Date are detailed in the table below.*

	ADTV	ADTV as a percentage of total Offer Shares
One-month period up to and including the Last Trading Time	3,244,340	0.077%
Three-month period up to and including the Last Trading Time	2,148,800	0.051%
Six-month period up to and including the Last Trading Time	2,109,955	0.050%
12-month period up to and including the Last Trading Time	1,107,263	0.026%

Each of these represents no more than 0.078 per cent. of the total number of issued Offer Shares for any of the aforementioned relevant periods.

Hence, the Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium to the prevailing market prices and free of brokerage costs, being an option which may not otherwise be readily available due to the low trading liquidity of the Offer Shares.

*9.3 **Only Offer capable of turning unconditional or succeeding.** Given that HHPL, which holds more than 50 per cent. of the Offer Shares, has undertaken to accept the Offer, no other general offer will be capable of turning unconditional or succeeding. Should the Offer fail to become or be declared unconditional, the Offeror is not permitted under the Code to make another general offer for the Company for 12 months following the lapse of the Offer.*

*9.4 **Greater management flexibility.** The Offeror is making the Offer with a view to delist the Company from the SGX-ST and exercising its rights of compulsory acquisition. The Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the business of the Group, optimise the use of its management and resources and facilitate the implementation of any operational change.*

*9.5 **Compliance costs of maintaining listing status.** In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.*

10. OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror intends for the Company to continue with its existing activities and has no intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Group, other than in the ordinary course of business. However, the board of directors of the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interest of the Offeror."

1 The average daily trading volume is computed based on the total volume (excluding married trades) of Offer Shares traded divided by the number of Market Days with respect to the one-month period, three-month period, six-month period and 12-month period up to and including the Last Trading Date.

6. THE OFFEROR'S INTENTIONS REGARDING LISTING STATUS AND COMPULSORY ACQUISITION

The Offeror's intentions relating to the listing status of the Company and the compulsory acquisition of Offer Shares are set out in Sections 11 and 12 of the Letter to Shareholders in the Offer Document, which are reproduced in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"11. LISTING STATUS

11.1 Free Float Requirement. *Pursuant to Rule 723 of the Listing Manual, SingHaiyi must ensure that at least 10 per cent. of the total number of Offer Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**"). Pursuant to Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total number of Offer Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Offer Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of Offer Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Offer Shares (excluding treasury shares), thus causing the percentage of the total number of issued Offer Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company at the Closing Date.*

In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not complied with, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Offer Shares on the SGX-ST. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the Offer Shares held by at least 500 members of the public to be raised to at least 10 per cent. (excluding treasury shares), failing which the Company may be removed from the Official List of the SGX-ST.

11.2 Intention of the Offeror. *The Offeror is making the Offer with the intention of privatising the Company. In the event the Company does not meet the Free Float Requirement as at the Closing Date and the SGX-ST suspends trading of the Offer Shares,* ***the Offeror does not intend to maintain the present listing status of the Company and, accordingly, does not intend to place out any Offer Shares held by the Offeror to members of the public to meet the Free Float Requirement. In addition, the Offeror does not intend to support any action by the Company to meet the Free Float Requirement.***

The Offeror hereby reserves its right, to take steps at an appropriate time, whether during or after the Offer, to seek a voluntary delisting of the Company from the SGX-ST, where permitted by, and in accordance with, the relevant requirements of the Listing Manual and the Code.

12. COMPULSORY ACQUISITION

12.1 Compulsory Acquisition. *Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer or acquires Offer Shares from the Dissemination Date otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. of the total number of Offer Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Dissemination Date), the Offeror will be entitled to exercise its right to compulsorily acquire, at the Offer Price, all Offer Shares held by Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**").*

In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

*12.2 **Section 215(3)**. In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Offer Shares which, together with treasury shares held by the Company and Offer Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total number of issued Offer Shares, the Dissenting Shareholders have the right to require the Offeror to acquire their Offer Shares at the Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice."*

After the Latest Practicable Date and on 6 December 2021, UOB announced, for and on behalf of the Offeror, the following:

"9. TRADING SUSPENSION AND DELISTING

9.1 *Rule 723 of the Listing Manual requires the Company to ensure that at least 10 per cent. of the total number of issued Offer Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**"). As the Offeror has received acceptances of the Offer in respect of such number of Offer Shares which would bring the holdings owned by the Offeror and the Offeror Concert Parties to above 90 per cent. of the total number of issued Offer Shares (excluding treasury shares), pursuant to Rule 1105 of the Listing Manual, the SGX-ST may suspend the trading of the Offer Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of issued Offer Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Offer Shares (excluding treasury shares), thus causing the percentage of the total number of issued Offer Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company, being the Offer Shares, at the Closing Date.*

9.2 *As at the date of this Announcement, the Free Float Requirement is not satisfied. As stated in the Offer Document, the Offeror does not intend to (i) maintain the present listing status of the Company and, accordingly, (ii) place out any Offer Shares held by the Offeror to members of the public to meet the Free Float Requirement and (iii) support any action by the Company to meet the Free Float Requirement.*

The Offeror intends to take steps to delist the Company from the SGX-ST following the close of the Offer."

All terms and expressions used in the extract above shall have the same meanings as those defined in the announcement of 6 December 2021 by UOB, for and on behalf of the Offeror.

7. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Offer Shares and in the Offeror Securities as at the Latest Practicable Date are set out in Appendix II to this Circular.

8. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

8.1 Independence of Directors

(a) Mr. Neil Bush is a director of American Pacific International Capital, Inc. ("**APIC**"), which is an entity controlled by GT and CT. Mr. Neil Bush also has a 30% interest in AWL which holds 220,000,000 Offer Shares. AWL, an Undertaking Shareholder, has provided an Irrevocable Undertaking to accept the Offer in respect of the 220,000,000 Offer Shares held by it;

(b) CT is a director and shareholder of the Offeror. She is also the wife of GT, who is a director and shareholder of the Offeror; and

(c) Mr. Mao Jinshan is a long-time employee of the Haiyi Group and is presently the President of APIC overseeing all aspects of APIC's development projects. He has disclosed himself as a party acting or deemed acting in concert with the Offeror.

In view of the above, each of the Non-Independent Directors are not considered independent for the purposes of the Offer and should be exempted from making and assuming responsibility for any recommendations on the Offer to Shareholders as he/she faces an irreconcilable conflict of interests in relation to the Offer. The Offeror had sought and obtained a ruling from SIC confirming, *inter alia*, that the Non-Independent Directors will be exempted from making a recommendation to Shareholders in respect of the Offer. Each of the Non-Independent Directors must, however, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

All of the Independent Directors consider themselves independent for the purposes of making a recommendation to Shareholders in respect of the Offer.

8.2 IFA's Opinion and Advice to the Independent Directors on the Offer

The IFA Letter setting out the opinion and advice of the IFA to the Independent Directors in relation to the Offer is set out in Appendix I to this Circular.

The opinion and advice of the IFA to the Independent Directors in relation to the Offer has been extracted from the IFA Letter and is set out below. Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

"*In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we considered to be pertinent in our assessment of the Offer:*

(a) market quotation and trading activity of the Shares;

(b) financial analysis of the Group;

(c) comparison with precedent privatisation of selected SGX-ST listed companies;

(d) comparison of valuation statistics of selected listed companies which are broadly comparable with the Group;

(e) estimated value range of the Shares;

(f) dividend track record of the Company; and

(g) other relevant considerations.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, overall, we are of the view that the financial terms of the Offer are not fair but reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to accept the Offer."

Shareholders should read and consider carefully the key considerations relied upon by the IFA in arriving at its opinion and advice to the Independent Directors in conjunction with, and in the context of, the full text of the IFA Letter.

8.3 Recommendation of the Independent Directors

The Independent Directors have reviewed and considered carefully the terms of the Offer, and the opinion and advice of the IFA in the IFA Letter. The Independent Directors **concur** with the IFA's opinion and advice, as extracted from the IFA Letter and reproduced in Section 8.2 of this Circular above. Accordingly, the Independent Directors recommend that Shareholders **accept** the Offer.

Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders are advised to read the IFA Letter set out in Appendix I to this Circular carefully and in its entirety before deciding whether to accept or reject the Offer. Shareholders should note that the IFA's opinion and advice to the Independent Directors in relation to the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Offer.

In making their recommendations, the Independent Directors have not had regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

9. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 16 of the Letter to Shareholders in the Offer Document, which is reproduced in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"16. OVERSEAS SHAREHOLDERS

16.1 Overseas Shareholders. *This Offer Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being proposed in any jurisdiction in which the introduction or implementation of the Offer would not be in compliance with the laws of such jurisdiction. As there may be potential restrictions on sending this Offer Document and the Relevant Acceptance Forms and/or any related documents to any overseas jurisdictions, the Offeror and UOB reserve the right not to send this Offer Document and the Relevant Acceptance Forms and/or any related documents to overseas jurisdictions. The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or, as the case may be, in the records of CDP (the "**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements in their own jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders, including those to whom this Offer Document and the Relevant Acceptance Forms and/or any related documents have not been, or will not be, sent.*

16.2 Copies of Offer Document. *Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain electronic copies of this Offer Document, the Relevant Acceptance Forms and/or any related documents from the website of the SGX-ST at https://www.sgx.com. To obtain an electronic copy of this Offer Document, please select the section "**Securities**", select "**Company Information**" and then "**Company Announcements**" from the drop-down menu list and type the name of the Company: "**SINGHAIYI GROUP LTD.**" in the box titled "**Filter by Company / Security Name**". "**SINGHAIYI GROUP LTD.**" will appear as a drop-down item below the filter box.*

*Thereafter, please select the announcement dated 26 November 2021 titled "**Voluntary Conditional Cash Offer – Electronic Dissemination of Offer Document**". This Offer Document and its related documents can be accessed by clicking on the link under the section titled "**Attachments**" at the bottom of the announcement.*

16.3 ***Notice.*** *The Offeror and UOB each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement.*

16.4 ***Compliance with Applicable Laws****. It is the responsibility of any Overseas Shareholder who wishes to (i) request for this Offer Document, the Relevant Acceptance Forms and/or any related documents; and/or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with all other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on his behalf (including UOB, CDP and the Registrar) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any exercise of the rights described in this Offer Document. In (a) requesting for this Offer Document, the Relevant Acceptance Forms and/or any related documents; and/or (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, CDP, the Registrar and UOB that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction."*

10. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

Shareholders who require information relating to CPFIS Investors and SRS Investors should refer to Section 17 of the Letter to Shareholders in the Offer Document, which is reproduced in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"17. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks, which may be earlier than the Closing Date. Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who validly accept the Offer will receive the payment for their Offer Shares in their respective CPF investment accounts and SRS investment accounts."

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to accept the Offer, must do so no later than 5.30 p.m. (Singapore time) on the Final Closing Date, abiding by the procedures as set out in Appendix 2 to the Offer Document.

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document which has been sent to them.

Shareholders should also take note of the matters mentioned in Section 6 of this Circular.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein (other than the IFA Letter and the Valuation Summary Letter) are fair and accurate and that no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular misleading, and they jointly and severally accept full responsibility accordingly.

In respect of the IFA Letter and the Valuation Summary Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect of the Group are fair and accurate.

The recommendation set out in Section 8.2 of this Circular is the sole responsibility of the Independent Directors.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Offer Announcement and the Offer Document), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced herein.

Yours faithfully
For and on behalf of the Board
SingHaiyi Group Ltd.

Mr. Gn Hiang Meng
Non-Executive and Lead Independent Director

LETTER FROM PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

PROVENANCE CAPITAL PTE. LTD.
(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

10 December 2021

To: The Independent Directors of SingHaiyi Group Ltd.
(deemed to be independent in respect of the Offer)

Mr Gn Hiang Meng	(Lead Independent Director)
Mr David Hwang Soo Chin	(Independent Director)
Mr Lawrence Lua Gek Pong	(Independent Director)
Ms Yang Manlin	(Independent Director)

Dear Sirs/Mdm,

VOLUNTARY CONDITIONAL CASH OFFER FOR SINGHAIYI GROUP LTD.

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to shareholders of SingHaiyi Group Ltd. ("**Shareholders**") dated 10 December 2021 ("**Circular**"). The latest practicable date as referred to in the Circular and for the purposes of this letter ("**Letter**") is 3 December 2021 ("**Latest Practicable Date**").*

1. INTRODUCTION

1.1 Offer announcement

On 9 November 2021 ("**Offer Announcement Date**"), United Overseas Bank Limited ("**UOB**") announced ("**Offer Announcement**"), for and on behalf of Haiyi Treasure Pte. Ltd. ("**Offeror**") that, the Offeror intends to make a voluntary conditional cash offer ("**Offer**"), in accordance with the Singapore Code on Take-overs and Mergers ("**Code**"), for all the issued ordinary shares (excluding treasury shares) in the capital of the Company ("**Shares**" or "**Offer Shares**"), including all the Offer Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror.

The offer price for each Offer Share is **S$0.117 in cash** ("**Offer Price**").

The issued and paid-up share capital of the Company comprises 4,212,025,475 Shares (excluding 24,110,300 treasury shares). As at the Offer Announcement Date, (a) the Offeror does not own any Offer Shares, and (b) Haiyi Holdings Pte. Ltd. ("**HHPL**"), Acquire Wealth Limited ("**AWL**") and Senz Holding Limited ("**SHL**"), being parties acting in concert with the Offeror ("**Undertaking Shareholders**") which own in aggregate 3,301,080,467 Shares representing 78.37% of all the issued Shares, have each provided an irrevocable undertaking ("**Irrevocable Undertakings**") to accept the Offer in respect of the Offer Shares held by them.

The Offer will be subject to the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, together with the Offer Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with the Offeror holding Offer Shares representing not less than 90% ("**Offer Threshold**") of all the Shares in issue as at the close of the Offer ("**Acceptance Condition**").

The Offeror reserves the right to revise the Acceptance Condition, subject to the consent of the Securities Industry Council ("**SIC**"), by reducing the Offer Threshold to more than 50% of the total number of Offer Shares. In the event that the Acceptance Condition is revised, the revised Offer will remain open for another 14 days following such condition and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptance within 8 days of the notification of such revision.

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

1.2 Post Offer Announcement Date and up to the Latest Practicable Date

On 26 November 2021, the Offeror announced that the formal offer document dated 26 November 2021 ("**Offer Document**") setting out the detailed terms and conditions of the Offer, has been electronically despatched to Shareholders, and a copy of the Offer Document is also available on the SGXNET.

Based on publicly available information, as at the Latest Practicable Date, the total number of Offer Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting or deemed to be acting in concert with the Offeror (including the Undertaking Shareholders), when aggregated with valid acceptances of the Offer, amounted to 3,756,330,034 Shares, representing 89.18% of the total number of issued Shares (excluding treasury shares).

1.3 Our role as Independent Financial Adviser to the Offer

In connection with the Offer, the Company has appointed us, Provenance Capital Pte. Ltd. ("**Provenance Capital**"), as the independent financial adviser ("**IFA**") to advise the directors of the Company ("**Directors**") who are deemed to be independent in respect of the Offer ("**Independent Directors**"), and for the purposes of making their recommendation to Shareholders in relation to the Offer.

As at the Latest Practicable Date, the Directors are as follows:

(i) Mr Neil Bush, Chairman, Non-Executive & Non-Independent Director
(ii) Ms Chen Huaidan ("**Mrs Celine Tang**"), Group Managing Director, Executive & Non-Independent Director
(iii) Mr Mao Jinshan ("**Mr Mao**"), Managing Director, The U.S. Operations, Executive & Non-Independent Director
(iv) Mr Gn Hiang Meng, Lead Independent Director
(v) Mr David Hwang Soo Chin, Independent Director
(vi) Mr Lawrence Lua Gek Pong, Independent Director
(vii) Ms Yang Manlin, Independent Director

Mr Neil Bush is a director of American Pacific International Capital, Inc. ("**APIC**"), which is an entity controlled by Mr Gordon Tang and Mrs Celine Tang. Mr Neil Bush also has an indirect 30% interest in AWL which holds 220,000,000 Offer Shares. AWL, an Undertaking Shareholder, has provided an Irrevocable Undertaking to accept the Offer in respect of the 220,000,000 Offer Shares held by it.

Mrs Celine Tang is a director and shareholder of the Offeror.

Mr Mao is a long time employee of the Haiyi Group and is presently the President of APIC overseeing all aspects of APIC's development projects. He has disclosed himself as a party acting or deemed acting in concert with the Offeror.

The SIC has confirmed that Mrs Celine Tang, Mr Neil Bush and Mr Mao are exempted from the requirements to make a recommendation to Shareholders on the Offer in view of their irreconcilable conflicts of interest in the Offer.

Accordingly, the remaining Directors, namely, Mr Gn Hiang Meng, Mr David Hwang Soo Chin, Mr Lawrence Lua Gek Pong and Ms Yang Manlin are deemed Independent Directors in respect of the Offer.

This Letter is therefore addressed to the Independent Directors and sets out, *inter alia*, our evaluation of the financial terms of the Offer and our recommendations on the Offer. This Letter forms part of the Circular which provides, *inter alia*, details of the Offer and the recommendations of the Independent Directors to Shareholders on the Offer.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA to advise the Independent Directors in respect of their recommendations to Shareholders in relation to the Offer.

We have confined our evaluation and assessment to the financial terms of the Offer, and have not taken into account the commercial risks or commercial merits of the Offer. In addition, we have not been requested to, and we do not express any advice or give any opinion on the merits of the Offer relative to any other alternative transaction. We were not involved in the negotiations pertaining to the Offer nor were we involved in the deliberations leading up to the decision to put forth the Offer to Shareholders.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position or earnings potential of the Group. Such evaluation or comments remain the responsibility of the Directors although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the Directors and the management of the Group ("**Management**"), and is predicated on the economic and market conditions prevailing as at or around the Latest Practicable Date. This Letter therefore does not reflect any projections on the future financial performance of the Group and we do not express any views as to the prices at which the Shares may trade after the close of the Offer.

We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. In this regard, we have not addressed the relative merits of the Offer in comparison with any alternative transaction the Company may consider in the future. Therefore, we do not express any views in these areas in arriving at our recommendation.

In formulating our opinion and recommendation, we have held discussions with the Directors and Management and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Company and its other professional advisers. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information both written and verbal, and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. Nonetheless, we have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, the Group's development properties, investment properties and as well as properties held under the Group's investment in associates and joint ventures).

However, in connection with the Offer, the Company had commissioned Knight Frank Pte Ltd ("**Knight Frank**") to carry out an independent valuation of the Group's major development properties in Singapore, namely Parc Clematis, The Gazania and The Lilium. A copy of the Valuation Summary Letter together with the valuation certificates is attached as Appendix IV to the Circular. The aggregate carrying value of these properties amounted to S$1,517.2 million, representing 92.1% of the total carrying value of the Group's development properties and 71.2% of the total assets of the Group as at 30 September 2021, being the latest results announcement of the Group for the half year ended 30 September 2021 ("**1HFY2022**"). The Group has a 50% interest in each of these development properties.

Further details of the Group's properties and their respective valuation, where relevant, are set out in Sections 6.4.2 and 7 of this Letter.

We are not experts in the evaluation or appraisal of the properties concerned, and for the purposes of evaluating and assessing the financial terms of the Offer, we have taken into account, *inter alia*, the independent valuation by the relevant valuers for such appraisal and we have not made any independent verification of the contents thereof.

The information we have relied on in the assessment of the Offer was based on market, economic, industry, monetary and other conditions prevailing as at or around the Latest Practicable Date, which may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or assumptions contained herein. Shareholders should take note of any announcements relevant to their consideration of the Offer which may be released or published after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not considered the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any Shareholder. As each Shareholder may have different investment profiles and objectives, we advise the Directors to recommend that any Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular. We have no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular. Accordingly, we take no responsibility for and express no view, whether expressed or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any Shareholder may reproduce, disseminate or quote this Letter (or any part thereof) for any purpose, other than for the purpose of the Offer, at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

Our opinion is addressed to the Independent Directors for their benefit and deliberation of the Offer. Their recommendation made to the Shareholders in relation to the Offer shall remain the responsibility of the Independent Directors.

Our recommendation to the Independent Directors in relation to the Offer should be considered in the context of the entirety of this Letter and the Circular.

Responsibility Statement by the Directors

The Directors have confirmed that, to the best of their knowledge and belief, all material information relating to the Company and the Group provided to us in connection with the Offer, is true, complete and accurate in all material respects and there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Offer to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

3. THE OFFER

The detailed terms and conditions of the Offer are set out in Section 2 and Appendix 1 of the Offer Document. The key terms of the Offer are set out below for your reference:

3.1 Offer Shares

In accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Code, the Offer is made for all the Offer Shares (excluding treasury shares) owned, controlled or agreed to be acquired by any party acting or deemed to be acting in concert with the Offeror in connection with the Offer.

3.2 Offer Price

The Offer Price for each Offer Share is **S$0.117 in cash**.

The aggregate consideration payable to each Shareholder in respect of the Offer Shares validly tendered in acceptance of the Offer shall be rounded down to the nearest cent.

3.3 No Encumbrances

The Offer Shares will be acquired:

(a) fully paid;

(b) free from all Encumbrances (as defined in the Offer Document); and

(c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all dividends, rights, other distributions and/or return of capital (collectively, "**Distributions**") announced, declared, paid or made by the Company on or after the Offer Announcement Date.

3.4 Adjustments for Distribution

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date to a Shareholder who accepts or has accepted the Offer and the settlement date in respect of the Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offeror reserves the right to reduce the Offer Price payable to such accepting Shareholder by the amount of such Distribution.

Since the Offer Announcement Date and up to the Latest Practicable Date, we note that the Company has not made or declared any Distribution.

3.5 Acceptance Condition

The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, together with the Offer Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with the Offeror holding Offer Shares representing not less than the Offer Threshold of 90% of all the Offer Shares in issue as at the close of the Offer.

The Offeror reserves the right to revise the Acceptance Condition, subject to the consent of the SIC, by reducing the Offer Threshold to more than 50% of the total number of Offer Shares. In the event that the Acceptance Condition is revised, the revised Offer will remain open for another 14 days following such condition and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptance within 8 days of the notification of such revision.

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

Based on publicly available information as disclosed by the Offeror, as at the Latest Practicable Date, the total number of Offer Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting or deemed to be acting in concert with the Offeror, when aggregated with valid acceptance of the Offer, amounted to 3,756,330,034 Shares, representing 89.18% of the total number of issued Shares.

As at the Latest Practicable Date, we note that the Offer has not become or been declared to be unconditional in all respects.

3.6 Duration of the Offer

The duration of the Offer is set out in Section 1 of Appendix 1 to the Offer Document and extracted below for your reference:

"***1. DURATION OF THE OFFER***

1.1 First Closing Date. *The Offer is open for acceptance by Shareholders for at least 28 days from the Dissemination Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 27 December 2021, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.*

1.2 Subsequent Closing Date(s)*. If the Offer is extended and:*

1.2.1 *is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; and*

1.2.2 *is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least 14 days' prior notice in writing before it may close the Offer.*

1.3 No Obligation to Extend Offer. *The Offeror is not obliged to extend the Offer if the Acceptance Condition specified in* ***Section 2.5*** *of the Letter to Shareholders in this Offer Document is not fulfilled by the Closing Date.*

1.4 Offer to Remain Open for 14 Days after Being Declared Unconditional as to Acceptances*. In order to give Shareholders who have not accepted the Offer the opportunity to accept the Offer after the Offer has become or is declared unconditional as to acceptances, the Offer will remain open for a period (the "****Rule 22.6 Period****") of not less than 14 days after the date on which it would otherwise have closed.*

*This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders at least 14 days' notice in writing (the "**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:*

1.4.1 *the Offeror may not give a Shut-Off Notice in a competitive situation; and*

1.4.2 *the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.*

*If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with **paragraph 3.1** of this **Appendix 1**, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.*

1.5 ***Final Day Rule.*** *The Offer (whether revised or not) will not be capable:*

1.5.1 *of becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Dissemination Date; or*

1.5.2 *of being kept open after 5.30 p.m. (Singapore time) on the 60th day after the Dissemination Date unless the Offer has previously become or been declared to be unconditional as to acceptances,*

*provided that the Offeror may extend the Offer beyond such 60-day period with SIC's prior consent (the "**Final Day Rule**").*

1.6 ***Revision.*** *Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders who had previously accepted the Offer."*

3.7 Further details of the Offer

Further details of the Offer are set out on pages 7 to 9 and Appendices 1 and 2 to the Offer Document, including details on (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement(s) of the level of acceptances of the Offer; (c) the right of withdrawal of acceptances of the Offer; and (d) the procedures for acceptance of the Offer.

4. SALIENT INFORMATION ON THE OFFEROR AND PARTIES ACTING OR DEEMED ACTING IN CONCERT WITH IT

Details on the Offeror and parties acting or deemed acting in concert with it are set out in Sections 6 and 8, and Appendices 3 and 5 of the Offer Document.

4.1 Offeror

The Offeror is a private company incorporated in Singapore on 6 September 2021 and its principal activity is investment holding.

As disclosed in the Offer Document, the Offeror has an issued and paid-up share capital of S$100 comprising 100 ordinary shares which are held 70% by Mr Gordon Tang and 30% by his spouse, Mrs Celine Tang. Mr Gordon Tang and Mrs Celine Tang are also the directors of the Offeror.

Mrs Celine Tang is the Group Managing Director and Executive Director of the Company.

4.2 Irrevocable Undertakings

The following Undertaking Shareholders have each given their respective Irrevocable Undertakings to the Offeror to accept the Offer Shares in respect of the Offer Shares held by each of them and have agreed for the payment for the consideration for the Offer Shares to be deferred to an agreed date after the close of the Offer, free of interest:

Name	No. of Offer Shares	% of total issued Offer Shares (%)	Amount of consideration deferred (S$)
HHPL	2,962,580,467	70.34	346,621,914.64
AWL	220,000,000	5.22	25,740,000.00
SHL	118,500,000	2.81	13,864,500.00
Total	**3,301,080,467**	**78.37**	**386,226,414.64**

Mr Gordon Tang has a controlling interest in HHPL and owns 70% interest in AWL.

Mrs Celine Tang is entitled to exercise or control the exercise of not less than 20% of the votes attached to the shares held by her in HHPL.

New Palace Developments Limited ("**NPDL**") owns 30% interest in AWL. Mr Neil Bush, the Chairman, Non-Executive & Non-Independent Director of the Company, is an ultimate shareholder of NPDL.

SHL is a company owned 50.02% by Mr Tang Jialin (son of Mr Gordon Tang and Mrs Celine Tang) and 49.98% by Ms Yang Chanzhen (mother of Mr Gordon Tang).

Each of the Irrevocable Undertakings will lapse if the Offer lapses or is withdrawn.

The Offer Document had disclosed that save for the Irrevocable Undertakings, *inter alia* there are no other agreement in connection with or dependent upon the Offer or outcome of the Offer.

4.3 Parties acting or deemed acting in concert with the Offeror

Based on publicly available information, as at the Latest Practicable Date, the total number of Offer Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting or deemed to be acting in concert with the Offeror, when aggregated with valid acceptance of the Offer, amounted to 3,756,330,034 Shares, representing 89.18% of the total number of issued Shares (excluding treasury shares) comprising the following:

Offeror's interest	Number of Offer Shares	% of total issued Offer Shares
Offeror and its concert parties interests in the Offer Shares (excluding Offer Shares acquired after the Offer Announcement Date and up to the Latest Practicable Date)	3,377,656,067	80.19
Offer Shares acquired by the Offeror and its concert parties via market trades on the SGX-ST after the Offer Announcement Date and to the Latest Practicable Date	249,433,500	5.92
Valid acceptances of the Offer up to the Latest Practicable Date	129,240,467	3.07
Total	**3,756,330,034**	**89.18**

5. RATIONALE FOR THE OFFER, OFFEROR'S INTENTIONS FOR THE COMPANY AND LISTING STATUS

5.1 Rationale for the Offer and the Offeror's intention relating to the Company

The full text of the Offeror's rationale for the Offer and intentions for the Company is set out in Sections 9 and 10 of the Offer Document.

In summary, the Offeror's rationale for the Offer is as follows:

(a) the Offer presents Shareholders with a cash exit opportunity to realise their investment in the Offer Shares at a premium above the historical trading Share prices over the last 3 years prior to the Offer Announcement, without incurring brokerage and other trading costs;

(b) the Offer also gives an opportunity for Shareholders which may otherwise find it difficult to exit their investment in the Company due to the low trading liquidity of the Shares;

(c) no other general offer for the Shares will be capable of becoming unconditional or succeeding given that the Offeror has already obtained the Irrevocable Undertakings in respect of 78.37% of the total issued Shares (excluding the treasury shares). The Offer is therefore the only offer capable of becoming unconditional or succeeding. However, if the Offer fail to become unconditional, the Offeror will not be permitted under the Code to make another general offer for the Company for the next 12 months following the lapse of the Offer;

(d) the Offeror is making the Offer with a view to delisting the Company from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and exercising its rights of compulsory acquisition. The Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the Group's businesses, optimise the use of its management and resources, and facilitate the implementation of any operational change; and

(e) in the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

The Offeror intends for the Company to continue with its existing activities and has no intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Group, other than in the ordinary course of business. However, the board of directors of the Offeror retains the flexibility at any time to consider any options in relation to the Group may present themselves and which it may regard to be in the best interest of the Offeror.

5.2 Listing Status of the Company

Pursuant to Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held by the public ("**Free Float Requirement**").

The Offeror is making the Offer with the intention of privatising the Company. In the event that the Company does not meet the Free Float Requirement as at the close of the Offer and the SGX-ST suspends trading of the Offer Shares, **the Offeror does not intend to maintain the present listing status of the Company and, accordingly, does not intend to place out any Offer Shares held by the Offeror to members of the public to meet the Free Float Requirement. In addition, the Offeror does not intend to support any action by the Company to meet the Free Float Requirement.**

The Offeror has also stated that it reserves its right to take steps at an appropriate time, whether during or after the Offer, to seek a voluntary delisting of the Company from the SGX-ST, where permitted by, and in accordance with, the relevant requirements of the Listing Manual and the Code.

5.3 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), if the Offeror receives valid acceptances pursuant to the Offer or otherwise acquires Offer Shares following the date of the despatch of the Offer Document in respect of not less than 90% of the total number of Offer Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the Offer Document), the Offeror will be entitled to exercise its right to compulsorily acquire, at the Offer Price, all Offer Shares held by Shareholders who have not accepted the Offer ("**Dissenting Shareholders**").

In such an event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Offer Shares which, together with the treasury shares held by the Company and the Offer Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Offer Shares, the Dissenting Shareholders have the right to require the Offeror to acquire their Offer Shares at the Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

6. SALIENT INFORMATION ON THE COMPANY AND THE GROUP

General information on the Company and the Group is set out in Appendix II to the Circular.

6.1 Overview

The Company is incorporated in Singapore and listed on the Main Board of the SGX-ST. The principal business of the Group is the development of and investment in residential and commercial properties located primarily in Singapore, the United States of America ("**U.S.**") and Malaysia.

6.2 Directors

As at the Latest Practicable Date, the Directors are as follows:

(i) Mr Neil Bush, Chairman, Non-Executive & Non-Independent Director
(ii) Mrs Celine Tang, Group Managing Director, Executive & Non-Independent Director
(iii) Mr Mao, Managing Director, The U.S. Operations, Executive & Non-Independent Director
(iv) Mr Gn Hiang Meng, Lead Independent Director
(v) Mr David Hwang Soo Chin, Independent Director
(vi) Mr Lawrence Lua Gek Pong, Independent Director
(vii) Ms Yang Manlin, Independent Director

Mr Neil Bush is a director of APIC, which is an entity controlled by Mr Gordon Tang and Mrs Celine Tang. Mr Neil Bush also has an indirect 30% interest in AWL, an Undertaking Shareholder.

Mrs Celine Tang is a director and shareholder of the Offeror.

Mr Mao is a long time employee of the Haiyi Group and is presently the President of APIC overseeing all aspects of APIC's development projects. He has disclosed himself as a party acting or deemed acting in concert with the Offeror.

The SIC has confirmed that Mrs Celine Tang, Mr Neil Bush and Mr Mao are exempted from the requirements to make a recommendation to Shareholders on the Offer in view of their irreconcilable conflicts of interest in the Offer.

Accordingly, the remaining Directors, namely, Mr Gn Hiang Meng, Mr David Hwang Soo Chin, Mr Lawrence Lua Gek Pong and Ms Yang Manlin are deemed Independent Directors in respect of the Offer.

As at the Latest Practicable Date, the Directors' shareholding interests in the Company are as follows:

Directors	**Direct and deemed interests (No. of Offer Shares)**	**% shareholding interest in the Company(1)**
Mr Neil Bush	220,000,000	5.22
Mrs Celine Tang	3,432,013,967	81.48
Mr Mao	4,075,600	0.10
Mr Gn Hiang Meng	750,000	0.02
Mr David Hwang Soo Chin	1,500,000	0.04
Mr Lawrence Lua Gek Pong	-	-
Ms Yang Manlin	-	-

Note:

(1) Based on 4,212,025,475 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

Mr Neil Bush's deemed interest in the Shares is through his interest in AWL. AWL is an Undertaking Shareholder who has given its Irrevocable Undertaking to accept the Offer in respect of the Offer Shares held by it.

Mrs Celine Tang is deemed interested in the Shares that Mr Gordon Tang is interested in. Mrs Celine Tang is a director and shareholder of the Offeror.

Mr Mao is a long time employee of the Haiyi Group and is presently the President of APIC overseeing all aspects of APIC's development projects. He has disclosed himself as a party acting or deemed acting in concert with the Offeror.

The intentions of the Directors in relation to their holdings of the Offer Shares with respect to the Offer are set out in paragraph 4.9 of Appendix II to the Circular.

6.3 Issued share capital of the Company

As at the Latest Practicable Date, the Company has 4,212,025,475 issued Shares (excluding 24,110,300 treasury shares) held by the Company. The Company has not granted any options or issued any rights, warrants or other securities convertible into, exercisable for or redeemable for any Shares.

Based on the Offer Price of S$0.117 and the number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately S$492.8 million.

I-11

6.4 Financial information of the Group

The Group is principally involved in property development and property investment, and derives most of its revenue from property development income, and to a lesser extent, rental income and management fee income from its investment properties. Geographically, Singapore is the Group's main market.

6.4.1 Financial performance of the Group

Set out below is a summary of the financial performance of the Group for the last 3 financial years ended 31 March, namely FY2019, FY2020 and FY2021, and the latest half year results for 1HFY2022 with the corresponding half year results for FY2021 ("**1HFY2021**"):

	Audited			Unaudited	
S$'000	**FY2019**	**FY2020**	**FY2021**	**1HFY2021**	**1HFY2022**
Revenue	75,909	57,169	152,849	50,554	202,756
Gross profit	21,633	14,751	33,215	10,046	44,970
Results from operating activities	317	(35,284)	15,237	6,120	41,254
Net finance costs	(3,879)	(32,986)	(23,831)	(12,461)	(10,505)
Share of profit/(loss) of equity-accounted investees, net of tax	25,151	36,736	(3,826)	(129)	(883)
Profit/(Loss) for the year or period	18,247	(25,490)	(10,868)	(6,209)	24,599
Profit/(Loss) attributable to:					
- Owners of the Company	22,646	(7,826)	(13,290)	(4,595)	12,521
- Non-controlling interests	(4,399)	(17,664)	2,422	(1,614)	12,078

***Source**: Company's annual reports for FY2020 and FY2021, and the unaudited results announcement for 1HFY2022*

FY2020 vs FY2019

Revenue decreased by S$18.7 million (or 24.7%) from S$75.9 million in FY2019 to S$57.2 million in FY2020 due mainly to reduced revenue recognised for projects that were completed in earlier years (i.e. Vietnam Town Phase II in the U.S, and City Suites and The Vales in Singapore), which were offset by progressive revenue recognised for Parc Clematis and The Gazania, which were the residential development projects launched in Singapore during FY2020.

On a segmental basis, property development income was the main revenue driver contributing 87.5% and 88.0% in FY2020 and FY2019 respectively.

The Group recorded lower gross profit by S$6.9 million in FY2020 in line with the lower revenue and lower gross profit margin of 25.8% in FY2020 compared to 28.5% in FY2019, due mainly to the change in geographical revenue mix as more revenue from property developments in Singapore with lower profit margin was recognised in FY2020.

Results from operating activities declined from a profit of S$0.3 million to a loss of S$35.3 million due mainly to (a) lower gross profit achieved in FY2020, (b) lower other income in FY2020 by S$8.7 million due mainly to the absence of forfeiture of non-refundable deposit and write back of allowance for diminution in value of a development property, (c) increase in selling and marketing expenses by S$9.3 million due mainly to the advertising, marketing and show flat expenses incurred for the launch of residential projects (The Lilium, The Gazania and Parc Clematis) in Singapore in FY2020 and (d) increase in other operating expenses by S$11.7 million due mainly to the increase in fair value loss on investment property (Tri-County Mall) in the U.S. arising from the challenging environment in the U.S. retail market and lower occupancy rate.

Net finance costs increased by S$29.1 million from S$3.9 million in FY2019 to S$33.0 million in FY2020 due mainly to the increase in bank borrowings.

Share of results of equity-accounted investees, net of tax, increased by S$11.5 million from S$25.2 million in FY2019 to S$36.7 million in FY2020, due mainly to the share of profit of its 35% equity interest in Park Mall Pte. Ltd., which owns the property at 9 Penang Road ("**9PR**"), mainly attributable to fair value gain on the property. The Group, had together with its joint partners, acquired the 9PR property in December 2015, to redevelop the commercial property. It is the Group's first foray into commercial property redevelopment in Singapore.

Overall, the Group reported a loss attributable to owners of the Company of S$7.8 million in FY2020 compared to a profit of S$22.6 million in FY2019.

FY2021 vs FY2020

Revenue increased substantially by S$95.7 million (or 167.4%) from S$57.2 million in FY2020 to S$152.8 million in FY2021 due mainly to the increase in revenue recognised for Parc Clematis and The Gazania, offset by the decrease in revenue recognised for Vietnam Town Phase II.

On a segmental basis, property development income remained as the main revenue driver contributing 96.7% in FY2021 compared to 87.5% in FY2020.

The Group recorded higher gross profit in line with the increase in revenue in FY2021 but lower gross profit margin of 21.7% in FY2021 compared to 25.8% in FY2020 as more revenue from property development projects in Singapore with lower profit margins was recognised in FY2021.

Results from operating activities increased from a loss of S$35.3 million in FY2020 to a profit of S$15.2 million in FY2021 due mainly to (a) increase in gross profit achieved in FY2021, (b) lower selling and marketing expenses by S$12.4 million largely due to reduced marketing and advertising activities, and (c) lower other operating expenses by S$18.6 million due mainly to the decrease in fair value loss on the Group's investment properties.

Net finance costs decreased by S$9.2 million from S$33.0 million in FY2020 to S$23.8 million in FY2021 due mainly to lower interest rates and lower finance costs due to repayment of bank borrowings.

Share of results of equity-accounted investees, net of tax, declined from a gain of S$36.7 million in FY2020 to a loss of S$3.8 million in FY2021, due mainly to the absence of share of fair value gain for 9PR which had occurred in FY2020 and the share of fair value loss in FY2021 from ARA Harmony Fund III L.P. ("**Harmony Fund**"), which holds a portfolio of 5 retail malls in Malaysia.

Overall, the Group reported a higher loss attributable to owners of the Company of S$13.3 million in FY2021 compared to a loss of S$7.8 million in FY2020.

1HFY2022 vs 1HFY2021

Revenue for 1HFY2022 increased significantly by S$152.2 million (or 301.1%) from S$50.6 million in 1HFY2021 to S$202.8 million in 1HFY2022, due mainly to increase in revenue recognised for Parc Clematis, The Gazania and Vietnam Town Phase II.

On a segmental basis, property development income was the main revenue driver contributing 98.7% and 95.5% in 1HFY2022 and 1HFY2021 respectively.

The Group recorded higher gross profit in line with the increase in revenue, and higher gross profit margin of 22.2% in 1HFY2022 compared to gross profit margin of 19.9% in 1HFY2021, due mainly to the increase in selling prices of Parc Clematis during 1HFY2022 and the change in geographical revenue mix as more revenue from property development in the U.S. with a higher profit margin was recognised.

Results from operating activities improved significantly from S$6.1 million in 1HFY2021 to S$41.3 million in 1HFY2022 due mainly to the increase in revenue and improvement in gross profit margin.

Net finance costs decreased from S$12.5 million in 1HFY2021 to S$10.5 million in 1HFY2022 due mainly to lower loans and borrowings.

Share of loss of equity-accounted investees, net of tax, was relatively insignificant for 1HFY2021 and 1HFY2022.

Overall, the Group's profit attributable to owners of the Company improved significantly from a loss of S$4.6 million in 1HFY2021 to a profit of S$12.5 million in 1HFY2022.

6.4.2 Financial position of the Group

A summary of the latest statement of financial position of the Group as at 30 September 2021 is set out below:

S$'000	**Unaudited as at 30 September 2021**
Non-current assets	
Property, plant and equipment	3,390
Investment properties	53,941
Associates and joint ventures	142,354
Financial assets at fair value through other comprehensive income ("**FVOCI**")	33,560
Deferred tax assets	3,696
	236,941
Current assets	
Development properties	1,647,993
Contract costs	41,368
Trade and other receivables	59,371
Cash and cash equivalents	143,814
	1,892,546
Total assets	**2,129,487**
Non-current liabilities	
Loans and borrowings	940,019
Loan from non-controlling interests	283,658
Loan from a related party	18,264
Lease liabilities	1,563
Derivative liabilities	4,659
Deferred tax liabilities	4,540
	1,252,703
Current liabilities	
Trade and other payables	47,639
Contract liabilities	188,265
Loans and borrowings	11,944
Lease liabilities	483
Current tax payable	3,731
	252,062
Total liabilities	**1,504,765**
Net assets	**624,722**

S$'000	Unaudited as at 30 September 2021
Equity attributable to owners of the Company	**630,061**
Non-controlling interests	**(5,339)**
Total equity	**624,722**
Net asset value ("NAV") / Net tangible asset ("NTA") of the Group	**S$630,061,000**
Number of issued Shares (excluding treasury shares)	**4,212,025,475**
NAV / NTA per Share	**S$0.1496**

***Source**: The Company's unaudited results announcement for 1HFY2022*

Assets

Property related assets

As at 30 September 2021, the Group had total assets of S$2,129.5 million. As the Group is involved in property development and property investment, its main assets are property related assets which are classified under development properties, investment properties and investment in associates and joint ventures:

(a) development properties amounted to S$1,648.0 million as at 30 September 2021, representing 77.4% of total assets. The development properties are in relation mainly to the Group's 50% interest in the 3 residential projects in Singapore (namely, The Lilium, The Gazania and Parc Clematis), and the development projects in the U.S. namely Vietnam Town Phase II and 5 Thomas Mellon Circle ("**5TMC**").

- **The Lilium**, **The Gazania** and **Parc Clematis** are properties under development for which revenue is recognised over time. These properties are stated at cost which includes land and land related costs, development costs less costs recognised as cost of sales. The carrying value of these development properties was S$1,517.2 million as at 30 September 2021.

  As these development properties represent the bulk (92.1%) of the Group's total development properties, the Company had commissioned Knight Frank to carry out an independent market valuation of these properties as at 30 September 2021 for the purpose of the Offer. Please see further details on the independent valuation of these properties in Sections 7.1 and 7.2 of this Letter.

  The Group has a 50% interest in each of the above property development projects. As the entities undertaking the development projects are controlled by the Group, these entities are treated as subsidiaries of the Group and their financial results are consolidated with the Group's financial results.

- **Vietnam Town Phase II** is a completed development project (since March 2018) in San Jose, California, U.S. with 81 remaining unsold units comprising office, retail and restaurant units mainly in 5 separate building blocks as at 30 September 2021, with total carrying value of S$58.4 million. The Group has a 100% interest in this development project. These properties were last reviewed based on recent selling prices as at the Company's last financial year end on 31 March 2021. Based on the review, no allowance for diminution in value on these properties was required.

  For the purposes of the Offer, the Company had estimated the aggregate market value of the 81 unsold units as at 30 September 2021 on the following basis:

(i) for 3 of the building blocks that had seen recent sale transactions for units in the last 6 months, Management had used the selling prices of these units as an approximation to the market value of the unsold units in these building blocks as at 30 September 2021; and

(ii) for the remaining 2 building blocks with all unsold units, Management had applied a 15% discount to the published selling prices of these unsold units in computing the approximate market value of these unsold units, on the basis that an earlier attempt in March 2021 to dispose of one of the 2 building blocks at a 10% discount to the published selling prices was not successful. There was no interested buyer for that building block to-date.

Please see further details on the estimated valuation and net revaluation surplus on Vietnam Town Phase II in Section 7.1 of this Letter.

- **5TMC** is a proposed residential condominium with 585 units along San Francisco Bay, California, U.S. with a carrying value of US$51.1 million as at 30 September 2021. The Group has a 100% interest in this development project. Redevelopment work has not started and been placed on hold as a result of the ongoing COVID-19 pandemic, although site permit has been obtained in February 2020 with expected completion in the first half of 2025. The carrying value of this property was stated at the market value as at 31 March 2021 based on external independent professional valuation by Colliers International Valuation & Advisory Services, San Francisco, USA ("**Colliers International**").

  For the purposes of the Offer, the Company had obtained confirmation from Colliers International that there is no material change in the market valuation of the property since 31 March 2021 to 30 September 2021 and "*the valuation methodologies employed for the valuation of the property for the purpose of financial reporting continues to be a suitable reference of value moving forward*".

  Management has informed us that they are considering a proposed sale of its entire 100% interest in 5TMC to an independent third party. The terms and consideration for the proposed sale are still being negotiated with the potential buyer. Management does not expect the proposed sale of 5TMC to have any material gain or loss to the Group.

(b) investment properties amounted to S$53.9 million as at 30 September 2021, representing 2.5% of total assets. These investment properties are 100% owned by the Group and are stated at fair values as at 31 March 2021 based on independent external valuations for the purpose of financial reporting by the Group for FY2021. These investment properties comprise:

(i) **21 individual strata units** of commercial and industrial properties in Singapore which are stated at fair value of S$28.7 million and comprise the following:

– 883 North Bridge Road #07-01/02, #09-01/05 & #17-01, Southbank, Singapore 198785
– 8 Eu Tong Sen Street #23-81, The Central, Singapore 059818
– 81 Ubi Avenue 4 #02-19 to #02-28, UB.ONE, Singapore 408830
– 701 Sims Drive #02-02, #02-04 to #02-07, LHK Building, Singapore 387383

For the purpose of the Offer, the Company had obtained confirmation from Savills Valuation And Professional Services (S) Pte Ltd that there is no material change in the market valuation of the 21 individual strata units of commercial and industrial properties in Singapore since 31 March 2021 to 30 September 2021, and "*the valuation methodologies used in the valuation of the properties for the purpose of financial reporting can be a suitable reference of value for the purposes of the Offer*".

(ii) **Tri-County Mall**, a shopping mall in Cincinnati, Ohio, U.S. which was acquired by the Group in September 2013 at the purchase price of US$45 million.

On 2 November 2021, the Company announced that the Group had entered into a sale and purchase agreement to sell Tri-County Mall to a third party on an "as-is" and "where-is" basis for a consideration of US$29.0 million taking into account the book value and re-development potential of the property. The book value of the property as at 30 September 2021 was US$18.6 million.

The buyer has 60 days to undertake due diligence on the property, and completion of the property shall take place within 30 days after the expiration of the above due diligence period. The buyer has the right to 2 consecutive 30-day extensions for completion.

The Company has received a refundable deposit of 1.5% of the consideration, which will become non-refundable upon the expiration of the due diligence period. If the sale of Tri-County Mall is successfully completed, the Group would be expected to realise a net gain of US$9.5 million above the book value of the property as at 30 September 2021 after deducting estimated expenses and taxes.

(c) Investment in associates and joint ventures amounted to S$142.4 million as at 30 September 2021 representing 6.7% of total assets. These investments comprise mainly the following:

- 35% interest in **9PR**, which was the Group's first commercial property redevelopment in Singapore. The redevelopment of the property was completed in October 2019. The Group's share of investment value in the property was S$90.2 million as at 30 September 2021 based on the market value of the property at S$930 million as at 31 March 2021.

  For the purpose of the Offer, the Company had obtained confirmation from Colliers International Consultancy & Valuation (Singapore) Pte Ltd that the market value of 9PR remained unchanged since 31 March 2021 to 30 September 2021 at S$930 million and "*the valuation methodologies used in the valuation of the property for the purpose of financial reporting can be a suitable reference of value for the purposes of the Offer*".

- 25% interest in **Harmony Fund**, which holds a portfolio of 5 retail malls in various states in Malaysia, namely Kuala Lumpur, Malacca, Selangor, Ipoh and Klang. The Group's share of investment value in the fund was S$39.8 million as at 30 September 2021 based on the aggregate market value of the properties of S$542.6 million as at 30 September 2021, as determined by the respective independent valuers.

- 30% interest in **Maxwell House,** which is a proposed redevelopment "Commercial and Residential" mixed-use development project, following the proposed acquisition of the property by the joint venture partners via a tender of a collective purchase of the property at the tender price of S$276.8 million. The Group's share of investment value in the property was S$10.8 million as at 30 September 2021 based on the above tender price. The tender was completed recently on 10 November 2021.

  Subject to obtaining written permission from the relevant authorities including in-principle approval from the Singapore Land Authority ("**SLA**") to issue a fresh 99 years lease on the property, commencement of the demolition of the current property is expected to be in November 2022 and construction to commence in early 2023.

Other material assets

The Group had financial assets at FVOCI amounting to S$33.6 million as at 30 September 2021. These are equity investments representing 1.63% equity interest in an Australian listed company, Cromwell Property Group, one of the largest real estate investment managers in Australia. The Group intends to hold the above investment for the long-term for strategic purposes. They are marked-to market based on the quoted closing bid prices as at 30 September 2021.

The Group had cash balances of S$143.8 million as at 30 September 2021. However, bank loans and loans from non-controlling interests as at 30 September 2021 far exceeded the amount of cash balances as shown below.

Liabilities

As at 30 September 2021, the Group had total liabilities of S$1,504.8 million consisting of the following main liabilities:

(i) bank loans totalling S$952.0 million, representing 63.3% of total liabilities. These bank loans are secured on *inter alia* the development properties, investment properties and investment in financial assets;

(ii) loan from non-controlling interests of S$283.7 million, representing 18.9% of total liabilities. The loan from non-controlling interests is non-trade in nature, unsecured, interest-free and repayable on demand with a notice period of not less than 366 days, and is not expected to be repaid in the next 12 months; and

(iii) contract liabilities of S$188.3 million, representing 12.5% of total liabilities. Contract liabilities relate to advance consideration received from customers and progress billings issued in excess of the Group's rights to the consideration and are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer.

Equity/NAV/NTA

Total equity comprises mainly equity attributable to owners of the Company of S$630.1 million as at 30 September 2021 which also represents the NAV of the Group.

As the Group does not have any intangible assets, its NAV is the same as its NTA.

There is no change in the number of issued Shares and number of treasury shares since 30 September 2020 and up to the Latest Practicable Date.

Accordingly, NAV / NTA per Share was S$0.1496 as at 30 September 2021.

Post 30 September 2021

On 3 December 2021, the Company announced that it had, together with other partners, offered for the enbloc acquisition of the development known as Peace Centre / Peace Mansion at an offer price of S$650.0 million on 2 December 2021 by way of private treaty, and the offer had been accepted on 3 December 2021. The intention is to redevelop the property into a mixed-use commercial and residential development. The completion of the above acquisition is subject to various conditions precedent. The partners in the above acquisition and redevelopment project include entities which are deemed interested person of the Company. The Group's investment in the above project is not expected to have a material impact on its NTA per Share and earnings per Share for the financial year ending 31 March 2022.

7. INDEPENDENT VALUATION OF THE DEVELOPMENT PROPERTIES, INVESTMENT PROPERTIES AND OTHER PROPERTY-RELATED INVESTMENTS

7.1 Following from our analysis of the property related assets of the Group as detailed in Section 6.4.2 above, the following properties are subjected to a review on their potential revaluation surpluses:

(a) The Lilium, The Gazania and Parc Clematis – the market values of these properties were assessed by Knight Frank to derive the potential net revaluation surplus after taking into consideration potential tax liabilities, details of which are set out in Section 7.2 below;

(b) Vietnam Town Phase II – based on management's estimation of the aggregate market value of the unsold units as at 30 September 2021 of US$60.3 million and carrying value of US$43.0 million, the revaluation surplus is approximately US$17.3 million. On the assumption of a potential sale of these remaining units, after deducting estimated selling expenses and U.S. corporate tax at the rate of 21%, the net revaluation surplus on the above property units is approximately US$10.4 million (S$13.9 million based on the foreign exchange rate of US$1:S$1.3424 on 30 September 2021); and

(c) Tri-County Mall – if the sale of Tri-County Mall is successfully completed, the Group would be expected to realise a net gain of US$9.5 million (S$12.8 million based on the foreign exchange rate of US$1:S$1.3424 on 30 September 2021) after deducting estimated expenses and taxes.

7.2 Independent valuation by Knight Frank

In connection with the Offer, the Company had commissioned Knight Frank ("**Valuer**") to carry out an independent valuation of the 3 Singapore development properties, namely The Lilium, The Gazania and Parc Clematis, as at 30 September 2021. A copy of the Valuation Summary Letter together with the valuation certificates of the 3 development properties, dated 1 December 2021 is attached as Appendix IV to the Circular. Full valuation report on each of the development properties are available as documents for inspection.

The salient information of the above valuation is summarised below.

Definition of Market Value

The Valuer had determined the valuation of the properties based on Market Value which is defined as:

"*the estimated amount for which an asset or liability should exchange on valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*."

Valuation methodologies

The Valuer had used the Residual Land Value Method and Direct Comparison Method as the primary valuation methodologies in valuing the properties.

Residual Land Value Method – in this method, the Market Value of the Property in its existing partially completed state of construction, taking into account the cost of work done, is arrived at by deducting the estimated cost to complete (including professional fees, construction financing) and other relevant costs from the gross development value of the proposed development assuming satisfactory completion.

Direct Comparison Method – in this method, a comparison is made with sales of residential units within the subject development and vicinity. Adjustments are made, where appropriate, for differences in size, tenure, location, siting, proximity to MRT station, type of development, etc., before arriving at the value of the property.

Profile of the development properties

Development properties in Singapore	Property description	% completed as at 30 September 2021 / expected date of completion	Group's interest in the development projects
The Gazania Lot No. 6165X Mukim 24 at 5 to 19 (Odd Nos.) How Sun Drive	A freehold development project comprising 7 blocks of 5-storey (with attic) condominium development accommodating a total of 250 units, with a basement car park. As at the Latest Practicable Date, 21% of the units have been sold.	49% / June 2022	50%
The Lilium Lot No. 5780W Mukim 24 at 29/31/33 How Sun Road	A freehold development project comprising 2 blocks of 5-storey (with attic) residential development (total 80 units) with a basement car park and ancillary facilities. As at the Latest Practicable Date, 28% of the units have been sold.	82% / November 2021(1)	50%
Parc Clematis Lot No. 4512W Mukim 5 at 2/2A/2B/2C/2D/2E/2F/2G/2H/2J/2K/2L, 6/6A, 8A to 8F & 10/12/14/16/18/20 Jalan Lempeng	A leasehold development project comprising 9 blocks of 24-storey residential flats, 6 units of 2-storey strata bungalows and 12 units of 2-storey strata terrace houses (total 1,468 units) with basement car park. As at the Latest Practicable Date, 95% of the units have been sold.	18% / July 2023	50%

Note:

(1) Temporary occupation permit for The Lilium development project was obtained on 17 November 2021.

Market values

A summary of the Market Values of the unencumbered remaining freehold/leasehold interest in the properties, with vacant possession, at 30 September 2021 as determined by the Valuer is as follows:

Development project	Market Value in its existing partially completed state of construction taking into account the cost of work done as at 30 September 2021 (S$'million)	Gross development value of the property assuming satisfactory completion and issuance of temporary occupation permit and certificate of statutory completion as at 30 September 2021 (S$'million)
The Gazania	324.0	444.0
The Lilium	132.0	164.0
Parc Clematis	1,459.0	2,273.0
Total	**1,915.0**	**2,881.0**

Net revaluation surplus

Arising from the independent market valuation of the above development properties, the aggregate net revaluation surplus, after taking into consideration potential tax liabilities at the Singapore corporate tax rate of 17% is computed as follows:

Development project	Market value as at 30 September 2021 (S$'million)	Carrying value as at 30 September 2021 (S$'million)	Potential revaluation surplus (S$'million)	Net revaluation surplus (after deducting potential tax liabilities) (S$'million)
The Gazania	324.0	298.0	26.0	21.6
The Lilium	132.0	121.2	10.8	9.0
Parc Clematis	1,459.0	1,098.0	361.0	299.6
Total	**1,915.0**	**1,517.2**	**397.8**	**330.2**

Accordingly, the Group's 50% share of the net revaluation surplus would be S$165.1 million (50% of S$330.2 million).

7.3 Revalued NAV of the Group

Following from the assessment of the net revaluation surplus of the property related assets in Section 7.2 above, the revalued NAV ("**RNAV**") of the Group as at 30 September 2021 is estimated to be as follows:

Estimated RNAV of the Group	S$'million	per Share[(1)] (S$)
Unaudited NAV of the Group as at 30 September 2021	630.1	0.1496
Add:		
(a) 50% share of the net revaluation surplus arising from the independent valuation of The Lilium, The Gazania and Parc Clematis	165.1	0.0392
(b) net revaluation surplus from the estimated valuation of Vietnam Town Phase II	13.9	0.0033
(c) estimated net gain from the sale of Tri-County Mall	12.8	0.0030
Estimated RNAV of the Group as at 30 September 2021	**821.9**	**0.1951**

Note:

(1) Based on 4,212,025,475 issued Shares (excluding treasury shares).

7.4 Confirmation by the Company

Aside from the valuation and disclosures on the properties related assets in Section 6.4.2 and Section 7 of this Letter, in our evaluation of the financial terms of the Offer, we have also considered whether there is any other tangible asset which should be valued at an amount that is materially different from that which was recorded in the latest unaudited statement of financial position of the Group as at 30 September 2021, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV of the Group as at 30 September 2021.

In respect of the above and save as disclosed above and/or announced by the Company, the Directors and Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief:

(a) there are no material differences between the realisable value of the Group's assets and their respective book values as at 30 September 2021 which would have a material impact on the NAV of the Group;

(b) other than that already provided for or disclosed in the Group's financial statements as at 30 September 2021, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date;

(c) there are no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Group taken as a whole as at 30 September 2021;

(d) there are no intangible assets which ought to be disclosed in the unaudited statement of financial position of the Group as at 30 September 2021 in accordance with Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible assets would have a material impact on the overall financial position of the Group as at 30 September 2021; and

(e) there are no material acquisitions and disposals of assets by the Group between 30 September 2021 and the Latest Practicable Date other than in the ordinary course of business of the Group as a property developer and owner of investment properties, and the Group does not have any immediate plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business.

8. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In evaluating and assessing the financial terms of the Offer, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

(a) market quotation and trading activity of the Shares;

(b) financial analysis of the Group;

(c) comparison with precedent privatisation of selected SGX-ST listed companies;

(d) comparison of valuation statistics of selected listed companies which are broadly comparable with the Group;

(e) estimated value range of the Shares;

(f) dividend track record of the Company; and

(g) other relevant considerations.

8.1 Market quotation and trading activity of the Shares

Trading in the Shares was halted on 9 November 2021 during which *inter alia* the Offer Announcement was made.

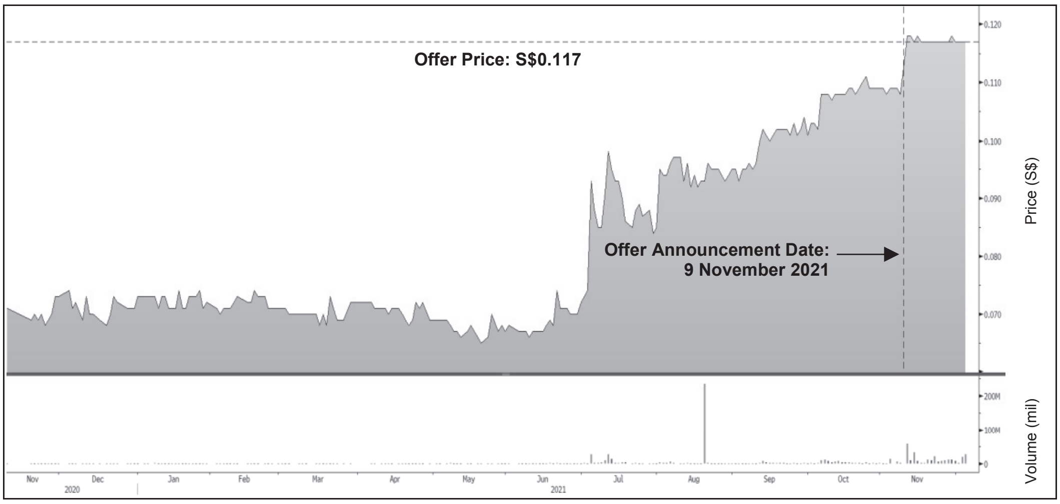
For the purpose of our analysis of the trading performance of the Shares in respect of the Offer, we have compared the Offer Price against the historical market price performance of the Shares for the 1-year period ("**1-Year Period**") prior to the Offer Announcement Date from 9 November

2020 to 8 November 2021 ("**Last Trading Day**"), being the last trading day prior to the Offer Announcement, and up to the Latest Practicable Date ("**Period Under Review**").

Share Price Chart

We set out below a chart showing the Offer Price relative to the daily closing prices, and trading volume of the Shares for the Period Under Review:

Price movement and trading volume of the Shares for the Period Under Review



Source: *Bloomberg L.P.*

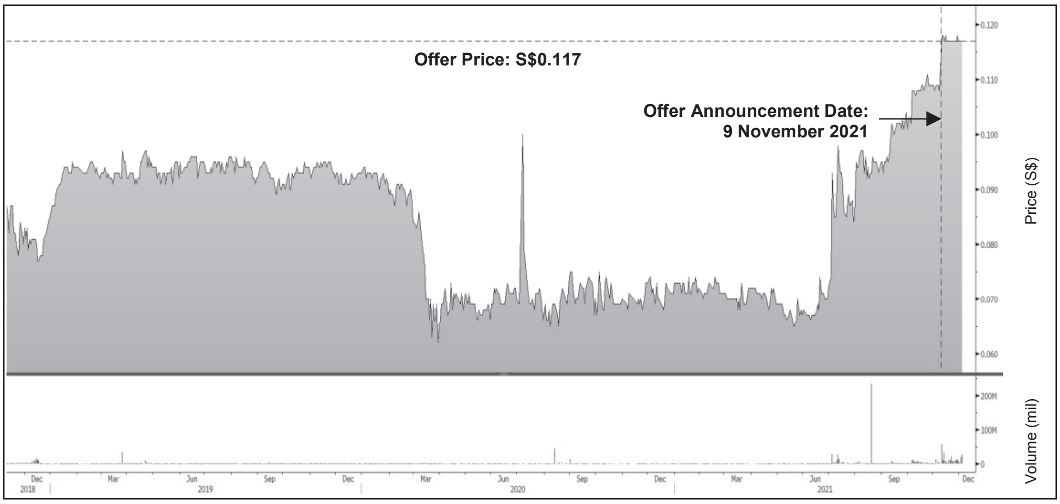
Prior to the Offer Announcement Date

Based on the chart above, we observed that the Shares have been trading at well below the Offer Price for first half (up to 30 June 2021) during the 1-Year Period, at between S$0.065 and S$0.074. Share prices run up gradually since July 2021 to a high of S$0.111 (on 25 October 2021) based on daily closing prices. The closing Share price on the Last Trading Day on 8 November 2021 was S$0.108.

The Offer Price therefore represents a significant premium of up to 80% above the daily closing prices of the Shares for the first half (up to 30 June 2021) of the 1-Year Period and a lower premium of 8.3% above the closing Share price on the Last Trading Day.

On a further look-up period of 3 years prior to the Offer Announcement Date and up to the Last Trading Day (i.e. between 9 November 2018 to 8 November 2021), the Offer Price is also above the historical closing prices of the Shares as seen in the chart below. In particular, prior to the run up in share prices in July 2021, the Shares were traded between a low of S$0.062 and a high of S$0.10 (based on daily closing prices) between 9 November 2018 and 30 June 2021. The Offer Price represents a premium of between 17.0% and 88.7% above these high and low closing prices.

Price movement and trading volume of the Shares for the 3-year period prior to the Offer Announcement Date and up to the Last Trading Day



***Source**: Bloomberg L.P.*

<u>Post the Offer Announcement Date</u>

Since the Offer Announcement Date and up to the Latest Practicable Date, the Shares have generally traded at or around the Offer Price. As at the Latest Practicable Date, the last transacted Share price was S$0.117. The Shares appeared to be supported by the Offer Price.

Based on public disclosures by the Offeror during this period, Mr Gordon Tang and the Offeror had acquired, in aggregate, 249,433,500 Shares from the open market at S$0.117 per Share. Total number of Shares transacted during this period (as extracted from Bloomberg) was 256,792,600. The share purchases made by Mr Gordon Tang and the Offeror had accounted for 97.13% of the total volume of Shares transacted during the above period.

Based on publicly available information as disclosed by the Offeror, as at the Latest Practicable Date, the total number of Offer Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting or deemed to be acting in concert with the Offeror, when aggregated with valid acceptances of the Offer, amounted to 3,756,330,034 Shares, representing 89.18% of the total number of Offer Shares.

Market Statistics

In addition to the share price charts above, we have tabulated below selected statistical information on the share price performance and trading liquidity of the Shares for the Period Under Review:

Reference period	Highest traded price (S$)	Lowest traded price (S$)	VWAP(1) (S$)	Premium of Offer Price over VWAP (%)	Number of traded days(2)	Average daily trading volume(3) ('000)	Average daily trading volume as a percentage of free float(4) (%)
<u>**Prior to the Offer Announcement Date**</u>							
Last 1 year	0.112	0.065	0.0975	20.0	214	1,107	0.119
Last 6 months	0.112	0.065	0.0989	18.3	121	2,110	0.227
Last 3 months	0.112	0.091	0.1057	10.7	64	2,149	0.231
Last 1 month	0.112	0.108	0.1093	7.0	20	3,244	0.349

Reference period	Highest traded price (S$)	Lowest traded price (S$)	VWAP(1) (S$)	Premium of Offer Price over VWAP (%)	Number of traded days(2)	Average daily trading volume(3) ('000)	Average daily trading volume as a percentage of free float(4) (%)
8 November 2021 (being the Last Trading Day)	0.110	0.108	0.1092	7.1	1	1,409	0.151
<u>After the Offer Announcement Date and up to the Latest Practicable Date</u>							
From 10 November 2021 to the Latest Practicable Date	0.118	0.117	0.117	-	18	14,266	1.533
Latest Practicable Date	0.118	0.117	0.117	-	1	27,250	2.927

***Source**: Bloomberg L.P.*

Notes:

(1) The volume-weighted average price ("**VWAP**") for the respective periods are calculated based on the aggregate daily turnover value of the Shares divided by the aggregate daily trading volume of the Shares for the respective periods as extracted from Bloomberg L.P.. Off market transactions (i.e. married deals) are excluded from the calculation;

(2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period;

(3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halt on the Shares) during that period; and

(4) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders. For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 930.9 million Shares based on the free float of 22.1% as disclosed in the annual report of the Company for FY2021.

We observe the following with regard to the price performance of the Shares for the Period Under Review:

(a) the Offer Price represents a premium of 20.0%, 18.3%, 10.7% and 7.0% above the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods up to the Last Trading Day respectively;

(b) the Offer Price represents a premium of 7.1% above the VWAP of the Shares of S$0.1092 on the Last Trading Day; and

(c) post the Offer Announcement Date and up to the Latest Practicable Date, the Shares have traded mostly at S$0.117 per Share and appeared to be supported by the Offer Price. The Shares were last transacted at S$0.117 on 3 December 2021, being the Latest Practicable Date.

We observe the following with regard to the trading liquidity of the Shares:

(i) Trading liquidity on the Shares was low with average daily trading volume on the Shares for the 1-year, 6-month, 3-month and 1-month periods up to the Last Trading Day representing 0.12%, 0.23%, 0.23% and 0.35% of the free float of the Shares respectively; and

(ii) Following the Offer Announcement and up to the Latest Practicable Date, daily trading volume on the Shares had increased significantly, with Mr Gordon Tang and the Offeror accounting for bulk of the trades done in the market.

8.2 Financial analysis of the Group

For the purposes of evaluating the Offer, we have also considered the valuation of the Company implied by the Offer Price vis-a-vis the historical financial information of the Group in terms of the earnings approach and net asset backing approach.

8.2.1 Price-earnings ratio ("PER")

PER is a commonly used earnings approach which illustrates the valuation ratio of the current market value of a company's shares relative to its consolidated basic earnings per share as stated in its financial statements. The PER is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

As shown in Section 6.4.1 of this Letter, as a property developer and property investor, the financial performance of the Group can be subjected to wide swings and earnings could be lumpy from year to year depending on *inter alia* revenue recognition from its business activities as well as fair valuation of its property investments. The Group had reported significant profit in FY2019 but incurred losses in the subsequent financial years, FY2020 and FY2021. For 1HFY2022, the Group had returned to profitability. Further, share of attributable results of equity-accounted investees had also affected the profit/(loss) attributable to owners of the Company in each reporting period.

Hence, we are of the opinion that an earnings based approach in assessing the valuation of the Group implied by the Offer Price may not be appropriate.

8.2.2 Price-to-book ("P/NAV") ratio

P/NAV ratio is a commonly used net asset backing approach which shows the extent to which the shares of a company are backed by its net assets.

The NAV based valuation approach provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

As shown in Section 6.4.2 of this Letter, the NAV per Share as at 30 September 2021 was S$0.1496.

The Offer Price of S$0.117 represents a **P/NAV ratio** of the Company of **0.78 times**, or a discount of 21.8% to the NAV per Share as at 30 September 2021.

8.2.3 P/RNAV ratio

To the extent that a company has assets which have significant revaluation surplus arising from a valuation of these assets, the RNAV of the company would have to be considered.

As set out in Section 7.3 of this Letter, the estimated RNAV of the Group is estimated to be S$0.1951 per Share as at 30 September 2021.

The Offer Price of S$0.117 represents a **P/RNAV ratio** of the Company of **0.60 times**, or a discount of 40.0% to the estimated RNAV per Share as at 30 September 2021.

8.3 Comparison with precedent privatisation of selected SGX-ST listed companies

We note that the Offeror has expressed its intention to delist the Company from the SGX-ST.

Therefore, in our assessment of the Offer Price, we have compared the valuation of the Company implied by the Offer Price with those of privatisation exercises (in cash) of SGX-ST listed property related companies (excluding takeover offers of real estate investment trusts and business trusts) that were announced since January 2020 and completed prior to and up to the Latest Practicable Date, which were carried out either by way of voluntary delisting exit offers under Rule 1307 of the Listing Manual, offers being made by way of a scheme of arrangement under Section 210 of the Companies Act or general takeover offers under the Code where the offeror has expressed its intentions to delist the target company from the SGX-ST ("**Precedent Privatisation Transactions**").

In total, there are 5 of such Precedent Privatisation Transactions.

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies, and the comparison sets out:

(a) the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs over the 1-month and 3-month periods prior to the announcement of these Precedent Privatisation Transactions; and

(b) the premium or discount represented by each of the respective offer prices to the RNAV of the respective target companies.

For the purposes of our analysis of the Precedent Privatisation Transactions, we have also included the respective opinion of the IFAs, on whether or not the offer was fair and reasonable, and their recommendation to accept or reject the offer.

We wish to highlight that the target companies listed in the Precedent Privatisation Transactions as set out in the analysis below may not be directly comparable to the Group in terms of market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium or discount that an offeror pays in any particular offer varies in different specific circumstances depending on, *inter alia*, factors such as the intention of the offeror, the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence or absence of competing bids for the target company, and the existing and desired level of control in the target company. The list of the Precedent Privatisation Transactions is by no means exhaustive and as such any comparison made only serves as an illustration. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of the Company.

Name of target company	Date of announce-ment	Implied market capitalisa-tion (S$'million)	Premium of offer price over: Last transacted price prior to announce-ment (%)	1-month VWAP prior to announce-ment (%)	3-month VWAP prior to announce-ment (%)	Price/ RNAV (times)	IFA recommendation
Perennial Real Estate Holdings Limited	12 Jun 2020	1,579.0	88.1	105.2	124.2	0.57(1)	**Accept** - Fair and reasonable
LCT Holdings Limited	16 Sep 2020	21.1	39.5	60.8	61.7	0.84(2)	**Accept** - Fair and reasonable
GL Limited ("**GL**")	15 Jan 2021	1,039.8	42.9	46.6	52.4	0.64(3)	**Accept** - Not fair but reasonable
Top Global Limited ("**Top Global**")	30 Apr 2021	125.3	122.9	133.6	146.8	0.30(4)	**Accept** - Not fair, but reasonable
Fragrance Group Limited ("**Fragrance**")	9 Jul 2021	926.5	16.9	19.0	19.0	0.70(5)	**Accept** - Not fair, but reasonable
High			122.9	133.6	146.8	0.84	
Low			16.9	19.0	19.0	0.30	
Mean			62.1	73.0	80.8	0.61	
Median			42.9	60.8	61.7	0.64	
Company (implied by the Offer Price)	**9 Nov 2021**	**492.8**	**8.3**	**7.1**	**10.7**	**0.60 (based on RNAV of the Group as at 30 Sep 2021)**	

***Source**: SGX-ST announcements and circulars to shareholders in relation to the Precedent Privatisation Transactions*

Notes:

(1) Based on the adjusted RNAV per share of Perennial Real Estate Holdings Limited as at 31 December 2019;

(2) Based on the RNAV (ex-cash) per share of LCT Holdings Limited as at 30 June 2020;

(3) The sum-of-the-parts value per share of GL Limited as at 31 December 2021 was estimated by the IFA to be in the range of S$1.17 and S$1.35, implying a P/RNAV ratio of between 0.593 and 0.684 times based on the final offer price of S$0.80 per share. For the purposes of our analysis of the Offer, we have used the average of the above range of P/RNAV ratio of 0.64 times;

(4) Based on the RNAV per share of Top Global Limited as at 31 December 2020; and

(5) Based on the RNAV per Share of Fragrance Group Limited as at 30 June 2021.

Based on the above, we note that:

(a) the premia implied by the Offer Price over the last transacted price and VWAPs over the 1-month and 3-month periods prior to the Last Trading Day are lower than the lower end of the range, and hence below the mean and median, of the corresponding premia of the Precedent Privatisation Transactions;

(b) overall, the P/RNAV ratio of 0.60 times of the Group implied by the Offer Price is within the range and close to the mean and median P/RNAV ratios of 0.61 times and 0.64 times respectively, of the Precedent Privatisation Transactions.

It is relevant to note that the average P/RNAV ratio of the Precedent Privatisation Transactions where the IFAs had opined that the offers were “fair and reasonable” is 0.7 times, while the P/RNAV ratios of the Precedent Privatisation Transactions where the IFAs had opined that the offers were “not fair but reasonable” had ranged between 0.3 times and 0.7 times. For the latter, the respective IFAs had recommended acceptance of the offers.

For the Precedent Privatisation Transactions where the IFAs had opined that the offers were “not fair but reasonable”, the respective offerors and their concert parties had, by the time of the issuance of the IFA advice on the offers/revised offer (as the case may be), achieved not less than 90% shareholding interest in the target companies and were entitled to exercise their right of compulsory acquisition to acquire all the remaining shares in the target companies from dissenting shareholders who had not accepted the offers.

In respect of the Company, the P/RNAV ratio is 0.60 times (implied by the Offer Price), and the total interest of the Offeror and its concert parties, when aggregated with valid acceptances of the Offer, amounted to 89.18% of the total number of Offer Shares as at the Latest Practicable Date.

Shareholders should also note that the above comparison with the Precedent Privatisation Transactions is purely for illustrative purposes only.

8.4 Comparison of valuation statistics of selected listed companies which are broadly comparable with the Group

The Group is principally engaged in property development and property investment.

For the purposes of assessing the financial terms of the Offer, we have considered the valuation statistics of selected SGX-ST listed companies that are involved in businesses which can be considered as broad proxies to the principal businesses of the Group for comparison (“**Comparable Companies**”).

For a more meaningful comparison, we have selected Comparable Companies with market capitalisation of between S$100 million and S$1 billion as at the Offer Announcement Date as broad proxies to the Group. There are 6 of such Comparable Companies.

We also had discussions with Management about the suitability and reasonableness of the selected Comparable Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The accounting policies of the selected Comparable Companies with respect to the values for which the assets, revenue or cost are recorded may differ from that of the Group.

We wish to highlight that the selected Comparable Companies are not exhaustive and it should be noted that there may not be any listed company that is directly comparable with the Group in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the selected Comparable Companies. Therefore, any comparison made serves only as an illustrative guide.

A brief description of the selected Comparable Companies, as extracted from Bloomberg L.P. and/or their respective annual reports, is set out below:

Name of Comparable Company	Principal Businesses
Oxley Holdings Limited ("**Oxley**")	Oxley is an international property group headquartered in Singapore. Oxley specialises in the development of residential, commercial, industrial and hospitality projects.
Tuan Sing Holdings Limited ("**Tuan Sing**")	Tuan Sing is a regional investment holding company with interests mainly in property development, property investment and hotel ownership.
Chip Eng Seng Corporation Ltd ("**CES**")	CES is an established home grown construction and property development group in Singapore The core business segments of the group are construction, property development, hospitality, education and property investment..
Sing Holdings Limited ("**Sing Holdings**")	Sing Holdings develops residential, commercial and industrial properties and also invest in properties.
Heeton Holdings Limited ("**Heeton**")	Heeton develops and sells private residential properties. It also manages and invests in residential, retail and commercial properties.
SLB Development Ltd. ("**SLB**")	SLB is a diversified property developer with extensive experience and track record across the residential, mixed-use, industrial and commercial sectors as well as property development projects ranging from small to large scale.

Source: *Bloomberg L. P. and respective annual reports of Comparable Companies*

For our evaluation of the Offer and illustration purposes, we have made a comparison between the Group and the Comparable Companies using the P/NAV ratio or NAV approach, as the PER approach may not be meaningful as explained in Section 8.2.1 above.

The P/NAV ratio or NAV approach is used to show the extent to which the value of each share (based on its trading share price) is backed by its net assets. The NAV approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities of the group.

For illustration purposes, the statistics of the Comparable Companies as at 9 November 2021, being the Offer Announcement Date, are set out in the table below:

Comparable Company	Last financial year end	Market capitalisation as at 9 November 2021, being the Offer Announcement Date (S$'million)	P/NAV[(1)] (times)
Oxley	30 June 2021	844.3	0.84
Tuan Sing	31 December 2020	582.8	0.46
CES	31 December 2020	333.0	0.42
Sing Holdings	31 December 2020	152.4	0.49
Heeton	31 December 2020	148.8	0.34
SLB	31 May 2021	113.2	0.66
High			0.84
Low			0.34
Mean			0.54
Median			0.48
Company (implied by the Offer Price)	**31 March 2021**	**492.8**	**0.78 (based on NAV of the Group as at 30 September 2021)** **0.60 (based on RNAV of the Group as at 30 September 2021)**

***Source**: Bloomberg L.P., annual reports and latest publicly available financial information on the Comparable Companies*

Note:

(1) The P/NAV ratios of the Comparable Companies are computed based on (a) their respective NAV values as set out in their latest published financial statements and/or annual reports available as at the Offer Announcement Date; and (b) their market capitalisations as at the Offer Announcement Date.

Based on the above, we note the following:

(a) the P/NAV ratio of the Group of 0.78 times as implied by the Offer Price is at the higher end of the range of the trading P/NAV ratios, and therefore significantly higher than the mean and median trading P/NAV ratios of the Comparable Companies; and

(b) the NAV of the Comparable Companies may not have been revalued and RNAV figures of these Comparable Companies are also not normally published by the respective Comparable Companies. Hence, comparing P/RNAV ratio of the Group with the trading P/NAV ratios of the Comparable Companies may not be a like-to-like comparison.

However, purely for illustration purposes, we have also shown the P/RNAV ratio of the Group in the table above as a comparison with the trading P/NAV ratios of the Comparable Companies. The P/RNAV ratio of the Group is lower than its P/NAV ratio as a result of the uplift from the net revaluation surplus of the Group's properties. The P/RNAV ratio of the Group implied by the Offer Price of 0.60 times is slightly higher than the mean and median trading P/NAV ratios of the Comparable Companies.

Shareholders should note that the above comparison with the Comparable Companies is purely for illustrative purposes only.

8.5 Estimated value range of the Shares

In the preceding Sections 8.1 to 8.4 above, we have analysed the following:

(a) the Offer Price is at a higher premium above the historical trading prices in the last 3 years prior to the run-up in Share price in July 2021. In view of the run-up since July 2021 to the Last Trading Day, the Offer Price is at a lower premium above the recent historical trading prices. Post the Offer Announcement, the Shares have been trading at or close to the Offer Price, presumably supported by the Offer Price. The Shares were last transacted at S$0.117 on the Latest Practicable Date;

(b) the NAV per Share as at 30 September 2021 is S$0.1496 and the RNAV per Share is S$0.1951 as at 30 September 2021, after taking into consideration the net revaluation surplus arising from the estimated market valuation of the various properties and property-related investments of the Group as set out in Section 7 of this Letter. Accordingly, the P/NAV and P/RNAV ratios (implied by the Offer) are 0.78 times and 0.60 times respectively.

(c) the average P/RNAV ratio of the Precedent Privatisation Transactions where the IFAs had opined that the offer was "fair and reasonable" is 0.7 times, the P/RNAV ratios of the Precedent Privatisation Transactions where the IFAs had opined that the offer was "not fair but reasonable" had ranged between 0.3 times and 0.7 times, and the overall mean and median P/RNAV ratios of the Precedent Privatisation Transactions are 0.61 and 0.64 times respectively. In comparison, the P/RNAV ratio of the Group is 0.60 times. In addition, the offer price premia to market share price for the Shares over the last transacted price and VWAPs over the 1-month and 3-month periods prior to the Last Trading Day are much lower compared to the corresponding premia of the Precedent Privatisation Transactions; and

(d) the trading mean and median P/NAV ratios for the Comparable Companies are 0.54 and 0.48 times respectively as compared to the P/NAV ratio of the Group of 0.78 times.

Overall, on balance, we are of the view that **our estimated value range of the Shares is between S$0.146 and S$0.156** representing P/RNAV ratio of the Group of between 0.75 times and 0.80 times based on the RNAV of S$0.1951 per Share as at 30 September 2021.

Hence, we are of the opinion that the Offer Price of S$0.117 is not fair, as it is below our estimated value range of the Shares.

8.6 Dividend track record of the Company

We set out below information on the dividend per Share as declared by the Company for the last 5 financial years from FY2017 to FY2021 and up to 1HFY2022:

Dividend declared (S$)	FY2017	FY2018	FY2019	FY2020	FY2021	1H2022
Dividend per Share	0.003	0.003	0.0015	-	-	-
Average Share price(1) (S$)	0.1116	0.1173	0.0927	NA	NA	NA
Dividend yield(2)	2.7%	2.6%	1.6%	NA	NA	NA

***Source**: Bloomberg L.P. and Company's announcements*

Notes:

(1) Based on the daily closing prices of the Shares for the respective financial years/period; and

(2) Computed based on dividend per Share divided by the average Share price.

In the last 5 financial years, the Company had declared and paid dividends for FY2017, FY2018 and FY2019 but not for the last 2 financial years as the Group had reported loss attributable to owners of the Company. The Company had also not declared interim dividends for 1HFY2022 as the Company had stated that it is not its practice to distribute interim dividend.

As disclosed in the Company's annual report for FY2021, the Company has a dividend policy in place. The form, frequency and amount of dividends declared will depend on the Company's earnings, general financial and business condition, results of operations, projected capital requirements for business growth, cash flow, development plans and other factors as the Directors may deem appropriate.

We wish to highlight that the above dividend analysis of the Company serves only as an illustrative guide and is not an indication of the Company's future dividend policy.

8.7 Other relevant considerations

8.7.1 Likelihood of a competing offer is remote

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal has been received by the Company. We also note that there is no publicly available evidence of any alternative offer for the Shares.

Based on publicly available information as disclosed by the Offeror, as at the Latest Practicable Date, the total number of Offer Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting or deemed to be acting in concert with the Offeror), when aggregated with valid acceptances of the Offer, amounted to 3,756,330,034 Shares, representing 89.18% of the total number of Offer Shares. Hence, no other general offer for the Shares will be capable of becoming unconditional or succeeding. The Offer is therefore the only offer capable of become unconditional or succeeding.

8.7.2 Acceptance Condition

As set out in Section 3.5 of this Letter, the Offer is subject to the Acceptance Condition of not less than the Offer Threshold of 90% of all the Offer Shares in issue as at the close of the Offer. Save for the Acceptance Condition, the Offer is unconditional in all other respects.

As at the Latest Practicable Date, the Offer has not become or been declared to be unconditional in all respects. However, the Offeror and its concert parties have already garnered, in total, 89.18% of the total number of Offer Shares *inter alia* through a combination of purchases of Shares in the open market and through valid acceptances of the Offer. This is very close to the Offer Threshold of 90%.

We note that the First Closing Date of the Offer is 5.30 p.m. (Singapore time) on 27 December 2021, and the Offeror has not announced the final closing date or shut-off notice for the acceptances of the Offer. In the meantime, we observed that the Offeror and/or its concert parties have been making purchases of the Offer Shares in the open market which had accounted for more than 97% of the total volume of Shares transacted in the market during the offer period and up to the Latest Practicable Date, and disclosures of the level of acceptances of the Offer had only commenced recently on 2 December 2021.

In the event that the Offeror and its concert parties obtain, including valid acceptances of the Offer, interests in 90% or more of the total number of Offer Shares before the close of the Offer, the Offer will be capable of becoming unconditional in all respects.

8.7.3 Offeror's intention on the listing status of the Company

It is the Offeror's intention to privatize and delist the Company from the SGX-ST.

In the event that the percentage of Shares (excluding treasury shares) held in public hands falls below 10% and the SGX-ST suspends trading of the Shares after the close of the Offer, the Offeror has no intention to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

The Offeror has also stated that it reserves its right to take steps at an appropriate time, whether during or after the Offer, to seek a voluntary delisting of the Company from the SGX-ST, where permitted by, and in accordance with, the relevant requirements of the Listing Manual and the Code.

In the event that the Offeror achieves the Offer Threshold of not less than 90% and the Offer becomes unconditional in all respects, the Offeror will be entitled to and it intends to exercise its right of compulsory acquisition pursuant to Section 215(1) of the Companies Act, to acquire all the remaining Shares held by Shareholders who have not accepted the Offer, at the Offer Price. The Offeror can then proceed to delist Company from the SGX-ST.

<u>As at the Latest Practicable Date</u>

As mentioned in Section 8.7.2 above, as at the Latest Practicable Date (i.e 3 December 2021), the Offeror and its concert parties have already garnered interests in the Shares of close to 90% of the total number of issued Shares, and the First Closing Date is on 27 December 2021. In the event that the Offeror achieves the Offer Threshold of not less than 90% during the offer period, it will be entitled to exercise its right under Section 215(1) of the Companies Act.

We note that the trading liquidity on the Shares had been low in the past 1 year prior to the Offer Announcement. In the event that the Offer does not become unconditional in all respects, with the Offeror and its concert parties already holding interest of 86.11% of the total number of Offer Shares (excluding acceptances of the Offer Shares) as at the Latest Practicable Date, minority Shareholders may face difficulty in realising their Shares in the market.

In addition, in the event that the public float of the Shares falls below 10%, the Shares will be suspended from trading on the SGX-ST after the close of the Offer and Shareholders will not have the SGX-ST public platform to trade their Shares.

In view of the above, we are of the opinion that the Offer is not fair (based on our evaluation as set out in Section 8.5 of this Letter) but reasonable.

Accordingly, our recommendation would be to accept the Offer as:

(i) pursuant to the practice statement issued by the SIC on 13 July 2020 in relation to the opinion issued by an IFA in respect to *inter alia* offers made under the Code, where the IFA concludes that an offer is "not fair but reasonable", the recommendation in such cases would be to accept the offer;

(ii) Shareholders who have given valid acceptance of the Offer would be paid within 7 business days after the Offer has become unconditional in all respects or within 7 business days from the date of valid acceptance of the Offer Shares received by the Offeror, if they have accepted the Offer after the Offer has become unconditional in all respects, whichever is later.

Post the Latest Practicable Date

Offer declared unconditional in all respects

On 6 December 2021, UOB announced, for and on behalf of the Offeror, that the Offeror has, as at 6.00 p.m. (Singapore time) on 6 December 2021, received valid acceptances in respect of such number of Offer Shares which, when taken together with the Offer Shares owned, controlled, acquired or agreed to be acquired by the Offeror and its concert parties before or during the Offer, results in the Offeror and its concert parties holding such number of Offer Shares carrying not less than 90% of the total number of issued Offer Shares.

Accordingly, the Offer has been declared to be unconditional in all respects on 6 December 2021.

Final closing date

UOB had announced, for and on behalf of the Offeror, that the Offer will remain open for acceptance until **5.30 p.m. on 10 January 2022** ("**Final Closing Date**").

The Offeror does not intend to extend the Offer beyond the Final Closing Date and notice was thereby given that the Offer will not be open for acceptance beyond 5.30 p.m. (Singapore Time) on the Final Closing Date. Acceptances received thereafter will be rejected.

9. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS ON THE OFFER

In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we considered to be pertinent in our assessment of the Offer:

(a) market quotation and trading activity of the Shares;

(b) financial analysis of the Group;

(c) comparison with precedent privatisation of selected SGX-ST listed companies;

(d) comparison of valuation statistics of selected listed companies which are broadly comparable with the Group;

(e) estimated value range of the Shares;

(f) dividend track record of the Company; and

(g) other relevant considerations.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, overall, we are of the view that the financial terms of the Offer are not fair but reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to accept the Offer.

In rendering the above advice, we have not given regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As each individual Shareholder may have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his legal, financial, tax or other professional adviser immediately. The Directors should advise Shareholders that the opinion and advice of Provenance Capital should not be relied upon by any Shareholder as the sole basis for deciding whether or not to reject the Offer.

Our recommendation on the Offer is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Offer, and may not be used or relied on for any other purposes (other than for the purpose of the Offer) without the prior written consent of Provenance Capital. The recommendation to be made by the Independent Directors to Shareholders in respect of the Offer respectively shall remain the responsibility of the Independent Directors.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Descriptions
Mr. Neil Bush	4 S. West Oak Drive #1 Houston, TX 77056 United States of America	Chairman, Non-Executive and Non-Independent Director
Mrs. Celine Tang	6 Shenton Way #45-01 OUE Downtown Singapore 068809	Group Managing Director, Executive and Non-Independent Director
Mr. Mao Jinshan	5 Thomas Mellon Circle #305 San Francisco CA 94134 United States of America	Managing Director, The US Operations, Executive and Non-Independent Director
Mr. Gn Hiang Meng	102 Duchess Avenue #02-01 Duchess Residences Singapore 266310	Non-Executive and Lead Independent Director
Mr. David Hwang Soo Chin	53 Cairnhill Road #22-01 Cairnhill Plaza Singapore 229664	Non-Executive and Independent Director
Mr. Lawrence Lua Gek Pong	130 Cairnhill Road #17-01 The Edge on Cairnhill Singapore 229717	Non-Executive and Independent Director
Ms. Yang Manlin	Flat A 12/F Block 12 Double Cove Summit 8 Wu Kai Sha Road Double Cove Phase 5 Ma On Shan New Territories Hong Kong	Non-Executive and Independent Director

2. HISTORY AND BUSINESS

The Company is incorporated in Singapore and has its registered office at 6 Shenton Way, #45-01 OUE Downtown, Singapore 068809.

The Company is a public limited company incorporated in Singapore and is listed on the Mainboard of the SGX-ST. The principal business of the Group is the development of and investment in residential and commercial properties located primarily in Singapore, the United States of America and Malaysia.

3. SHARE CAPITAL

3.1 Issued Share Capital

As at the Latest Practicable Date, the Company has an issued and fully paid-up capital of S$520.43 million, comprising 4,212,025,475 Offer Shares and 24,110,300 treasury shares.

3.2 Rights in respect of Capital, Voting and Dividends

The rights of Shareholders in respect of capital, voting and dividends are contained in the Constitution. The provisions in the Constitution relating to the rights of Shareholders in respect of capital, voting and dividends are reproduced in Appendix III to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

3.3 Number of Shares Issued Since the End of FY2021

As at the Latest Practicable Date, no new Offer Shares have been issued by the Company since the end of FY2021.

3.4 Outstanding Instruments Convertible into Shares

As at the Latest Practicable Date, the Company has no outstanding instruments convertible into, rights to subscribe for, or options in respect of, Offer Shares or which carry voting rights affecting the Offer Shares.

4. DISCLOSURE OF INTERESTS

4.1 Interests of the Company in Offeror Securities

The Company does not have any direct or deemed interest in any Offeror Securities as at the Latest Practicable Date.

4.2 Dealings in Offeror Securities by the Company

The Company has not dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

4.3 Interests of the Directors in Offeror Securities

Save as disclosed below and in the Offer Document, none of the Directors has any direct or deemed interests in the Offeror Securities as at the Latest Practicable Date.

From the Offer Document, it is stated that the Offeror has an issued and paid-up share capital of S$100 comprising 100 ordinary shares, and GT and CT are the shareholders and directors of the Offeror. Of the 100 ordinary shares in the capital of the Offeror, CT owns 30 ordinary shares and GT owns 70 ordinary shares.

4.4 Dealings in Offeror Securities by the Directors

Save as disclosed in the Offer Document, none of the Directors has dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

On 6 September 2021, the date of incorporation of the Offeror, CT subscribed for 30 ordinary shares in the capital of the Offeror, representing 30% of the total shares of the Offeror in issue, for a consideration of S$30.

4.5 Interests of the Directors in SingHaiyi Securities

As at the Latest Practicable Date, save as disclosed below and in this Circular, none of the Directors has any direct or deemed interests in any SingHaiyi Securities:

Name	Number of Shares					
	Direct		Deemed		Total	
	No. of Offer Shares	%	No. of Offer Shares	%	No. of Offer Shares	%
Mr. Neil Bush	–	–	220,000,000 (1)	5.22	220,000,000	5.22
Mrs. Celine Tang	–	–	3,432,013,967 (2)	81.48	3,432,013,967	81.48
Mr. Mao Jinshan	4,075,600	0.10	–	–	4,075,600	0.10
Mr. Gn Hiang Meng	750,000	0.02	–	–	750,000	0.02
Mr. David Hwang Soo Chin	1,500,000	0.04	–	–	1,500,000	0.04

Note:

(1) *New Palace Developments Limited owns a 30% interest in AWL, and accordingly, New Palace Developments Limited is deemed to have an interest in the 220,000,000 Offer Shares held by AWL. Mr. Neil Bush is an ultimate shareholder of New Palace Developments Limited, and New Palace Developments Limited 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 220,000,000 Offer Shares that New Palace Developments Limited is deemed to have an interest in.*

(2) *CT's deemed interest arises through shareholding that (A) her husband, GT, is interested in, and (B) the Offeror is interested in. GT has a direct interest in 183,252,300 Offer Shares, while GT's deemed interest arises through (i) 2,962,580,467 Offer Shares held by HHPL; and (ii) 220,000,000 Offer Shares held by AWL. The Offeror has a direct interest in 66,181,200 Offer Shares.*

4.6 Dealings in SingHaiyi Securities by the Directors

Save as disclosed in any information on the Group which is publicly available (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNET), none of the Directors has dealt for value in any SingHaiyi Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

4.7 SingHaiyi Securities owned or controlled by Provenance Capital

As at the Latest Practicable Date, none of Provenance Capital, its related corporations, or any funds whose investments are managed by Provenance Capital on a discretionary basis, owns or controls any SingHaiyi Securities.

4.8 Dealings in SingHaiyi Securities by Provenance Capital

As at the Latest Practicable Date, none of Provenance Capital, its related corporations or any funds whose investments are managed by Provenance Capital on a discretionary basis has dealt for value in any SingHaiyi Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

4.9 Directors' Intentions

As at the Latest Practicable Date, the Directors who hold, and in respect of each of their beneficial shareholdings in the, Offer Shares have, taking into account their respective personal investment objectives, indicated their intentions in respect of accepting or rejecting the Offer in respect of their Offer Shares as follows:

(a) Mr. Neil Bush, a Director and in respect of his own beneficial shareholdings of the Offer Shares, intends to accept the Offer in respect of all such Offer Shares;

(b) CT, a Director and in respect of her own beneficial shareholdings of the Offer Shares, intends to accept the Offer in respect of all such Offer Shares given (i) that her husband, GT, intends to accept the Offer in respect of his direct interest in the Offer Shares and (ii) the Irrevocable Undertakings;

(c) Mr. Mao Jinshan, a Director who holds Offer Shares, intends to accept the Offer in respect of all the Offer Shares held by him;

(d) Mr. Gn Hiang Meng, a Director who holds Offer Shares, intends to accept the Offer in respect of all the Offer Shares held by him; and

(e) Mr. David Hwang Soo Chin, a Director who holds Offer Shares, intends to accept the Offer in respect of all the Offer Shares held by him.

4.10 Directors' service contracts

As at the Latest Practicable Date, there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than twelve (12) months to run and which cannot be terminated by the employing company within the next twelve (12) months without paying any compensation, and there are no such service contracts entered into or amended by the Company or any of its subsidiaries during the period commencing six (6) months prior to the Announcement Date and ending on the Latest Practicable Date.

4.11 Other Disclosures

As at the Latest Practicable Date:

(a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;

(b) save for the Irrevocable Undertakings, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and

(c) save as disclosed in the Offer Document, none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

5. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Announcement Date and ending on the Latest Practicable Date.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole. The Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

7. SUMMARY OF FINANCIAL INFORMATION

7.1 Consolidated Income Statement

A summary of the audited consolidated income statement of the Group for FY2019, FY2020 and FY2021 and the unaudited consolidated income statement of the Group for the half year ended 30 September 2021 ("**1HFY2022**") is set out below.

	←	Audited	→	Unaudited
S$'000	**FY2019**	**FY2020**	**FY2021**	**1HFY2022**
Revenue	75,909	57,169	152,849	202,756
Exceptional Items	–	–	–	–
Gross profit	21,633	14,751	33,215	44,970
Profit/(Loss) before income tax	21,589	(31,534)	(12,420)	29,866
Profit/(Loss) for the year or period	18,247	(25,490)	(10,868)	24,599
Profit/(Loss) attributable to:				
– Owners of the Company	22,646	(7,826)	(13,290)	12,521
– Non–controlling interests	(4,399)	(17,664)	2,422	12,078
Basic and diluted earnings per share (cents)	0.530	(0.186)	(0.316)	0.297
Ordinary dividend per share (cents)	0.15	–	–	–

The above summary is extracted from, and should be read in conjunction with, the annual reports of the Company for FY2019, FY2020 and FY2021, as well as the Interim Results, and their respective accompanying notes, copies of which are available for inspection at the Company's registered office as mentioned in Paragraph 12 of Appendix II to this Circular.

7.2 Statement of financial position

Statement of the assets and liabilities of the Group for the half year ended 30 September 2021 are set out in the Interim Results, which can be found in Appendix V to this Circular.

Statement of the assets and liabilities of the Group for FY2021 are set out in the audited consolidated financial statements of the Group for FY2021, which can be found in Appendix VI to this Circular.

7.3 Material changes in financial position

Save as disclosed in this Circular and publicly available information on the Company (including but not limited to the Interim Results and announcements released by the Company on SGXNET, or which may be released by the Company subsequent to the dissemination date of this Circular), there are no known material changes in the financial position of the Company as at the Latest Practicable Date since 31 March 2021, being the date to which the Company's last published audited financial statements were made up.

8. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of the Group is set out in Note 2 to the audited consolidated financial statements of the Group for FY2021, which are reproduced in Appendix VI to this Circular.

Save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the audited consolidated financial statements of the Group for FY2021 and the Interim Results), there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

9. CHANGES IN ACCOUNTING POLICIES

As at the Latest Practicable Date, save as disclosed in this Circular and publicly available information on the Group, there has been no change in the accounting policies of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

10. VALUATION SUMMARY LETTER

The Company has commissioned independent valuation of the Subject Properties. As disclosed in the Valuation Summary Letter, the basis of the valuation is (a) market value in its existing partially completed state of construction taking into account the cost of work done; and (b) gross development value of the property assuming satisfactory completion and issuance of temporary occupation permit and certificate of statutory completion. A copy of the Valuation Summary Letter is set out in Appendix IV to this Circular. The Valuation Summary Letter and the full valuation reports on each of the Subject Properties are available for inspection at the Company's registered office as mentioned in Paragraph 12 of Appendix II to this Circular.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liabilities which would arise if the Subject Properties, which are the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation. The management of the Company estimates the potential tax liability on a hypothetical sale of the Subject Properties to be approximately S$67,600,000. The Company expects the aforesaid potential tax liability to crystallise (if any) as and when the Company disposes of its interests in the Subject Properties.

11. GENERAL

(a) All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

(b) Provenance Capital has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; (ii) the IFA Letter set out in Appendix I to this Circular and all references thereto; and (iii) its advice to the Independent Directors set out in Section 8.2 of this Circular, in the form and context in which they appear in this Circular.

(c) The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; and (ii) the Valuation Summary Letter set out in Appendix IV to this Circular and all references thereto, in the form and context in which they appear in this Circular.

12. DOCUMENTS FOR INSPECTION

Copies of the documents listed below are available for inspection at the registered office of the Company, the address of which as may be announced by the Company from time to time, during normal business hours for the period during which the Offer remains open for acceptance. As at the Latest Practicable Date, the Company has its registered office at 6 Shenton Way, #45-01 OUE Downtown, Singapore 068809.

(a) the Constitution;

(b) the annual reports of the Company for FY2019, FY2020 and FY2021 (which contain the audited consolidated financial statements of the Group for FY2019, FY2020 and FY2021);

(c) the Interim Results;

(d) the letters of consent referred to in Paragraph 11 of Appendix II to this Circular;

(e) the IFA Letter set out in Appendix I to this Circular;

(f) the Valuation Summary Letter set out in Appendix IV to this Circular; and

(g) the full valuation reports on each of the Subject Properties.

PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

The provisions in the Constitution relating to the rights of Shareholders in respect of capital, voting and dividends have been reproduced below:

1. The Rights of Shareholders in respect of Capital

"SHARES

3. ***ISSUE OF SHARES.***

   (1) *No shares of the Company shall be issued by the Directors without the prior approval of the Company in General Meeting. Subject as foresaid and to this Constitution, the shares shall be under the control of the Directors, who may allot and issue the same to such persons on such terms and conditions and at such times as the Directors think fit.*

   (2) [*Deleted.*]

   (3) *The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.*

4. ***REPURCHASE OF SHARES.*** *Subject to the provisions of the Statutes, the Company may purchase or otherwise acquire its shares on such terms and in such manner as the Company may from time to time think fit. If required by the Statutes, any share that is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Statutes, be deemed to be cancelled immediately on purchase or acquisition. On cancellation of a share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Statutes.*

5. ***SPECIAL RIGHTS.*** *Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine; PROVIDED ALWAYS THAT the total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares of the Company and the rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.*

6. ***REDEEMABLE PREFERENCE SHARE.*** *Subject to Section 70 of the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed. The Company shall also have the power to issue further preference shares ranking equally with or in priority to any preference shares already issued.*

7. ***RIGHTS OF PREFERENCE SHAREHOLDERS.*** *Holders of preference shares shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending General Meetings of the Company. They shall have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividends on the preference shares are in arrears for more than six months.*

8. ***MODIFICATION OF RIGHTS OF PREFERENCE SHAREHOLDERS.*** *The repayment of preference capital other than redeemable preference capital, or any alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned; PROVIDED ALWAYS THAT where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.*

9. ***RIGHTS NOT VARIED BY ISSUE OF ADDITIONAL SHARES.*** *The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.*

10. ***COMMISSION ON SUBSCRIPTION.***

    (1) *The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company; PROVIDED ALWAYS THAT such commission shall not exceed ten per cent of the price at which such shares are issued, or an amount equivalent to such percentage, and that the requirements of Section 67 of the Act shall be observed. Such commission may be satisfied by the payment of cash or the allotment of fully paid shares or partly paid shares, or partly in one way and partly in the other.*

    (2) *Any expenses (including brokerage and commission) incurred directly by the Company in the issue of new shares may be paid out of the proceeds of the issue or the Company's share capital. Such payment shall not be taken as reducing the amount of share capital of the Company.*

11. ***NO TRUSTS RECOGNISED.*** *No person, other than the Depository, shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be required in any way to recognise (even when having notice thereof) any equitable, contingent future or partial interest in any share or any other rights in respect of any share other than an absolute right to the entirety thereof in the registered holder, except only as by this Constitution otherwise provided for or as required by the Statutes or pursuant to any order of Court.*

12. ***OFFER OF NEW SHARES.***

    (1) *Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Singapore Exchange's listing rules, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined and, after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Regulation.*

    (2) *Approval of the Company's shareholders referred to in Regulation 12(1) is not required if the shareholders have by ordinary resolution in a General Meeting given a general mandate to the Directors of the Company, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to:*

        (a) *issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or* *(b) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including without limitation, the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*

issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force, provided that:

(i) the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Singapore Exchange; and

(ii) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the provisions of the listing rules of the Singapore Exchange for the time being in force (unless such compliance is waived by the Singapore Exchange) and this Constitution; and

(iii) unless revoked or varied by the Company in General Meeting, such a general mandate shall only remain in force until:-

(A) the conclusion of the first Annual General Meeting of the Company following the passing of the ordinary resolution, or the date by which such Annual General Meeting of the Company is required by law to be held;

(B) the expiration of such other period as may be prescribed by the Act; or

(C) revoked or varied by ordinary resolution of the shareholders in General Meeting, whichever occurs first; and

provided that any other issue of shares, the aggregate of which would exceed the limits of the authority conferred by the ordinary resolution as referred to in this Regulation, shall be subject to the approval of the Company in General Meeting.

(3) The Company may issue shares for which no consideration is payable to the Company.

*13. **SHARE CERTIFICATES.** Unless otherwise resolved by the Directors, securities will be allotted and certificates issued in the name of and despatched to every person whose name is entered as a Member in the Register of Members within ten Market Days after the lodgement of a registrable transfer. Every person whose name is entered as a Member in the Register of Members shall be entitled without payment to one certificate issued under the Seal (or signed by the authorised persons in the manner set out under the Act as an alternative to sealing) in respect of each class of shares held by him for all his shares in that class or several certificates in reasonable denominations each for one or more of his shares in any one class upon payment of $2.00 (or such lesser sum as the Directors shall from time to time determine) for every certificate after the first. Stamp duty payable on such certificate shall be borne by such Member unless otherwise directed by the Directors; PROVIDED ALWAYS THAT in the case of joint holders the Company shall not be bound to issue more than one certificate and delivery of such certificate to any one of them shall be sufficient delivery to all such holders; PROVIDED FURTHER THAT the Company shall not be bound to register more than three persons as the holders of any share except in the case of executors or administrators of the estate of a deceased Member. Where the Member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.*

14. ***RENEWAL OF CERTIFICATES.*** *Subject to the provisions of the Act, if any share certificates shall be worn out, defaced, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member company of the Singapore Exchange or on behalf of its/their client(s) as the Directors shall require, and in the case of defacement or wearing out, on delivery of the old certificate and in any case on payment of such sum not exceeding two dollars as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the company of the evidence of such destruction or loss.*

LIEN

15. ***COMPANY TO HAVE LIEN ON SHARES AND DIVIDENDS.*** *The Company shall only have a lien on unpaid calls and instalments upon specific shares of the Company in respect of which such monies are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Company's lien, if any, on such shares shall extend to all dividends payable thereon.*

16. ***LIEN MAY BE ENFORCED BY SALE OF SHARES.*** *The Directors may sell any shares subject to such lien at such time or times and in such manner as they think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or a liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof, and giving notice of intention to sell in default, shall have been served on such Member or the persons (if any) entitled by transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for seven days after such notice.*

17. ***DIRECTORS MAY AUTHORISE TRANSFER AND ENTER PURCHASER'S NAME IN REGISTER.*** *To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser's name in the Register of Members as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.*

18. ***APPLICATION OF PROCEEDS OF SALE.*** *The net proceeds of sale whether of a share forfeited by the Company or of a share over which the Company has a lien, shall be applied in or towards satisfaction of the amount due to the Company, or of the liability or engagement, as the case may be, and any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.*

19. ***MEMBER NOT ENTITLED TO PRIVILEGES OF MEMBERSHIP UNTIL ALL CALLS PAID.*** *No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him and whether alone or jointly with any other person, together with interest and expenses (if any).*

CALLS ON SHARES

20. ***DIRECTORS MAY MAKE CALLS.*** *The Directors may, subject to the provisions of this Constitution, from time to time make such calls upon the Members in respect of all moneys unpaid on their shares as they think fit; PROVIDED ALWAYS THAT fourteen days' notice at least is given of each call and each Member shall be liable to pay the amount of every call so made upon him to the Company, by the instalments (if any) and at the times and places so specified in the notice.*

21. ***WHEN CALL DEEMED TO HAVE BEEN MADE.*** *A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.*

22. ***LIABILITY OF JOINT HOLDERS.*** *The joint holders of a share shall be jointly and severally liable to pay all calls and instalments in respect thereof.*

23. ***INTEREST ON UNPAID CALL.*** *If before or on the day appointed for payment thereof a call or instalment payable in respect of a share is not paid, the person from whom the same is due shall pay interest on the amount of the call or instalment at such rate as the Directors shall fix from the day appointed for payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.*

24. ***PAYMENTS IN ADVANCE OF CALLS.*** *Any Member may pay to the Company and the Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies for the time being remaining uncalled on his shares but the monies so paid in advance shall not, whilst carrying interest, confer a right to participate in the profits of the Company.*

25. ***MONIES PAID IN ADVANCE OF CALLS.*** *In respect of any monies paid in advance of any call, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Directors may pay or allow such interest as may be agreed between them and such Member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up.*

26. ***SUM PAYABLE ON ALLOTMENT DEEMED TO BE A CALL.*** *Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, shall, for all purposes of this Constitution, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum were a call duly made and notified as hereby provided.*

27. ***DIFFERENCE IN CALLS.*** *The Directors may, from time to time, make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.*

TRANSFER OF SHARES

28. ***TRANSFER OF SHARES.***

(1) *There shall be no restriction on the transfer of fully paid up shares (except where required by law the rules, bye-laws or listing rules of the Singapore Exchange or the rules and/or bye-laws governing any other stock exchange upon which the shares of the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve, provided always that in the event of the Directors refusing to register a transfer of shares, they shall within ten Market Days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Singapore Exchange from time to time) after the date on which the transfer was lodged with the Company, serve a notice in writing to the transferor and the transferee stating their refusal to register and stating the facts which are considered to justify the refusal as required by the Statutes.*

(2) *The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:-*

(a) *all or any part of the stamp duty (if any) payable on each share certificate and such fee not exceeding $2 as the Directors may from time to time require, is paid to the Company in respect thereof;*

(b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;

(c) the instrument of transfer is in respect of only one class of shares; and

(d) the amount of the proper duty with which each share certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force relating to stamps is tendered.

(3) The provisions in this Constitution relating to the transfer of shares shall not apply to any transfer of Shares by means of book-entry securities (as defined in the Statutes).

*29. **FORM OF TRANSFER.** The Company shall accept for registration an instrument of transfer of a share (other than a transfer of shares by way of book-entry in compliance with the Statutes) ("instrument of transfer") in writing in the form approved by the Directors and the Singapore Exchange. Every instrument of transfer must be in respect of only one class of shares and must be duly stamped in accordance with any applicable law for the time being in force relating to stamp duty and shall be left at the Office accompanied by the Certificate of the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer.*

*30. **TRANSFERS TO BE EXECUTED BY BOTH PARTIES.** The instrument of transfer of any share shall be executed by or on behalf of both the transferor and the transferee and be witnessed, PROVIDED ALWAYS THAT the Depository shall not be required to sign, as transferee, any transfer form relating to the transfer of shares to it and PROVIDED FURTHER THAT, at the discretion of the Directors, the signature of any other transferee may be dispensed with. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.*

*31. **TRANSFER FEE.** The Company shall be entitled to charge a fee not exceeding $2.00 for each instrument of transfer or such other sum as may from time to time be prescribed by the Singapore Exchange on the registration of every transfer.*

*32. **REGISTRATION OF TRANSFERS.** The Directors may decline to register any transfer unless all the preceding requirements are fully complied with. All instruments of transfer which are registered may be retained by the Company.*

*33. **REGISTRATION OF TRANSFERS MAY BE SUSPENDED.** The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine; PROVIDED ALWAYS THAT such registration shall not be suspended for more than thirty days in any year.*

TRANSMISSION OF SHARES

*34. **ON DEATH OF MEMBER, SURVIVOR OR EXECUTOR ONLY RECOGNISED.***

(1) In the case of the death of a Member, the survivor or survivors, where the deceased was a joint holder of shares, and the executors or administrators of the deceased, where he was a sole or only surviving holder of shares, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.

(2) The provisions in this Articles relating to the transmission of shares shall not apply to any transactions affecting book-entry securities (as defined in the Act).

35. ***PERSON ENTITLED MAY RECEIVE DIVIDENDS WITHOUT BEING REGISTERED AS A MEMBER, BUT MAY NOT EXERCISE OTHER RIGHTS.*** *A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of it to receive notice of or to attend or vote at General Meetings of the Company or, save as aforesaid, to exercise any of the rights or privileges as a Member unless and until he shall become a Member in respect of the share.*

FORFEITURE OF SHARES

36. ***PAYMENT OF CALL WITH INTEREST AND EXPENSES.*** *If any Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment thereof, the Directors may at any time thereafter, during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by transmission requiring him to pay such call or instalment or such part thereof as remains unpaid, together with interest at such rate as the Directors shall determine, and any expenses that may have accrued by reason of such non-payment.*

37. ***NOTICE REQUIRING PAYMENT TO CONTAIN CERTAIN PARTICULARS.*** *The notice shall name a further day (not earlier than the expiration of seven days from the date of the notice) on or before which such call or instalment, or such part as aforesaid, and all interest and expenses that have accrued by reason of such non-payment, are to be paid. It shall also name the place where payment is to be made, and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made will be liable to be forfeited.*

38. ***ON NON-COMPLIANCE WITH NOTICE SHARES FORFEITED ON RESOLUTION OF DIRECTORS.*** *If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared.*

39. ***NOTICE OF FORFEITURE TO BE GIVEN AND ENTERED IN REGISTER OF MEMBERS.*** *When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members opposite to the shares; but the provisions of this Regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.*

40. ***DIRECTORS MAY ANNUL FORFEITURE UPON TERMS.*** *Notwithstanding any such forfeiture as aforesaid the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit to impose.*

41. ***DIRECTORS MAY DISPOSE OF FORFEITED SHARES.*** *Every share which shall be forfeited may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person upon such terms and in such manner as the Directors shall think fit, and the Directors may, if necessary, authorise some person to transfer the same to such other person as aforesaid.*

42. ***FORMER HOLDER OF FORFEITED SHARES LIABLE FOR CALL MADE BEFORE FORFEITURE.*** *A shareholder whose shares have been forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest thereon to the date of payment, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture, without any deduction of allowance for the value of the shares at the time of forfeiture.*

43. ***CONSEQUENCES OF FORFEITURE.*** *The forfeiture of a share shall involve the extinction at the time of forfeiture of all interests in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved or as are by the Statutes given or imposed in the case of past Members.*

44. ***TITLE TO FORFEITED SHARE.*** *A statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly forfeited in pursuance of this Constitution and stating the date upon which it was forfeited shall, as against all persons claiming to be entitled to the share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated, and such declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof, and a certificate of proprietorship of the share under the Seal (or signed by the authorised persons in the manner set out under the Act as an alternative to sealing) delivered to the person to whom the same is sold or disposed of, shall constitute a good title to the share, and (subject to the execution of any necessary transfer) such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition, and shall not be bound to see to application of the purchase money (if any) nor shall his title to the share be affected by any act, omission, or irregularity relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.*

CONVERSION OF SHARES INTO STOCK

45. ***POWER TO CONVERT INTO STOCK.*** *The Company may by ordinary resolution passed at a General Meeting convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination.*

46. ***TRANSFER OF STOCK.*** *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit but the Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.*

47. ***RIGHTS OF STOCKHOLDERS.*** *The holders of stock shall according to the amount of the stock held by them have the same rights privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage.*

48. ***INTERPRETATION.*** *All provisions of this Constitution as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".*

ALTERATION OF CAPITAL

49. ***COMPANY MAY INCREASE ITS CAPITAL.*** *The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.*

50. ***COMPANY MAY ALTER ITS CAPITAL.*** *The Company may by ordinary resolution:-*

(1) *consolidate and divide all or any of its share capital; or*

(2) *sub-divide its existing shares, or any of them, subject, nevertheless, to the provisions of the Statutes and so that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;*

(3) *cancel any shares not taken or agreed to be taken by any person; and*

(4) *subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency.*

51. ***COMPANY MAY REDUCE ITS CAPITAL AND CONVERT ITS SHARES.*** *The Company may by special resolution:*

(1) *reduce its share capital and any other undistributable reserve subject to any conditions prescribed by the Statutes; and*

(2) *subject to and in accordance with the Act and the listing rules of Singapore Exchange, convert one class of shares into another class of shares.*

MODIFICATION OF CLASS RIGHTS

52. ***RIGHTS OF SHAREHOLDERS MAY BE ALTERED.*** *Subject to the provisions of Section 74 of the Act, all or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the share capital of the Company may from time to time be modified, affected, varied, extended or surrendered in any manner with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the Members of that class. To any such separate meeting all the provisions of this Constitution as to General Meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be Members of the class holding or representing by proxy two-thirds. of the share capital paid or credited as paid on the issued shares of the class, and every holder of shares of the class in question shall be entitled on a poll to one vote for every such share held by him."*

2. The Rights of Shareholders in respect of voting

"GENERAL MEETINGS

53. ***ANNUAL GENERAL MEETINGS.*** *A General Meeting shall be held once in every calendar year, at such time and place as may be determined by the Directors and within four months from the end of its financial year in accordance with the Statutes.*

54. ***ANNUAL AND EXTRAORDINARY GENERAL MEETINGS.*** *The abovementioned General Meetings shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings.*

55. ***EXTRAORDINARY GENERAL MEETINGS.*** *The Directors may call an Extraordinary General Meeting whenever they think fit, and Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by Section 176 of the Act.*

55A. ***PLACE OF GENERAL MEETING.*** *The Directors may, in their discretion, determine the place where any General Meeting, including an Extraordinary General Meeting, shall be held. Unless not required by the listing rules of the Singapore Exchange, all General Meetings, including Extraordinary General Meetings, shall be held in Singapore.*

56. ***NOTICE OF MEETING.***

(1) Subject to the provisions the Statutes relating to the convening of meetings to pass resolutions, at least fourteen days' notice (where the notice does not contain special resolutions) (excluding the date of notice and the date of General Meeting) or twenty-one days' notice (where the notices contain special resolutions) (excluding the date of notice and the date of General Meeting), specifying the place, the day and the hour of meeting, shall be given in manner hereinafter mentioned to such persons as are under the provisions of this Constitution entitled to receive notices of General Meeting from the Company, but with the consent of all persons for the time being entitled as aforesaid, a General Meeting may be convened upon a shorter notice, and in such manner as such persons may approve. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such special business. At least fourteen days' notice of each General Meeting shall be given by advertisement in the daily press and in writing to the Singapore Exchange and to such other stock exchanges on which the Company is listed.

(2) The accidental omission to give such notice to, or the non-receipt of such notice by, any such person shall not invalidate the proceedings or any resolution passed at any such meeting.

(3) Subject to the Act, a General Meeting shall, notwithstanding that it has been called by a shorter notice than that specified in sub-regulation (1), be deemed to have been duly called if it is so agreed:

(a) in the case of an Annual General Meeting, by all the Members entitled to attend and vote thereat; or

(b) in the case of any other General Meeting, by a majority in number of the Members having a right to attend and vote thereat, being a majority which together holds not less than 95% of the total voting rights of all the Members having a right to vote at that General Meeting, as is required by the Act.

57. ***RESOLUTION SIGNED BY ALL MEMBERS AS EFFECTIVE AS IF PASSED AT GENERAL MEETING.*** *Subject to the Statutes, a resolution in writing signed (whether such signature is printed, written or electronically signed (i.e. PDF)) or approved by letter, electronic communication or facsimile by all the Members for the time being entitled to receive notice of and attend and vote at General Meetings (or being corporations by their duly authorised representatives) shall be valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more Members.*

PROCEEDINGS AT GENERAL MEETINGS

58. ***SPECIAL BUSINESS.*** *All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the financial statements and the Directors' statement and Auditors' statement, and any other documents annexed to the financial statements, the election of Directors in the place of those retiring and the fixing of the remuneration of the Directors and the appointment and fixing of the remuneration of the Auditors.*

*59. **NO BUSINESS TO BE TRANSACTED UNLESS QUORUM PRESENT.** No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. For all purposes the quorum shall be two Members personally present or represented by proxy.*

*60. **IF NO QUORUM MEETING ADJOURNED OR DISSOLVED.** If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the General Meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the General Meeting, the Members present shall be a quorum.*

*61. **CHAIRMAN OF BOARD TO PRESIDE AT ALL MEETINGS.** The Chairman of the Directors shall preside as Chairman at every General Meeting, in his absence, the Deputy Chairman, and in the absence of both the Chairman and the Deputy Chairman, the Vice-Chairman shall preside as Chairman at every General Meeting. If at any General Meeting the Chairman, the Deputy Chairman or the Vice-Chairman be not present within fifteen minutes after the time appointed for holding the General Meeting or be unwilling to act, the Members present shall choose one of the Directors to be the Chairman of the meeting, or if no Director be present or if all the Directors present decline to take the chair, one of their number present shall be Chairman.*

*62. **NOTICE OF ADJOURNED MEETINGS.** The Chairman may, with the consent of any General Meeting at which a quorum is present and shall, if so directed by the meeting, adjourn any General Meeting from time to time and from place to place as the General Meeting shall determine. Whenever a General Meeting is adjourned for ten days or more, notice of the adjourned General Meeting shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no Member shall be entitled to any notice of any adjournment or of the business to be transacted at an adjourned General Meeting. No business shall be transacted at any adjourned General Meeting other than the business which might have been transacted at the General Meeting from which the adjournment took place.*

*63. **HOW RESOLUTION DECIDED.** Unless not required by the listing rules of the Singapore Exchange, all resolution(s) put to the vote at the General Meeting shall be decided by poll, including any resolution for the adjournment or election of a Chairman of such General Meeting. Subject to the foregoing, at any General Meeting a resolution put to the vote of the General Meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll is demanded by the Chairman or by any person for the time being entitled to vote at the meeting, and unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or carried by a particular majority, or lost, shall be conclusive, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence thereof without proof of the number or proportion of the votes recorded in favour of or against such resolution.*

*64. **HOW POLL TO BE TAKEN.** A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place, and in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the General Meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with at a General Meeting pending the taking of the poll."*

3. The Rights of Shareholders in respect of dividends

"DIVIDENDS AND RESERVES

*110. **DISTRIBUTION OF PROFITS.** Subject to any preferential or other special rights for the time being attached to any special class of shares, the profits of the Company which it shall from time to time determine to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up or credited as paid up thereon respectively otherwise than in advance of calls PROVIDED THAT where a Member is a Depositor, the Company shall be entitled to pay any dividends payable to such Member to the Depository and, to the extent of the payment made to the Depository, the Company shall be discharged from any and all liability in respect of that payment.*

*111. **DECLARATION OF DIVIDENDS.** The Directors may, with the sanction of a General Meeting, from time to time declare dividends, but no such dividend shall be payable except out of the profits of the Company. The Directors may, if they think fit, from time to time declare and pay to the Members such interim dividends as appear to them to be justified by the position of the Company, and may also from time to time if in their opinion such payment is so justified, pay any preferential dividends which by the terms of issue of any shares are made payable on fixed dates. No higher dividend shall be paid than is recommended by the Directors, and the declaration of the Directors as to the amount of the net profits shall be conclusive.*

*112. **DEDUCTION FROM DIVIDEND.** The Directors may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.*

*113. **PAYMENT OTHERWISE THAN IN CASH.** Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific asset or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights or all parties, arid may vest any such specific assets in trustees as may seem expedient to the Directors.*

*114. **DIRECTORS MAY FORM RESERVE FUND AND INVEST.** The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves, which shall at the discretion of the Directors be applicable for meeting contingencies, or for repairing or maintaining any works connected with the business of the Company, or for equalising dividends, or for distribution by way of special dividend or bonus, or may be applied for such other purposes for which the profits of the Company may lawfully be applied as the Directors may think expedient in the interests of the Company, and pending such application the Directors may employ the sums from time to time so set apart as aforesaid in the business of the Company or invest the same in such securities, other than the shares of the Company, as they may select. The Directors may also from time to time carry forward such sums as they may deem expedient in the interests of the Company.*

*115. **DIVIDEND WARRANTS TO BE POSTED TO MEMBERS.** Every dividend warrant may, unless otherwise directed, be sent by post to the last registered address of the Member entitled thereto, and the receipt of the person, whose name at the date of the declaration of the dividend appears on the Register of Members as the owner of any share or, in the case of joint holders, of any one of such joint holders, shall be a good discharge to the Company for all payments made in respect of such share. No unpaid dividend or interest shall bear interest as against the Company.*

CAPITALISATION OF PROFITS

116. ***COMPANY MAY CAPITALISE RESERVES AND UNDIVIDED PROFITS.*** *The Company in General Meeting may at any time and from time to time pass a resolution that any sum not required for the payment or provision of any fixed preferential dividend, and (1) for the time being standing to the credit of any reserve of the Company, including premiums received on the issue of any shares or debentures of the Company, or (2) being undivided net profits in the hands of the Company, be capitalised, and that such sum be appropriated as capital to and amongst the ordinary shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the ordinary shares, and in such manner as the resolution may direct, and such resolution shall be effective; and the Directors shall in accordance with such resolution apply such sum in paying up in full any unissued shares or debentures of the Company on behalf of the ordinary shareholders aforesaid, and appropriate such shares or debentures and distribute the same credited as fully paid up to and amongst such shareholders in the proportions aforesaid in satisfaction of the shares and interests of such shareholders in the said capitalised sum or shall apply such sum or any part thereof on behalf of the shareholders aforesaid in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued ordinary shares held by such shareholders or otherwise deal with such sum as directed by such resolution. Where any difficulty arises in respect of any such distribution, the Directors may settle the same as they think expedient, and in particular they may issue fractional certificates, fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any such shares or debentures in trustees upon such trust for the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. Where deemed requisite a proper contract for the allotment and acceptance of any shares to be distributed as aforesaid shall be delivered to the Registrar of Companies for registration in accordance with the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and distribution and such appointment shall be effective."*

VALUATION SUMMARY LETTER

1 December 2021

SingHaiyi Group Ltd.
6 Shenton Way
#45-01 OUE Downtown 1
Singapore 068809

Dear Sirs

VALUATION OF
(1) LOT NO. 6165X MUKIM 24 AT 5 TO 19 (ODD NOS.) HOW SUN DRIVE "THE GAZANIA" SINGAPORE 538527/30/33/36/40/45/50/55
(2) LOT NO. 5780W MUKIM 24 AT 29/31/33 HOW SUN ROAD "THE LILIUM" SINGAPORE 538499/500/501
(3) LOT NO. 4512W MUKIM 5 AT 2/2A/2B/2C/2D/2E/2F/2G/2H/2J/2K/2L, 6/6A, 8A TO 8F & 10/12/14/16/18/20 JALAN LEMPENG "PARC CLEMATIS" SINGAPORE 126740, 128793, 123795 TO 128802 & 128811 TO 128827

Instructions

We refer to your instructions for a formal valuation to be carried out in respect of the abovementioned properties (individually referred to as the "Property" or collectively referred to as the "Properties") for the purposes of Voluntary Conditional Cash Offer for all the issued ordinary shares (excluding treasury shares) in the capital of SingHaiyi Group Ltd.

We have specifically been instructed to provide our opinion of Market Value of each Property, as at 30 September 2021, with vacant possession, on the following bases:

(I) In its existing partially completed state of construction taking into account the cost of work done; and

(II) Gross Development Value of the proposed development assuming satisfactory completion and issuance of Temporary Occupation Permit and Certificate of Statutory Completion.

We have, in accordance with the instructions, issued three formal comprehensive Valuation Reports and this Valuation Summary Letter, in accordance with the terms of engagement entered into between Knight Frank Pte Ltd and SingHaiyi Group Ltd., dated 15 November 2021.

Our valuation is our opinion of the Market Value, which we would define as follows:

"Market Value is the estimated amount for which an asset or liability should exchange on valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J
KnightFrank.com.sg
Other Offices:
Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

In preparing this valuation, we have relied on information provided by SingHaiyi Group Ltd., particularly in respect of such matters as planning approvals, proposed gross floor areas/strata areas, estimated construction costs/costs of work done, estimated construction periods, expected dates of completion, annual values, etc. We have relied upon this information as being accurate and complete. We accept no responsibility for subsequent changes in the information provided. Dimensions, measurements and areas are only approximations.

All works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.

Unless otherwise stated, all valuation figures herein are stated on a net of GST basis.

We have carried out site inspections, prepared and provided this Valuation Summary Letter outlining key factors that have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular to shareholders of SingHaiyi Group Ltd. (the "Circular"), in relation to the Voluntary Conditional Cash Offer for all the issued ordinary shares (excluding treasury shares) in the capital of SingHaiyi Group Ltd. The value conclusions reflect all information known by the valuers of Knight Frank Pte Ltd who worked on the valuation in respect to the Properties, market conditions and available data.

Reliance on This Letter

We have prepared this Letter which outlines key factors which have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular. This Letter alone does not contain all the necessary data and support information included in our Valuation Reports. Knight Frank Pte Ltd has provided SingHaiyi Group Ltd. comprehensive Valuation Reports for the Properties. The valuation and market information are not guarantees or predictions and must be read in conjunction with the following:

(a) The estimated values are based upon the factual information provided by SingHaiyi Group Ltd. Whilst Knight Frank Pte Ltd has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by SingHaiyi Group Ltd. or the Government of Singapore (primarily statistical information relating to market conditions). Knight Frank Pte Ltd believes that every recipient of the Circular, should review the Valuation Reports to understand the complexity of the methodology and the many variables involved.

(b) The primary methodologies used by Knight Frank Pte Ltd in valuing the Properties are the Residual Land Value Method and the Direct Comparison Method. These valuation methodologies are summarised in the Valuation Rationale section of this Letter.

(c) The Valuation Reports were undertaken based upon information available as of November 2021. Knight Frank Pte Ltd accepts no responsibility for subsequent changes in information as to proposed gross floor areas/strata areas, estimated construction costs/costs of work done or market conditions.

The Valuation Reports, Valuation Summary Letter and Valuation Certificates may only be relied upon by SingHaiyi Group Ltd. for the purposes of Voluntary Conditional Cash Offer for all the issued ordinary shares (excluding treasury shares) in the capital of SingHaiyi Group Ltd.

The Properties

The following provide a brief summary of the Properties.

Lot No. 6165X Mukim 24 at 5 to 19 (Odd Nos.) How Sun Drive "The Gazania"

First Grant of Written Permission was obtained on 21 January 2019 for the proposed erection of seven blocks of 5-storey (with attic) condominium development (total 250 units) with a basement car park and ancillary facilities. Second Grant of Written Permission was obtained on 8 November 2019 for the proposed regularisation of gross floor area (GFA) and amendment to approved erection of seven blocks of 5-storey (with attic) condominium development (total 250 units) with a basement car park and ancillary facilities. Third Grant of Written Permission was obtained on 6 November 2020 for the proposed amendment to approved erection of seven blocks of 5-storey (with attic) condominium development (total 250 units) with a basement car park and ancillary facilities. 1st Extension of Written Permission to proposed erection of seven blocks of 5-storey (with attic) condominium development (total 250 units) with a basement car park and ancillary facilities was granted on 18 December 2020, and the Planning Permission shall now lapse on 21 January 2023. Another Grant of Written Permission was obtained on 19 January 2021 for the proposed regularisation of GFA and amendment to approved erection of seven blocks of 5-storey (with attic) condominium development (total 250 units) with a basement car park and ancillary facilities.

"The Gazania" will, upon completion, comprise seven blocks of 5-storey (with attic) condominium development accommodating a total of 250 units, with a basement car park. Communal facilities to be provided include 50m lap pool, kid's pool, spa pool, multi-purpose lawn, open lawn, meeting pods, clubhouse with gym, function room and outdoor pavilion, BBQ pavilion, kid's playground, outdoor fitness area, pocket garden, scented garden, butterfly garden, reflexology path, courtyard, etc. We understand that the Property is expected to be completed by June 2022.

Lot No. 5780W Mukim 24 at 29/31/33 How Sun Road "The Lilium"

First Grant of Written Permission was obtained on 18 December 2018 for the proposed erection of two blocks of 5-storey (with attic) residential development (total 80 units) with a basement car park and ancillary facilities. Second Grant of Written Permission was obtained on 8 November 2019 for the proposed regularisation of GFA and amendment to approved erection of two blocks of 5-storey (with attic) condominium development (total 80 units) with a basement car park and ancillary facilities. Third Grant of Written Permission was obtained on 16 September 2020 for the proposed amendment to approved erection of two blocks of 5-storey (with attic) condominium development (total 80 units) with a basement car park and ancillary facilities. 1st Extension of Written Permission was granted on 18 December 2020 for the proposed erection of two blocks of 5-storey (with attic) condominium development (total 80 units) with a basement car park and ancillary facilities, and the Planning Permission shall now lapse on 18 December 2022.

"The Lilium" will, upon completion, comprise two blocks of 5-storey (with attic) condominium development (total 80 units) with a basement car park and ancillary facilities. Communal facilities to be provided include picnic lawn, function room, gym, 30m lap pool, pool deck, lily pond, kid's pool, moonlight garden, outdoor fitness area, kid's playground, BBQ & dining pavilion, wellness lawn, scented garden and garden walk, etc. The Temporary Occupation Permit was issued on 17 November 2021.

Lot No. 4512W Mukim 5 at 2/2A/2B/2C/2D/2E/2F/2G/2H/2J/2K/2L, 6/6A, 8A to 8F & 10/12/14/16/18/20 Jalan Lempeng "Parc Clematis"

First Grant of Written Permission was obtained on 22 April 2019 for the proposed erection of nine blocks of 24-storey of residential flats, six units of 2-storey strata bungalows and twelve units of 2-storey strata terrace houses (total 1,468 units) with basement car park, swimming pool and communal facilities. Second Grant of Written Permission was obtained on 17 October 2019 for the proposed regularisation of GFA and amendment to approved erection of nine blocks of 24-storey of residential flats, six units of 2-storey strata bungalows and twelve units of 2-storey strata terrace houses (total 1,468 units) with basement car park, swimming pool and communal facilities. Extension of Written Permission was granted on 12 April 2021 for the proposed erection of nine blocks of 24-storey of residential flats, six units of 2-storey strata bungalows and twelve units of 2-storey strata terrace houses (total 1,468 units) with basement car park, swimming pool and communal facilities, and the Planning Permission shall now lapse on 22 April 2023.

"Parc Clematis" will, upon completion, comprise nine blocks of 24-storey of residential flats, six units of 2-storey strata bungalows and twelve units of 2-storey strata terrace houses (total 1,468 units) with basement car park. Communal facilities to be provided include lawns, gardens (rain garden, community garden, sky garden, reflexology garden), cabana, pavilions (rain spa, study, lounge, tea place, laundry, courtyard, pet's playground, dining pavilions, kid's portable BBQ/playhouse, sports arena), dining deck, jacuzzi alcoves, pools (aquatherapy pool, hyrotherapy pool, three 50m lap pools, toddler play pool, main pool/beach pool), pool decks, kid's water play, water features, clubhouses (reading, chef's kitchen, celebration hall, multi-purpose entertainment room, multi-purpose games room, gym, dance studio), pet lawn, playgrounds (aquatic/inclusive/zoo themed), tennis court, multi-purpose court, outdoor fitness stations, camping gardens, etc. We understand that the Property is expected to be completed by 31 July 2023.

Briefly, the property details of the Properties are detailed as follows:

Property	Tenure/Remaining Land Lease Term	Land Area (sm)	Proposed Gross Floor Area (sm)	Proposed Strata Area (sm)
Lot No. 6165X Mukim 24 "The Gazania"	Estate in Fee Simple	13,568.1	20,894.87	20,119.0
Lot No. 5780W Mukim 24 "The Lilium"	Estate in Fee Simple	5,104.3	7,860.63	7,614.0
Lot No. 4512W Mukim 5 "Parc Clematis"	96.9 years (approximately)	58,867.0	135,982.77	131,672.0

The estimated total construction cost, cost of work done and cost to complete of each Property as at the Valuation Date are as follows:

Property	Estimated Total Construction Cost	Estimated Cost of Work Done As At 30 September 2021	Estimated Cost to Complete As At 30 September 2021
Lot No. 6165X Mukim 24 "The Gazania"	S$82,884,000/-	S$40,466,000/-	S$42,418,000/-
Lot No. 5780W Mukim 24 "The Lilium"	S$33,105,000/-	S$27,124,000/-	S$5,981,000/-
Lot No. 4512W Mukim 5 "Parc Clematis"	S$415,038,000/-	S$73,324,000/-	S$341,714,000/-
Total	**S$531,027,000/-**	**S$140,914,000/-**	**S$390,113,000/-**

Valuation Rationale

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

We have adopted the Residual Land Value Method to arrive at the Market Value of each Property in its existing partially completed state of construction, taking into account the cost of work done. The Gross Development Value (GDV) of each proposed development assuming satisfactory completion is derived by the Direct Comparison Method.

Residual Land Value Method

In this method, the Market Value of each Property in its existing partially completed state of construction, taking into account the cost of work done, is arrived at by deducting the estimated cost to complete (including professional fees/authorities' fees and GST) and other relevant costs from the GDV of the proposed development assuming satisfactory completion.

Direct Comparison Method

In this method, a comparison is made with sales of residential units within each of the proposed development and other comparable developments. Adjustments are made, where appropriate, for differences in location, size, tenure, type of development, etc., before arriving at the GDV of each proposed development. For the sold units, we have adopted the actual sale proceeds.

Market Values

We are of the opinion that the Market Values of the unencumbered remaining freehold/leasehold interests in the Properties, with vacant possession, at the valuation date, are:

(I) IN ITS EXISTING PARTIALLY COMPLETED STATE OF CONSTRUCTION TAKING INTO ACCOUNT THE COST OF WORK DONE

Property	Market Value As At 30 September 2021
Lot No. 6165X Mukim 24 "The Gazania"	S$324,000,000/-
Lot No. 5780W Mukim 24 "The Lilium"	S$132,000,000/-
Lot No. 4512W Mukim 5 "Parc Clematis"	S$1,459,000,000/-
Total	**S$1,915,000,000/-**

(II) GROSS DEVELOPMENT VALUE OF THE PROPOSED DEVELOPMENT ASSUMING SATISFACTORY COMPLETION AND ISSUANCE OF TEMPORARY OCCUPATION PERMIT AND CERTIFICATE OF STATUTORY COMPLETION

Property	Gross Development Value As At 30 September 2021
Lot No. 6165X Mukim 24 "The Gazania"	S$444,000,000/-
Lot No. 5780W Mukim 24 "The Lilium"	S$164,000,000/-
Lot No. 4512W Mukim 5 "Parc Clematis"	S$2,273,000,000/-
Total	**S$2,881,000,000/-**

Disclaimer

We have prepared this Valuation Summary Letter for inclusion in, and/or to be made available for inspection under, the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within this Valuation Summary Letter and the enclosed Valuation Certificates. We do not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given by Knight Frank Pte Ltd in this Valuation Summary Letter or in the Valuation Certificates.

Knight Frank Pte Ltd has relied upon property data supplied by SingHaiyi Group Ltd., which we assume to be true and accurate. Knight Frank Pte Ltd takes no responsibility for inaccurate data supplied by SingHaiyi Group Ltd. and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Properties and have no personal interest or bias with respect to the party or parties involved. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the clients, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We certify that our valuers undertaking the valuations are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
Appraiser's Licence No. AD 041-2003752I
For and on behalf of Knight Frank Pte Ltd

Perry Khoo
B.Sc.(Real Estate) Hons.,MSISV
Director
Valuation & Advisory
Appraiser's Licence No: AD 041-2009340A
For and on behalf of Knight Frank Pte Ltd

Valuation Certificate

Property	:	Lot No. 6165X Mukim 24 at 5 to 19 (Odd Nos.) How Sun Drive "The Gazania" Singapore 538527/30/33/36/40/45/50/55
Instructing Party/ Relying Party	:	SingHaiyi Group Ltd.
Purpose of Valuation	:	Voluntary Conditional Cash Offer for all the issued ordinary shares (excluding treasury shares) in the capital of SingHaiyi Group Ltd.
Legal Description (Subject Land)	:	Lot No. : 6165X Mukim : 24
Tenure	:	Estate in Fee Simple (Grant 5)
Interest Valued	:	Freehold interest
Basis of Valuation	:	(I) Market Value in its existing partially completed state of construction taking into account the cost of work done; and (II) Gross Development Value of the proposed development assuming satisfactory completion and issuance of Temporary Occupation Permit and Certificate of Statutory Completion.
Registered Owner	:	Singhaiyi Huajiang Sun Pte. Ltd.
Master Plan 2019	:	"Residential" with a gross plot ratio of 1.4
Brief Description	:	First Grant of Written Permission was obtained on 21 January 2019 for the proposed erection of seven blocks of 5-storey (with attic) condominium development (total 250 units) with a basement car park and ancillary facilities. Second Grant of Written Permission was obtained on 8 November 2019 for the proposed regularisation of gross floor area (GFA) and amendment to approved erection of seven blocks of 5-storey (with attic) condominium development (total 250 units) with a basement car park and ancillary facilities. Third Grant of Written Permission was obtained on 6 November 2020 for the proposed amendment to approved erection of seven blocks of 5-storey (with attic) condominium development (total 250 units) with a basement car park and ancillary facilities. 1st Extension of Written Permission to the proposed erection of seven blocks of 5-storey (with attic) condominium development (total 250 units) with a basement car park and ancillary facilities was granted on 18 December 2020, and the Planning Permission shall now lapse on 21 January 2023. Another Grant of Written Permission was obtained on 19 January 2021 for the proposed regularisation of GFA and amendment to approved erection of seven blocks of 5-storey (with attic) condominium development (total 250 units) with a basement car park and ancillary facilities. "The Gazania" will, upon completion, comprise seven blocks of 5-storey (with attic) condominium development accommodating a total of 250 units, with a basement car park. Communal facilities to be provided include 50m lap pool, kid's pool, spa pool, multi-purpose lawn, open lawn, meeting pods, clubhouse with gym, function room and outdoor pavilion, BBQ pavilion, kid's playground, outdoor fitness area, pocket garden, scented garden, butterfly garden, reflexology path, courtyard, etc. We understand that the Property is expected to be completed by June 2022.
Land Area	:	13,568.1 sm (146,046 sf)
Proposed Gross Floor Area (GFA)	:	20,894.87 sm (224,910 sf) approximately, including additional GFA for Balcony Incentive Scheme of 1,774.004 sm (19,095 sf) and Green Mark Incentive Scheme of 125.53 sm (1,351 sf)
Proposed Strata Area (SA)	:	20,119.0 sm (216,559 sf) approximately *Note: Including A/C ledge, balcony, private enclosed space, private car park and strata void.*
Estimated Construction Cost	:	S$82.884 million approximately (including professional fees/authorities' fees and GST)
Estimated Cost of Work Done as at 30 September 2021	:	S$40.466 million approximately (including professional fees/authorities' fees and GST)
Percentage of Work Done	:	48.8% approximately
Valuation Approaches	:	Residual Land Value Method and Direct Comparison Method
Date of Inspection	:	20 November 2021
Date of Issue	:	1 December 2021
Valuation Date	:	30 September 2021
Market Value	:	(I) IN ITS EXISTING PARTIALLY COMPLETED STATE OF CONSTRUCTION TAKING INTO ACCOUNT THE COST OF WORK DONE **S$324,000,000/-** **(Singapore Dollars Three Hundred And Twenty-Four Million Only)** (II) GROSS DEVELOPMENT VALUE (GDV) OF THE PROPOSED DEVELOPMENT ASSUMING SATISFACTORY COMPLETION AND ISSUANCE OF TEMPORARY OCCUPATION PERMIT AND CERTIFICATE OF STATUTORY COMPLETION **S$444,000,000/-** **(Singapore Dollars Four Hundred And Forty-Four Million Only)**
GDV Rate (Over SA)	:	S$22,069 psm (S$2,050 psf)
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
Prepared by	:	Knight Frank Pte Ltd

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
Appraiser's Licence No. AD 041-2003752I
For and on behalf of Knight Frank Pte Ltd

Perry Khoo
B.Sc.(Real Estate) Hons.,MSISV
Director
Valuation & Advisory
Appraiser's Licence No: AD 041-2009340A
For and on behalf of Knight Frank Pte Ltd

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J

KnightFrank.com.sg
Other Offices:

Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

Valuation Certificate

Property	:	Lot No. 5780W Mukim 24 at 29/31/33 How Sun Road "The Lilium" Singapore 538499/500/501
Instructing Party/ Relying Party	:	SingHaiyi Group Ltd.
Purpose of Valuation	:	Voluntary Conditional Cash Offer for all the issued ordinary shares (excluding treasury shares) in the capital of SingHaiyi Group Ltd.
Legal Description (Subject Land)	:	Lot No. : 5780W Mukim : 24
Tenure	:	Estate in Fee Simple (Grant 5)
Interest Valued	:	Freehold interest
Basis of Valuation	:	(I) Market Value in its existing partially completed state of construction taking into account the cost of work done; and (II) Gross Development Value of the proposed development assuming satisfactory completion and issuance of Temporary Occupation Permit and Certificate of Statutory Completion.
Registered Owner	:	Singhaiyi Huajiang Amber Pte. Ltd
Master Plan 2019	:	"Residential" with a gross plot ratio of 1.4
Brief Description	:	First Grant of Written Permission was obtained on 18 December 2018 for the proposed erection of two blocks of 5-storey (with attic) residential development (total 80 units) with a basement car park and ancillary facilities. Second Grant of Written Permission was obtained on 8 November 2019 for the proposed regularisation of gross floor area and amendment to approved erection of two blocks of 5-storey (with attic) condominium development (total 80 units) with a basement car park and ancillary facilities. Third Grant of Written Permission was obtained on 16 September 2020 for the proposed amendment to approved erection of two blocks of 5-storey (with attic) condominium development (total 80 units) with a basement car park and ancillary facilities. 1st Extension of Written Permission was granted on 18 December 2020 for the proposed erection of two blocks of 5-storey (with attic) condominium development (total 80 units) with a basement car park and ancillary facilities, and the Planning Permission shall now lapse on 18 December 2022. "The Lilium" will, upon completion, comprise two blocks of 5-storey (with attic) condominium development (total 80 units) with a basement car park and ancillary facilities. Communal facilities to be provided include picnic lawn, function room, gym, 30m lap pool, pool deck, lily pond, kid's pool, moonlight garden, outdoor fitness area, kid's playground, BBQ & dining pavilion, wellness lawn, scented garden and garden walk, etc. The Temporary Occupation Permit was issued on 17 November 2021.
Land Area	:	5,104.3 sm (54,942 sf) *Note: 55.1 sm (593 sf) approximately for street reserve to be vested to the State at the Certificate of Statutory Completion (CSC) stage.*
Proposed Gross Floor Area (GFA)	:	7,860.63 sm (84,611 sf) approximately, including additional GFA for Balcony Incentive Scheme of 667.37 sm (7,184 sf) and Green Mark Incentive Scheme of 47.23 sm (508 sf)
Proposed Strata Area (SA)	:	7,614.0 sm (81,956 sf) approximately *Note: Including A/C ledge, balcony and strata void.*
Estimated Construction Cost	:	S$33.105 million approximately (including professional fees/authorities' fees and GST)
Estimated Cost of Work Done as at 30 September 2021	:	S$27.124 million approximately (including professional fees/authorities' fees and GST)
Percentage of Work Done	:	81.9% approximately
Valuation Approaches	:	Residual Land Value Method and Direct Comparison Method
Date of Inspection	:	20 November 2021
Date of Issue	:	1 December 2021
Valuation Date	:	30 September 2021
Market Value	:	(I) IN ITS EXISTING PARTIALLY COMPLETED STATE OF CONSTRUCTION TAKING INTO ACCOUNT THE COST OF WORK DONE **S$132,000,000/-** **(Singapore Dollars One Hundred And Thirty-Two Million Only)** (II) GROSS DEVELOPMENT VALUE (GDV) OF THE PROPOSED DEVELOPMENT ASSUMING SATISFACTORY COMPLETION AND ISSUANCE OF TEMPORARY OCCUPATION PERMIT AND CERTIFICATE OF STATUTORY COMPLETION **S$164,000,000/-** **(Singapore Dollars One Hundred And Sixty-Four Million Only)**
GDV Rate (Over SA)	:	S$21,539 psm (S$2,001 psf)
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
Prepared by	:	Knight Frank Pte Ltd

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
Appraiser's Licence No. AD 041-2003752I
For and on behalf of Knight Frank Pte Ltd

Perry Khoo
B.Sc.(Real Estate) Hons.,MSISV
Director
Valuation & Advisory
Appraiser's Licence No: AD 041-2009340A
For and on behalf of Knight Frank Pte Ltd

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J

KnightFrank.com.sg
Other Offices:

Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

Valuation Certificate

Property	:	Lot No. 4512W Mukim 5 at 2/2A/2B/2C/2D/2E/2F/2G/2H/2J/2K/2L, 6/6A, 8A to 8F & 10/12/14/16/18/20 Jalan Lempeng "Parc Clematis" Singapore 126740, 128793, 123795 to 128802 & 128811 to 128827
Instructing Party/ Relying Party	:	SingHaiyi Group Ltd.
Purpose of Valuation	:	Voluntary Conditional Cash Offer for all the issued ordinary shares (excluding treasury shares) in the capital of SingHaiyi Group Ltd.
Legal Description (Subject Land)	:	Lot No. : 4512W Mukim : 5
Tenure	:	Leasehold 99 years with effect from 8 August 2019 (Balance of about 96.9 years as at 30 September 2021)
Interest Valued	:	Leasehold interest
Basis of Valuation	:	(I) Market Value in its existing partially completed state of construction taking into account the cost of work done; and (II) Gross Development Value of the proposed development assuming satisfactory completion and issuance of Temporary Occupation Permit and Certificate of Statutory Completion.
Registered Owner	:	Sing-Haiyi Gold Pte. Ltd.
Master Plan 2019	:	"Residential" with a gross plot ratio of 2.1
Brief Description	:	First Grant of Written Permission was obtained on 22 April 2019 for the proposed erection of nine blocks of 24-storey of residential flats, six units of 2-storey strata bungalows and twelve units of 2-storey strata terrace houses (total 1,468 units) with basement car park, swimming pool and communal facilities. Second Grant of Written Permission was obtained on 17 October 2019 for the proposed regularisation of gross floor area and amendment to approved erection of nine blocks of 24-storey of residential flats, six units of 2-storey strata bungalows and twelve units of 2-storey strata terrace houses (total 1,468 units) with basement car park, swimming pool and communal facilities. Extension of Written Permission was granted on 12 April 2021 for the proposed erection of nine blocks of 24-storey of residential flats, six units of 2-storey strata bungalows and twelve units of 2-storey strata terrace houses (total 1,468 units) with basement car park, swimming pool and communal facilities, and the Planning Permission shall now lapse on 22 April 2023. "Parc Clematis" will, upon completion, comprise nine blocks of 24-storey of residential flats, six units of 2-storey strata bungalows and twelve units of 2-storey strata terrace houses (total 1,468 units) with basement car park. Communal facilities to be provided include lawns, gardens (rain garden, community garden, sky garden, reflexology garden), cabana, pavilions (rain spa, study, lounge, tea place, laundry, courtyard, pet's playground, dining pavilions, kid's portable BBQ/playhouse, sports arena), dining deck, jacuzzi alcoves, pools (aquatherapy pool, hyrotherapy pool, three 50m lap pools, toddler play pool, main pool/beach pool), pool decks, kid's water play, water features, clubhouses (reading, chef's kitchen, celebration hall, multi-purpose entertainment room, multi-purpose games room, gym, dance studio), pet lawn, playgrounds (aquatic/inclusive/zoo themed), tennis court, multi-purpose court, outdoor fitness stations, camping gardens, etc. We understand that the Property is expected to be completed by 31 July 2023.
Land Area	:	58,867.0 sm (633,639 sf)
Proposed Gross Floor Area (GFA)	:	135,982.77 sm (1,463,705 sf) approximately, including additional GFA for Balcony Incentive Scheme of 10,631.38 sm (114,435 sf), Green Mark Incentive Scheme of 988.97 sm (10,645 sf) and Indoor Recreational Space of 741.72 sm (7,984 sf)
Proposed Strata Area (SA)	:	131,672.0 sm (1,417,304 sf) approximately *Note: Including A/C ledge, balcony, private enclosed space, private car park, garden and strata void.*
Estimated Construction Cost	:	S$415.038 million approximately (including professional fees/authorities' fees and GST)
Estimated Cost of Work Done as at 30 September 2021	:	S$73.324 million approximately (including professional fees/authorities' fees and GST)
Percentage of Work Done	:	17.7% approximately
Valuation Approaches	:	Residual Land Value Method and Direct Comparison Method
Date of Inspection	:	20 November 2021
Date of Issue	:	1 December 2021
Valuation Date	:	30 September 2021
Market Value	:	(I) IN ITS EXISTING PARTIALLY COMPLETED STATE OF CONSTRUCTION TAKING INTO ACCOUNT THE COST OF WORK DONE **S$1,459,000,000/-** **(Singapore Dollars One Billion Four Hundred And Fifty-Nine Million Only)** (II) GROSS DEVELOPMENT VALUE (GDV) OF THE PROPOSED DEVELOPMENT ASSUMING SATISFACTORY COMPLETION AND ISSUANCE OF TEMPORARY OCCUPATION PERMIT AND CERTIFICATE OF STATUTORY COMPLETION **S$2,273,000,000/-** **(Singapore Dollars Two Billion Two Hundred And Seventy-Three Million Only)**
GDV Rate (Over SA)	:	S$17,263 psm (S$1,604 psf)
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
Prepared by	:	Knight Frank Pte Ltd

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
Appraiser's Licence No. AD 041-2003752I
For and on behalf of Knight Frank Pte Ltd

Perry Khoo
B.Sc.(Real Estate) Hons.,MSISV
Director
Valuation & Advisory
Appraiser's Licence No: AD 041-2009340A
For and on behalf of Knight Frank Pte Ltd

UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

SingHaiyi Group Ltd and its subsidiaries
Registration Number: 198803164K

Condensed Interim Financial Statements and Dividend Announcement

For the half year ended 30 September 2021

Table of contents

Item No.	Description	Page No.
A	Condensed interim consolidated statement of profit or loss	1
B	Condensed interim consolidated statement of comprehensive income	2
C	Condensed interim statements of financial position	3
D	Condensed interim statement of changes in equity	4
E	Condensed interim consolidated statement of cash flows	7
F	Notes to the condensed interim financial statements	8
G	Other information required by Listing Rule Appendix 7.2	23

A. Condensed interim consolidated statement of profit or loss
Half year ended 30 September 2021

		Group		
		Half year ended		
	Note	30.09.2021 $'000	30.09.2020 $'000	Change %
Revenue	4	202,756	50,554	>100
Cost of sales		(157,786)	(40,508)	>100
Gross profit		44,970	10,046	>100
Other income	5	1,747	2,079	(16.0)
Selling and marketing expenses		(393)	(1,033)	(62.0)
Administrative expenses		(4,697)	(4,674)	0.5
Other operating expenses		(373)	(298)	25.2
Results from operating activities		41,254	6,120	>100
Finance income	6	1,373	1,940	(29.2)
Finance costs	7	(11,878)	(14,401)	(17.5)
Net finance costs		(10,505)	(12,461)	(15.7)
Share of loss of equity-accounted investees, net of tax		(883)	(129)	>100
Profit/(Loss) before tax		29,866	(6,470)	NM
Tax (expense)/credit	8	(5,267)	261	NM
Profit/(Loss) for the period	9	24,599	(6,209)	NM
Profit/(Loss) attributable to:				
Owners of the Company		12,521	(4,595)	NM
Non-controlling interests		12,078	(1,614)	NM
Profit/(Loss) for the period		24,599	(6,209)	NM
Earnings per share				
Basic and diluted earnings per share (cents)	10	0.297	(0.109)	NM

NM : Not meaningful

B. Condensed interim consolidated statement of comprehensive income Half year ended 30 September 2021

	Group Half year ended 30.09.2021 $'000	Group Half year ended 30.09.2020 $'000	Change %
Profit/(Loss) for the period	24,599	(6,209)	NM
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Share of currency translation differences of equity-accounted investees	(145)	(228)	(36.4)
Currency translation differences relating to foreign operations	1,205	(2,790)	NM
Effective portion of changes in fair value of cash flow hedges	2,092	(4,008)	NM
	3,152	(7,026)	NM
Item that will not be reclassified subsequently to profit or loss			
Changes in fair value of financial assets at fair value through other comprehensive income	(2,519)	6,834	NM
Other comprehensive income for the period, net of income tax	633	(192)	NM
Total comprehensive income for the period	25,232	(6,401)	NM
Total comprehensive income attributable to:			
Owners of the Company	12,108	(2,783)	NM
Non-controlling interests	13,124	(3,618)	NM
Total comprehensive income for the period	25,232	(6,401)	NM

NM : Not meaningful

C. Condensed interim statements of financial position As at 30 September 2021

		Group		Company	
	Note	30.09.2021 $'000	31.03.2021 $'000	30.09.2021 $'000	31.03.2021 $'000
Non-current assets					
Property, plant and equipment		3,390	1,781	2,038	440
Investment properties	11	53,941	53,812	–	–
Subsidiaries		–	–	181,712	181,710
Associates and joint ventures		142,354	131,309	–	–
Amounts due from subsidiaries		–	–	328,227	320,995
Financial assets at fair value through other comprehensive income		33,560	36,079	33,560	36,079
Deferred tax assets		3,696	8,179	428	428
		236,941	231,160	545,965	539,652
Current assets					
Development properties	12	1,647,993	1,747,548	–	–
Contract costs		41,368	26,745	–	–
Trade and other receivables	13	59,371	69,890	1,832	1,300
Amounts due from subsidiaries		–	–	51,075	43,168
Cash and cash equivalents		143,814	100,669	13,776	30,654
		1,892,546	1,944,852	66,683	75,122
Total assets		2,129,487	2,176,012	612,648	614,774
Non-current liabilities					
Loans and borrowings	14	940,019	989,308	–	–
Loan from non-controlling interests		283,658	285,908	–	–
Loan from a related party		18,264	20,674	–	–
Lease liabilities		1,563	66	1,509	–
Derivative liabilities		4,659	6,751	–	–
Deferred tax liabilities		4,540	4,006	–	–
		1,252,703	1,306,713	1,509	–
Current liabilities					
Trade and other payables		47,639	45,554	3,845	8,614
Contract liabilities		188,265	208,398	–	–
Loans and borrowings	14	11,944	13,063	11,851	12,970
Lease liabilities		483	490	323	207
Current tax payable		3,731	2,304	–	–
		252,062	269,809	16,019	21,791
Total liabilities		1,504,765	1,576,522	17,528	21,791
Equity attributable to owners of the Company					
Share capital	15	520,430	520,430	520,430	520,430
Retained earnings		121,614	109,093	80,542	75,886
Reserves		(11,983)	(11,570)	(5,852)	(3,333)
		630,061	617,953	595,120	592,983
Non-controlling interests		(5,339)	(18,463)	–	–
Total equity		624,722	599,490	595,120	592,983
Total equity and liabilities		2,129,487	2,176,012	612,648	614,774

D. Condensed interim statement of changes in equity
Half year ended 30 September 2021

	Attributable to owners of the Company								
	Share capital $'000	**Capital reserve $'000**	**Translation reserve $'000**	**Hedging reserve $'000**	**Fair value reserve $'000**	**Retained earnings $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Current period:									
The Group									
At 1 April 2021	520,430	2,755	(4,421)	(3,375)	(6,529)	109,093	617,953	(18,463)	599,490
Total comprehensive income for the period									
Profit for the period	–	–	–	–	–	12,521	12,521	12,078	24,599
Other comprehensive income									
Share of currency translation differences of equity-accounted investees	–	–	(145)	–	–	–	(145)	–	(145)
Effective portion of change in fair value of cash flow hedge	–	–	–	1,046	–	–	1,046	1,046	2,092
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	(2,519)	–	(2,519)	–	(2,519)
Currency translation differences relating to foreign operations	–	–	1,205	–	–	–	1,205	–	1,205
Total other comprehensive income	–	–	1,060	1,046	(2,519)	–	(413)	1,046	633
Total comprehensive income for the period	–	–	1,060	1,046	(2,519)	12,521	12,108	13,124	25,232
At 30 September 2021	520,430	2,755	(3,361)	(2,329)	(9,048)	121,614	630,061	(5,339)	624,722

D. Condensed interim statement of changes in equity (cont'd)
Half year ended 30 September 2021

	Attributable to owners of the Company								
	Share capital $'000	**Capital reserve $'000**	**Translation reserve $'000**	**Hedging reserve $'000**	**Fair value reserve $'000**	**Retained earnings $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Prior period:									
The Group									
At 1 April 2020	520,430	2,755	4,142	(3,663)	(15,628)	124,085	632,121	(20,905)	611,216
Total comprehensive income for the period									
Loss for the period	–	–	–	–	–	(4,595)	(4,595)	(1,614)	(6,209)
Other comprehensive income									
Share of currency translation differences of equity-accounted investees	–	–	(228)	–	–	–	(228)	–	(228)
Effective portion of change in fair value of cash flow hedge	–	–	–	(2,004)	–	–	(2,004)	(2,004)	(4,008)
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	6,834	–	6,834	–	6,834
Currency translation differences relating to foreign operations	–	–	(2,790)	–	–	–	(2,790)	–	(2,790)
Total other comprehensive income	–	–	(3,018)	(2,004)	6,834	–	1,812	(2,004)	(192)
Total comprehensive income for the period	–	–	(3,018)	(2,004)	6,834	(4,595)	(2,783)	(3,618)	(6,401)
Transfer of gain on disposal of financial assets through other comprehensive income to retained earnings	–	–	–	–	1,702	(1,702)	–	–	–
Transactions with owners, recorded directly in equity									
Dividends declared	–	–	–	–	–	–	–	(268)	(268)
Total transactions with owners	–	–	–	–	–	–	–	(268)	(268)
At 30 September 2020	520,430	2,755	1,124	(5,667)	(7,092)	117,788	629,338	(24,791)	604,547

D. Condensed interim statement of changes in equity (cont'd)
Half year ended 30 September 2021

	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Retained earnings $'000	Total equity $'000
Current period:					
The Company					
At 1 April 2021	520,430	3,197	(6,530)	75,886	592,983
Total comprehensive income for the period					
Profit for the period	–	–	–	4,656	4,656
Other comprehensive income					
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	(2,519)	–	(2,519)
Total other comprehensive income	–	–	(2,519)	–	(2,519)
Total comprehensive income for the period	–	–	(2,519)	4,656	2,137
At 30 September 2021	520,430	3,197	(9,049)	80,542	595,120
Prior period:					
The Company					
At 1 April 2020	520,430	3,197	(15,628)	75,740	583,739
Total comprehensive income for the period					
Profit for the period	–	–	–	1,325	1,325
Other comprehensive income					
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	6,834	–	6,834
Total other comprehensive income	–	–	6,834	–	6,834
Total comprehensive income for the period	–	–	6,834	1,325	8,159
Transfer of gain on disposal of financial assets through other comprehensive income to retained earnings	–	–	1,702	(1,702)	–
At 30 September 2020	520,430	3,197	(7,092)	75,363	591,898

E. Condensed interim consolidated statement of cash flows
Half year ended 30 September 2021

	Group Half year ended 30.09.2021 $'000	30.09.2020 $'000
Cash flows from operating activities		
Profit/(Loss) before tax	29,866	(6,470)
Adjustments for:		
Depreciation of property, plant and equipment	525	698
Interest and dividend income	(1,373)	(1,940)
Interest expense	11,878	14,401
Net unrealised foreign exchange gain	(14)	(2,242)
Share of loss of equity-accounted investees, net of tax	883	129
	41,765	4,576
Changes in:		
- Contract costs	(14,623)	(6,851)
- Contract liabilities	(20,134)	21,405
- Development properties	100,366	11,877
- Trade and other receivables	13,301	(3,714)
- Trade and other payables	2,094	2,810
Cash generated from operations	122,769	30,103
Tax refunded/(paid)	1,136	(455)
Net cash generated from operating activities	123,905	29,648
Cash flows from investing activities		
Acquisition of plant and equipment	(155)	(20)
Capital expenditure on investment properties	–	(261)
Interest and dividend income received	650	1,064
Investment in joint ventures	(14,174)	–
Net proceeds from disposal of investment in financial assets at fair value through other comprehensive income	–	15,701
Net cash (used in)/generated from investing activities	(13,679)	16,484
Cash flows from financing activities		
Dividends paid to non-controlling interests	–	(268)
Interest paid	(11,542)	(14,544)
Payment of lease liabilities	(470)	(619)
Proceeds from bank loans, net of transaction costs	9,155	8,506
(Repayment of)/Proceeds from loan from non-controlling interests	(2,250)	1,850
Repayment of loan from a related party	(2,410)	–
Repayment of bank loans	(59,563)	(986)
Net cash used in financing activities	(67,080)	(6,061)
Net increase in cash and cash equivalents	43,146	40,071
Cash and cash equivalents at beginning of the period	100,669	29,005
Effect of exchange rate fluctuations on cash held	(1)	(5)
Cash and cash equivalents at end of the period	143,814	69,071

F. Notes to the condensed interim financial statements

1 Domicile and activities

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

The 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.

The condensed interim consolidated financial statements of the Group as at and for the half year ended 30 September 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in equity-accounted investees.

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

2 Basis of preparation

The condensed interim financial statements for the half year ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and should be read in conjunction with the Group’s latest annual consolidated financial statements as at and for the financial year ended 31 March 2021. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements have been presented in Singapore dollars, which is the Company’s functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 April 2021. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2 Use of estimates and judgements

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

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

Management is of the opinion that there are no critical judgements in applying the entity’s accounting policies that have significant effect on the carrying amounts recognised in the financial statements.

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

- Note 11 Determination of the fair values of investment properties
- Note 12 Measurement of net realisable value of development properties

Measurement of fair values

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

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

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

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

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

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

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

Further information about the assumption made in measuring fair values is included in Note 11 which relates to investment properties.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

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

• Property development	Development and sale of development properties
• Property and property related investment	Holding and management of investment properties ("IP") and investment in IP related entities
• Others	Investment holding and provision of management services

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

4.1 Reportable segments

Group	**Property development $'000**	**Property and property related investment $'000**	**Others $'000**	**Segment total $'000**	**Unallocated items $'000**	**Total $'000**
Half year ended 30 September 2021						
External revenue	200,198	2,558	–	202,756	–	202,756
Profit/(Loss) from operating activities	45,735	(1,006)	(1,462)	43,267	(2,013)	41,254
Share of loss of equity-accounted investees, net of tax	(3)	(880)	–	(883)	–	(883)
Finance income	–	1,373	–	1,373	–	1,373
Finance costs	(11,674)	(197)	(7)	(11,878)	–	(11,878)
Reportable segment profit/(loss) before tax	34,058	(710)	(1,469)	31,879	(2,013)	29,866
Depreciation of property, plant and equipment	118	22	385	525	–	525
Interests in associates	405	39,744	–	40,149	–	40,149
Interests in joint ventures	–	102,205	–	102,205	–	102,205
Capital expenditure*	–	138	17	155	–	155
Reportable segment assets	1,817,872	294,259	11,846	2,123,977	5,510	2,129,487
Reportable segment liabilities	1,479,244	22,976	2,487	1,504,707	58	1,504,765

Group	Property development $'000	Property and property related investment $'000	Others $'000	Segment total $'000	Unallocated items $'000	Total $'000
Half year ended 30 September 2020						
External revenue	48,412	2,142	–	50,554	–	50,554
Profit/(Loss) from operating activities	8,925	(1,621)	606	7,910	(1,790)	6,120
Share of profit/(loss) of equity-accounted investees, net of tax	13	(142)	–	(129)	–	(129)
Finance income	–	1,940	–	1,940	–	1,940
Finance costs	(14,041)	(350)	(10)	(14,401)	–	(14,401)
Reportable segment (loss)/profit before tax	(5,103)	(173)	596	(4,680)	(1,790)	(6,470)
Depreciation of property, plant and equipment	237	27	434	698	–	698
Interests in associates	386	49,986	–	50,372	–	50,372
Interests in joint ventures	–	149,836	–	149,836	–	149,836
Capital expenditure*	11	261	9	281	–	281
Reportable segment assets	1,803,459	374,236	18,700	2,196,395	1,089	2,197,484
Reportable segment liabilities	1,527,109	64,446	1,382	1,592,937	–	1,592,937

*Capital expenditure comprises plant and equipment of $155,000 (30 September 2020: $20,000) and investment properties of $Nil (30 September 2020: $261,000).

Geographical information

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

Group	Singapore $'000	USA $'000	Malaysia $'000	Australia $'000	Total $'000
Half year ended 30 September 2021					
Revenue	191,196	11,560	–	–	202,756
Current assets	1,756,936	135,610	–	–	1,892,546
Non-current assets #	136,633	26,288	40,460	33,560	236,941
Half year ended 30 September 2020					
Revenue	48,729	1,825	–	–	50,554
Current assets	1,748,190	140,090	–	–	1,888,280
Non-current assets #	188,738	34,379	50,571	35,516	309,204

Include property, plant and equipment, investment properties, associates and joint ventures, financial assets at fair value through other comprehensive income and deferred tax assets.

4.2 Revenue

	Property development $'000	Property and property related investment $'000	Total $'000
Half year ended 30 September 2021			
Primary geographical markets			
Singapore	190,762	434	191,196
United States	9,436	2,124	11,560
	200,198	2,558	202,756
Major products and service lines			
Property development income	200,198	–	200,198
Rental income	–	2,558	2,558
	200,198	2,558	202,756
Timing of revenue recognition			
Products transferred at a point in time	11,559	–	11,559
Products and services transferred over time	188,639	2,558	191,197
	200,198	2,558	202,756
Half year ended 30 September 2020			
Primary geographical markets			
Singapore	48,338	391	48,729
United States	–	1,825	1,825
	48,338	2,216	50,554
Major products and service lines			
Property development income	48,261	–	48,261
Rental income	–	2,216	2,216
Management fee income	77	–	77
	48,338	2,216	50,554
Timing of revenue recognition			
Products transferred at a point in time	1,293	–	1,293
Products and services transferred over time	47,045	2,216	49,261
	48,338	2,216	50,554

5 Other income

	Group Half year ended 30.09.2021 $'000	Group Half year ended 30.09.2020 $'000
Forfeiture of booking deposit	539	475
Government grants	67	628
Interest income on late payment from buyers	663	48
Net foreign exchange gain	401	920
Others	77	8
	1,747	2,079

6 Finance income

	Group Half year ended	
	30.09.2021	**30.09.2020**
	$'000	**$'000**
Dividend income:		
- Equity investments – at fair value through other comprehensive income	1,332	1,940
Interest income on loans to joint ventures	41	–
	1,373	1,940

7 Finance costs

	Group Half year ended	
	30.09.2021	**30.09.2020**
	$'000	**$'000**
Interest expense on:		
- bank loans	11,144	13,516
- loan from a related party	500	625
- lease liabilities	11	21
Amortisation of banking facility fee	223	239
Interest expense on financial liabilities measured at amortised cost	11,878	14,401

8 Tax (expense)/credit

	Group Half year ended	
	30.09.2021	**30.09.2020**
	$'000	**$'000**
Current tax (expense)/credit		
Current year	(296)	(157)
Over provision in prior period	5	418
	(291)	261
Deferred tax expense		
Reversal of temporary differences	(4,976)	–
Tax (expense)/credit	(5,267)	261

9 Profit/(Loss) for the period

The following items have been included in arriving at profit/(loss) for the period:

	Group Half year ended	
	30.09.2021	**30.09.2020**
	$'000	**$'000**
Depreciation of property, plant and equipment	525	698
Professional fees	99	67

10 Earnings per share

Basic and diluted earnings per share at 30 September 2021 and 2020 were calculated as follows:

(i) Profit/(Loss) attributable to ordinary shareholders

	Group Half year ended	
	30.09.2021 $'000	**30.09.2020 $'000**
Profit/(Loss) attributable to ordinary shareholders	12,521	(4,595)

(ii) Weighted average number of ordinary shares

	Group Half year ended	
	30.09.2021	**30.09.2020**
Weighted average number of ordinary shares during the period ('000)	4,212,025	4,212,025
Basic and diluted earnings per share (cents)	0.297	(0.109)

11 Investment properties

	Group	
	30.09.2021 $'000	**31.03.2021 $'000**
Investment properties at fair value	53,941	53,812

As at 30 September 2021, the Group has a portfolio of investment properties comprising commercial and industrial properties in Singapore and a shopping mall in the United States. These investment properties are measured at fair values based on independent external valuation at the end of each financial year.

These valuers have the appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. The independent valuers provide the fair values of the Group's investment properties portfolio annually. Valuations are made based on the properties highest-and-best use using direct market comparison method.

The fair values of investment properties as at 30 September 2021 are based on 31 March 2021 valuations, adjusted for capital expenditure capitalised in the current period, and management's assessment of the valuation of the investment properties in consultation with external valuers. In making this assessment, management has taken into account whether there were significant changes in the operating performance of the properties and market inputs such as capitalisation rates or transacted prices since the last independent valuations as at 31 March 2021. Following management's assessment, no changes has been made on the fair value of on its investment properties for the half year ended 30 September 2021 (30 September 2020: $Nil).

Covid-19 has created more market uncertainty which could impact property valuations in the short-term. As such, the estimates of fair values of investment properties as at 30 September 2021 are subject to a high degree of uncertainty, and values may change rapidly and/or significantly when there are new developments. An independent valuation of the investment properties will be conducted at the end of this financial year to assess the changes in fair value after 30 September 2021.

12 Development properties

	Group	
	30.09.2021	**31.03.2021**
	$'000	**$'000**
(a) ***Properties under development, for which revenue is to be recognised at a point in time***		
Land and land related cost	52,407	51,867
Development costs	16,973	16,798
	69,380	68,665
Properties under development, for which revenue is to be recognised over time		
Land and land related cost	1,623,216	1,620,029
Development costs	184,005	132,839
Total costs recognised as cost of sales	(290,034)	(142,836)
	1,517,187	1,610,032
Properties under development	1,586,567	1,678,697
(b) Completed development properties, at cost		
Completed development properties	62,691	70,116
Allowance for diminution in value	(1,265)	(1,265)
	61,426	68,851
Total development properties	1,647,993	1,747,548

Development properties are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimate costs of completion and estimated costs necessary to make the sale.

(i) Allowance for diminution in value

Movement in allowance for diminution in value was as follows:

	Group	
	30.09.2021	**31.03.2021**
	$'000	**$'000**
At beginning of the year	1,265	759
Additions	–	506
At end of the period/year	1,265	1,265

The allowance for foreseeable losses was determined taking into consideration the expected selling prices for the projects, which were based on external independent professional valuations undertaken or recent selling prices for the development projects or comparable projects and estimated total construction costs.

Management had reviewed the estimated selling prices of its development properties in consultation with external valuers and recent transacted prices for the projects, and estimated costs of completion and estimated costs necessary to make the sale, and is of the view that no further allowance for diminution in value is considered necessary as at 30 September 2021.

Covid-19 has created more market uncertainty which could impact property valuations in the short-term. As such, the estimates of selling prices of development properties as at 30 September 2021 are subject to a high degree of uncertainty, and values may change rapidly and/or significantly when there are new developments. An independent valuation of the development properties will be conducted at the end of this financial year to assess the changes in fair value after 30 September 2021.

13 Trade and other receivables

	Group		Company	
	30.09.2021 $'000	**31.03.2021 $'000**	**30.09.2021 $'000**	**31.03.2021 $'000**
Trade receivables	53,427	63,118	100	102
Government grant receivable	–	150	–	150
Receivables from a joint venture	2,100	2,100	–	–
Other receivables	2,636	1,203	1,492	839
Deposits	291	366	170	181
	58,454	66,937	1,762	1,272
Tax recoverable	–	1,411	–	–
Prepaid expenses	917	1,542	70	28
	59,371	69,890	1,832	1,300

The Group uses an allowance matrix to measure the expected credit losses ("ECLs") of trade receivables from individual customers, which comprise a large number of small balances.

The allowable matrix is based on loss rates determined based on actual credit loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, recoverables and the Group's view of economic conditions over the expected lives of the receivables. The exposure to credit risk and ECL for trade receivables as at 30 September 2021 is insignificant.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	Group		Company	
	Gross carrying amount $'000	**Impairment loss allowance $'000**	**Gross carrying amount $'000**	**Impairment loss allowance $'000**
30 September 2021				
Not past due	52,666	–	100	–
Past due 1 to 30 days	20	–	–	–
Past due 31 to 60 days	31	–	–	–
Past due 61 to 90 days	3	–	–	–
Past due over 90 days	707	–	–	–
	53,427	–	100	–
31 March 2021				
Not past due	62,902	–	102	–
Past due 1 to 30 days	38	–	–	–
Past due 31 to 60 days	24	–	–	–
Past due 61 to 90 days	67	–	–	–
Past due over 90 days	87	–	–	–
	63,118	–	102	–

14 Loans and borrowings

	Group		Company	
	30.09.2021	**31.03.2021**	**30.09.2021**	**31.03.2021**
	$'000	**$'000**	**$'000**	**$'000**
Secured				
Bank loans	951,963	1,002,371	11,851	12,970
Repayable:				
Within 1 year	11,944	13,063	11,851	12,970
After 1 year but within 5 years	939,728	988,976	–	–
After 5 years	291	332	–	–
	940,019	989,308	–	–
	951,963	1,002,371	11,851	12,970

The bank loans are secured by:

(i) the borrowing subsidiaries' investment properties, motor vehicles and development properties;

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

(iii) corporate guarantees by the Company; and

(iv) a charge over financial assets at fair value through other comprehensive income with an amount equivalent to $33,560,000 (31 March 2021: $36,079,000).

15 Share capital

	Company			
	30.09.2021		**31.03.2021**	
	No. of shares '000	**$'000**	**No. of shares '000**	**$'000**
At beginning of the year and end of the period/year	4,236,136	520,430	4,236,136	520,430

There were 24,110,300 treasury shares held by the Company as at 30 September 2021 (31 March 2021: 24,110,300 treasury shares).

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the half year ended 30 September 2021.

16 Financial assets and liabilities

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

	Carrying amount					Fair value			
Group	**Amortised cost $'000**	**FVOCI – equity instruments $'000**	**FVTPL $'000**	**Other financial liabilities $'000**	**Total carrying amount $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
<u>**30 September 2021**</u>									
Financial assets measured at fair value									
Financial assets at fair value through other comprehensive income	–	33,560	–	–	33,560	33,560	–	–	33,560
Financial assets not measured at fair value									
Trade and other receivables*	58,454	–	–	–	58,454				
Cash and cash equivalents	143,814	–	–	–	143,814				
	202,268	–	–	–	202,268				
Financial liabilities measured at fair value									
Derivative liabilities	–	–	–	(4,659)	(4,659)	–	(4,659)	–	(4,659)
Financial liabilities not measured at fair value									
Loans and borrowings	–	–	–	(951,963)	(951,963)				
Loan from a related party	–	–	–	(18,264)	(18,264)				
Lease liabilities	–	–	–	(2,046)	(2,046)				
Loan from non-controlling interests	–	–	–	(283,658)	(283,658)				
Trade and other payables#	–	–	–	(47,347)	(47,347)				
	–	–	–	(1,303,278)	(1,303,278)				

	Carrying amount					Fair value			
Group	Amortised cost $'000	FVOCI – equity instruments $'000	FVTPL $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
<u>31 March 2021</u>									
Financial assets measured at fair value									
Financial assets at fair value through other comprehensive income	–	36,079	–	–	36,079	36,079	–	–	36,079
Financial assets not measured at fair value									
Trade and other receivables*	66,937	–	–	–	66,937				
Cash and cash equivalents	100,669	–	–	–	100,669				
	167,606	–	–	–	167,606				
Financial liabilities measured at fair value									
Derivative liabilities	–	–	–	(6,751)	(6,751)	–	(6,751)	–	(6,751)
Financial liabilities not measured at fair value									
Loans and borrowings	–	–	–	(1,002,371)	(1,002,371)				
Loan from a related party	–	–	–	(20,674)	(20,674)				
Lease liabilities	–	–	–	(556)	(556)				
Loan from non-controlling interests	–	–	–	(285,908)	(285,908)				
Trade and other payables#	–	–	–	(45,148)	(45,148)				
	–	–	–	(1,354,657)	(1,354,657)				

	Carrying amount					Fair value			
Company	**Amortised cost $'000**	**FVOCI – equity instruments $'000**	**FVTPL $'000**	**Other financial liabilities $'000**	**Total carrying amount $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
30 September 2021									
Financial assets measured at fair value									
Financial assets at fair value through other comprehensive income	–	33,560	–	–	33,560	33,560	–	–	33,560
Financial assets not measured at fair value									
Amounts due from subsidiaries	379,302	–	–	–	379,302				
Trade and other receivables*	1,762	–	–	–	1,762				
Cash and cash equivalents	13,776	–	–	–	13,776				
	394,840	–	–	–	394,840				
Financial liabilities not measured at fair value									
Lease liabilities	–	–	–	(1,832)	(1,832)				
Loans and borrowings	–	–	–	(11,851)	(11,851)				
Trade and other payables#	–	–	–	(3,845)	(3,845)				
	–	–	–	(17,528)	(17,528)				

	Carrying amount					Fair value			
Company	**Amortised cost $'000**	**FVOCI – equity instruments $'000**	**FVTPL $'000**	**Other financial liabilities $'000**	**Total carrying amount $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 March 2021									
Financial assets measured at fair value									
Financial assets at fair value through other comprehensive income	–	36,079	–	–	36,079	36,079	–	–	36,079
Financial assets not measured at fair value									
Amounts due from subsidiaries	364,163	–	–	–	364,163				
Trade and other receivables*	1,272	–	–	–	1,272				
Cash and cash equivalents	30,654	–	–	–	30,654				
	396,089	–	–	–	396,089				
Financial liabilities not measured at fair value									
Lease liabilities	–	–	–	(207)	(207)				
Loans and borrowings	–	–	–	(12,970)	(12,970)				
Trade and other payables#	–	–	–	(8,460)	(8,460)				
	–	–	–	(21,637)	(21,637)				

* Excludes prepaid expenses of $917,000 (31 March 2021: $1,542,000) and $70,000 (31 March 2021: $28,000) for the Group and the Company respectively. It also excludes tax recoverable of $Nil (31 March 2021: $1,411,000) for the Group.

Excludes deferred income of $292,000 (31 March 2021: $406,000) and $Nil (31 March 2021: $154,000) for the Group and the Company respectively.

17 Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following transactions took place between the Group and related parties during the financial period on terms agreed between the parties concerned.

Key management personnel compensation

	Group Half year ended 30.09.2021 $'000	 30.09.2020 $'000
Short-term employee benefits	635	875
Contributions to defined contribution plans	30	40
	665	915

Other related party transactions

	Transaction value for the half year ended 30.09.2021 $'000	 30.09.2020 $'000
Property consultancy fees payable to American Pacific International Capital, Inc ("APIC") [(1)]	277	179
Interest paid/payable to APIC	500	625
Rental income received/receivable from OKH Holdings Pte. Ltd. ("OKH") [(2)]	59	59

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

[(2)] OKH is a wholly owned subsidiary of OKH Global Ltd, which is controlled by Haiyi.

18 Net asset value

	Group		Company	
	30.09.2021	31.03.2021	30.09.2021	31.03.2021
Number of issued shares excluding treasury shares ('000)	4,212,025	4,212,025	4,212,025	4,212,025
Net asset value per ordinary share (cents)	14.96	14.67	14.13	14.08

19 Subsequent events

Acquisition of additional interest in subsidiary
Subsequent to 30 September 2021, the Company has increased its shareholdings in one of its subsidiary Sing-Haiyi Treasure Pte. Ltd. from 70% as at 30 September 2021 to 100% as at the date of this announcement.

Following the completion of the above transaction, Sing-Haiyi Treasure Pte. Ltd. has become a wholly owned subsidiary of the Company.

<u>Proposed disposal of Tri-County Mall by wholly owned subsidiary</u>
Subsequent to 30 September 2021, Tri-County Mall LLC, a wholly owned subsidiary of the Company has entered into a sale and purchase agreement dated 2 November 2021 with Park Harbor Capital LLC for the sale of the Tri-County Mall at 11700 Princeton Pike, Cincinnati, Ohio 45246.

The sale consideration of Tri-County Mall is US$29.0 million while its book value as at 30 September 2021 was US$18.6 million.

G. Other information required by Listing Rule Appendix 7.2

1 Review

The condensed interim consolidated financial position of the Group as at 30 September 2021 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited nor reviewed by the auditors.

2 A review of the performance of the Group, to the extent necessary for a reasonable understanding for the Group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

<u>Review of Group Performance</u>

<u>Revenue</u>

The Group recorded total revenue of $202.8 million for 1H2022 as compared to 1H2021 of $50.6 million, an increase of $152.2 million year-on-year, mainly due to increase in revenue recognised for Parc Clematis by $120.6 million, The Gazania by $19.4 million and Vietnam Town Phase II by $9.4 million.

<u>Cost of sales</u>

Cost of sales increased by $117.3 million year-on-year, in line with the increase in property development income as mentioned in the previous paragraph.

<u>Gross profit margin</u>

Gross profit margin increased by 2.3 percentage point year-on-year, attributed mainly to the increase in selling price of Parc Clematis during 1H2022 and the change in geographical revenue mix as more revenue from property development in the United States with a higher profit margin was recognised.

<u>Other income</u>

Other income decreased by $0.3 million year-on-year, mainly due to decrease in net foreign exchange gain of $0.5 million.

<u>Selling and marketing expenses</u>

Selling and marketing expenses decreased by $0.6 million, from $1.0 million in 1H2021 to $0.4 million in 1H2022, mainly due to reduced advertising and marketing activities and decrease in showflat expenses due to closure of The Lilium and The Gazania sales gallery in 1Q2022.

Finance income

Finance income decreased by $0.5 million, from $1.9 million in 1H2021 to $1.4 million in 1H2022, mainly due to lower dividend income.

Finance costs

The decrease in finance costs was mainly due to lower loans and borrowings.

Share of loss of equity-accounted investees

Share of loss of equity-accounted investees, net of tax increase by $0.8 million from $0.1 million in 1H2021 to $0.9 million in 1H2022, mainly due to higher share of loss from ARA Harmony Fund III L.P., which holds a portfolio of five malls in Malaysia. The higher share of loss was mainly due to fair value loss recognised during the period.

Tax expense

The tax expense pertains to taxable profits arising mainly from the Group's development project, Parc Clematis.

Review of Condensed Interim Consolidated Statement of Financial Position

Property, plant and equipment

Property, plant and equipment increased by $1.6 million, from $1.8 million as at 31 March 2021 to $3.4 million as at 30 September 2021, mainly due to the recognition of the right-of-use asset of $2.0 million upon the renewal of the lease at the Company's registered office.

Associates and joint ventures

Associates and joint ventures increased by $11.1 million, from $131.3 million as at 31 March 2021 to $142.4 million as at 30 September 2021, mainly due to the new investment in Maxwell Commercial Pte Ltd and Maxwell Residential Pte Ltd of $10.8 million in relation to the successful tender for the purchase of Maxwell House.

Deferred tax assets

This pertains to unutilised tax losses arising from the Group's development projects.

Contract costs

This pertains to sales commission incurred for the Group's development projects.

Trade and other receivables

Trade and other receivables decreased by $10.5 million, from $69.9 million as at 31 March 2021 to $59.4 million as at 30 September 2021, mainly due to collection of the trade receivables from the Group's development projects, The Gazania and Parc Clematis.

Cash and cash equivalents

Cash and cash equivalents increased by $43.1 million, from $100.7 million as at 31 March 2021 to $143.8 million as at 30 September 2021, mainly due to cash movements as disclosed in the cash flow statements as explained below.

Lease liabilities

Total lease liabilities increased by $1.4 million from $0.6 million as at 31 March 2021 to $2.0 million as at 30 September 2021, mainly due to the recognition of the lease liability upon the renewal of the lease at the Company's registered office.

Loan from a related party

Loan from a related party decreased by $2.4 million, from $20.7 million as at 31 March 2021 to $18.3 million as at 30 September 2021, due to repayments made during 1H2022.

Derivative financial instrument

Derivative financial instrument represents the fair value of the interest rate swaps entered to hedge the floating interest rate exposure of the Group's loans and borrowings.

Contract liabilities

This pertains to progress billings not recognised as revenue for the Group's development projects.

Cash flow statements

Cash flows generated from operating activities for 1H2022 amounted to $123.9 million. This was mainly due to decrease in development properties of $100.4 million and decrease in trade and other receivables of $13.3 million.

Cash flows used in investing activities for 1H2022 amounted to $13.7 million. This was mainly due to the investment in joint ventures of $14.2 million, partially offset by interest and dividend income received of $0.7 million.

Cash flows used in financing activities for 1H2022 amounted to $67.1 million. This was mainly due to net repayment of bank loans of $50.4 million and interest paid of $11.5 million.

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

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

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

SINGAPORE

The Group continued to maintain steady momentum in property sales. Parc Clematis, the Group's first mega private residential project and largest project-to-date, continued its strong performance, consistently in the monthly top 10 best-selling private residential projects since its launch. Parc Clematis was the second best-selling private residential projects in September 2021 (excluding Executive Condominium).

The total estimated gross development value of the three ongoing residential development projects comprising The Gazania, The Lilium and Parc Clematis amounts to approximately $2.9 billion. As at 31 October 2021, the Group has sold 1,374 units of Parc Clematis and a total of 62 units of The Gazania and The Lilium. Progressive revenue has been recognised from these projects and this is expected to continue for the next financial year ahead.

The Group continues to remain on track in terms of project completion while keeping a close eye on recent property market and Covid-19 developments. The Group will continue to work in close partnership with our team of professional consultants and main contractor, with expected TOP of The Lilium and The Gazania in the coming month and Q2 2022 respectively.

UBS Singapore, the sole office tenant of our flagship commercial development 9 Penang Road, commenced its lease in August 2020. The development's retail space has achieved committed occupancy of approximately 80%, mainly comprising F&B outlets. The Group will continue to actively market the remaining retail units.

SingHaiyi Investments Pte. Ltd., a wholly-owned subsidiary of the Company, CEL Development Pte. Ltd. and Chuan Investments Pte Ltd ("Joint Tenderers"), had successfully tendered for the collective purchase of Maxwell House ("Property") at the tender price of $276.8 million, which was awarded to the Joint Tenderers on 7 May 2021. The Joint Tenderers intend to redevelop the Property into a mixed-use development, of which 80% will be zoned for residential and the remaining 20% will be zoned for commercial use. The joint tender will allow the Group to better manage its financial and execution risks through a proposed joint venture, tap on its JV partners' expertise and experience; and to expand its development portfolio in Singapore.

UNITED STATES

According to the National Association of Realtors, real gross domestic product ("GDP") is expected to increase at an annualised growth rate of 4.3% in the third quarter of 2021, reflecting the continued economic recovery, reopening of establishments, and continued government response related to the Covid-19 pandemic.

While sales of existing homes in the US, on a seasonally adjusted annual rate, rose 7.0% in September 2021 from the prior month, sales decreased by 2.3% from a year ago. Total housing inventory as at 30 September 2021 also decreased by 13.0% compared to a year ago.

Against this backdrop, Phase II sales of the Group's completed commercial condominium project Vietnam Town in San Jose, California has gained traction, with more than 42% of the 141 units sold as at 30 September 2021.

5 Thomas Mellon Circle in San Francisco, California has obtained the site permit in February 2020 to transform the existing office building into a waterfront lifestyle residential property.

Tri-County Mall LLC, a wholly owned subsidiary of the Company has entered into a sale and purchase agreement dated 2 November 2021 with Park Harbor Capital LLC for the sale of the Tri-County Mall at sale consideration of US$29.0 million.

As a result of the ongoing Covid-19 pandemic, the redevelopment works for 5 Thomas Mellon Circle are currently on hold and the business in Tri-County Mall is expected to remain challenging.

OUTLOOK

SINGAPORE

Based on advance estimates by the Ministry of Trade and Industry, the Singapore economy grew by 6.5% on a year-on-year basis in the third quarter of 2021, moderating from the 15.2% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy expanded by 0.8% in the third quarter of 2021, a reversal from the 1.4% contraction in the preceding quarter[1].

[1] https://www.mti.gov.sg/-/media/MTI/Newsroom/Press-Releases/2021/10/AdvEst_3Q21.pdf

According to the Monetary Authority of Singapore, the global economy should expand at an above-trend pace in the quarters ahead despite near-term uncertainties. In line with a gradual domestic opening, Singapore's economy should also continue on its recovery path. Singapore's GDP growth is expected to come in at 6% - 7% for 2021 and register a slower but still above-trend pace in 2022.

Meanwhile, Urban Redevelopment Authority's figures revealed that prices of private residential properties increased by 0.9% in the third quarter of 2021, compared with the 0.8% increase in the previous quarter.

UNITED STATES

According to forecasts by The Conference Board, US real GDP growth will slow to 3.5% in Q3 2021[2], taking into account the larger than expected impact of the Delta variant on the US economy. Consumer spending will be a key driver of growth in Q4 2021, but recent declines in consumer confidence related to a resurgence in the pandemic will mute consumption's contribution to GDP growth in Q3 2021.

Moving forward, the Group will continue to ensure prudent capital and cash flow management while staying on track with its business activities and development progress for all ongoing projects. Amidst the uncertainties, the Group will continue to remain selective and prudent in looking out for land plots with good location.

5 Dividend

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

No.

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6 If no dividend has been declared/recommended, a statement to that effect and the reasons(s) for the decision

No dividend has been declared/recommended in the current period as it is not the Company's practice to distribute interim dividend.

7 Disclosure of interest person transactions

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

[2] https://www.conference-board.org/research/us-forecast/us-forecast

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

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

9 Confirmation by Directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited condensed interim consolidated financial statements for the half year ended 30 September 2021 to be false or misleading in any material aspect.

10 Disclosure pursuant to Rule 706A of the Listing Manual

During the half year ended 30 September 2021 and as at the date of this announcement, the Company has increased its shareholdings in one of its subsidiaries, Sing-Haiyi Treasure Pte. Ltd. from 50% as at 31 March 2021 to 70% as at 30 September 2021 and to 100% as at the date of this announcement.

Following the completion of the above transaction, Sing-Haiyi Treasure Pte. Ltd. has become a wholly owned subsidiary of the Company.

As at 30 September 2021, as the net asset value per share of Sing-Haiyi Treasure Pte. Ltd. was negative $181, the Company has purchased from Haiyi Holdings Pte. Ltd. 40 shares at $1 per share during the half year ended 30 September 2021, and subsequently another 60 shares at $1 per share. The total consideration of $100 was funded by internal resources.

BY ORDER OF THE BOARD

Celine Tang
Group Managing Director

Mao Jinshan
Executive Director

9 November 2021

DIRECTORS' STATEMENT

Year ended 31 March 2021

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 2021.

In our opinion:

(a) the financial statements set out on pages 74 to 145 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

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

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

DIRECTORS

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

Mr. Neil Bush
Mrs. Celine Tang
Mr. Mao Jinshan
Mr. Gn Hiang Meng
Mr. David Hwang Soo Chin
Mr. Lawrence Lua Gek Pong (Appointed on 21 August 2020)
Ms. Yang Manlin

DIRECTORS' INTERESTS

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

Name of director and corporation in which interests are held	Holdings at beginning of financial year	Holdings at end of financial year
Neil Bush [(1)]		
- ordinary shares		
- deemed interests	220,000,000	220,000,000
Celine Tang [(2)]		
- ordinary shares		
- deemed interests	2,660,713,367	2,729,394,767
Mao Jinshan		
- ordinary shares		
- interests held	4,075,600	4,075,600
Gn Hiang Meng		
- ordinary shares		
- interests held	750,000	750,000
David Hwang Soo Chin		
- ordinary shares		
- interests held	1,500,000	1,500,000
Yang Manlin [(3)]		
- ordinary shares		
- deemed interests	207,000,000	207,000,000

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

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

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

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2021.

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

SHARE OPTIONS

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

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

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

During the financial year, there were:

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

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

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

AUDIT COMMITTEE

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

- Mr. Gn Hiang Meng (Chairman)
- Mr. David Hwang Soo Chin
- Mr. Lawrence Lua Gek Pong

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

AUDIT COMMITTEE (cont'd)

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

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

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

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

AUDITORS

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

On behalf of the Board of Directors

Celine Tang
Director

Mao Jinshan
Director

25 May 2021

INDEPENDENT AUDITORS' REPORT

Members of the Company
SingHaiyi Group Ltd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SingHaiyi Group Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2021, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 74 to 145.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Valuation of investment properties ($53,812,000) **(Refer to Note 5 to the financial statements)**	
The key audit matter	***How the matter was addressed in our audit***
As at 31 March 2021, the Group has a portfolio of investment properties comprising commercial properties in Singapore and shopping mall in the United States. These investment properties are measured at fair values based on independent external valuation. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, in estimating the underlying assumptions to be applied and in selecting the comparable sales transactions. The valuation is sensitive to the price per square foot of the comparable sales of similar properties that are being selected. The valuers had indicated in their valuation reports that the real estate market is being impacted by the uncertainty caused by COVID-19 pandemic, that the valuation was current at the date of valuation only and that the value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). A change in the key assumptions may have an impact on the valuation.	***Our response*** We assessed the qualifications and competence of the external valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work. We considered the valuation methodologies used against those applied by valuers for similar property types and when necessary, held further discussions with the valuers to understand their basis of valuation and understand how they have considered the impact of the COVID-19 pandemic and market uncertainty in their valuations. For investment properties in Singapore, we evaluated the reasonableness of the estimated selling prices implied in valuation reports by comparing them with recent transacted prices of comparable properties in the vicinity. For investment property in United States, we engaged our internal valuation specialists to assess the reasonableness of the fair value. Our internal valuation specialists assessed the reasonableness of the fair value of the underlying asset by comparing to the recent selling prices of comparable properties and available industry market data. ***Our findings*** The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies are in line with generally accepted market practices and the key assumptions are within range of market data. The estimated values have taken into consideration the impact of COVID-19 pandemic based on currently available market data and prevailing market conditions.

Key audit matters (cont'd)

Valuation of development properties ($1,747,548,000) **(Refer to Note 11 to the financial statements)**	
The key audit matter	***How the matter was addressed in our audit***
As at 31 March 2021, the Group has development properties in Singapore and the United States. These development properties are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price, less estimated/actual costs of completion and selling expenses. For completed properties, the determination of the estimated net realisable value of these development properties is dependent upon the Group's judgement over its estimates of projection of demand and future selling prices of these development properties. Changes to these estimates can have a significant impact to the financial statements. For properties under development or property with approved development plan, the Group determined the estimated net realisable value of the properties based on independent external valuations. The COVID-19 pandemic has resulted in significant economic uncertainty in the current and future economic environment and there is heightened uncertainty inherent in estimating the impact of the pandemic to future selling prices of the development properties.	***Our response*** We assessed the Group's processes for setting and monitoring selling prices and cost budgets/actual costs. For completed properties whereby the valuations are performed internally, we assessed the Group's estimated selling prices of the development properties by comparing them to the units that have been sold and recently transacted prices of comparable properties located in the vicinity. We have also read industry reports on industry outlook and considered their potential impact on management's estimates. For properties under development or property with approved development plan where independent external valuers were engaged, we assessed the qualifications and competence of the external valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work. We considered the valuation methodologies used against those applied by valuers for similar property types and when necessary, held further discussions with the valuers to understand their basis of valuation and understand how they have considered the impact of the COVID-19 pandemic and market uncertainty in their valuations. We also reviewed the estimated development costs by making enquiries with management and comparing the estimation to the historical cost incurred and the approved budget. For actual costs incurred, we vouched to supporting documents. Where applicable, we assessed the reasonableness of gross development costs used in valuation to available industry data. For properties under development, we evaluated the reasonableness of the estimated selling prices implied in valuation reports by comparing them with recent transacted prices of comparable properties in the vicinity. For property with approved development plan, we engaged our internal valuation specialists to assess the reasonableness of the fair value. Our internal valuation specialists assessed the reasonableness of fair value of the underlying asset by comparing to the recent selling prices of comparable properties. The specialists also evaluated the key assumptions and inputs used in the valuations, which included capitalisation rates and market rent, by comparing them against available industry data, taking into consideration comparability and market factors. ***Our findings*** We found that the Group's assessment of the estimated selling prices, development costs of the development properties and allowance for diminution in value to be balanced.

Key audit matters (cont'd)

Valuation of development properties ($1,747,548,000) (cont'd) **(Refer to Note 11 to the financial statements)**	
The key audit matter	***How the matter was addressed in our audit***
	Our findings *(cont'd)* The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies are in line with generally accepted market practices and the estimated values have taken into consideration the impact of COVID-19 pandemic based on currently available market data and prevailing market conditions.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Shareholders Information, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Shareholders Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Teo Han Jo.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
25 May 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Non-current assets					
Property, plant and equipment	4	1,781	3,162	440	1,223
Investment properties	5	53,812	63,581	–	–
Subsidiaries	6	–	–	181,710	181,710
Associates and joint ventures	7	131,309	200,567	–	–
Amounts due from subsidiaries	8	–	–	320,995	313,695
Financial assets at fair value through other comprehensive income	9	36,079	42,034	36,079	42,034
Deferred tax assets	10	8,179	7,147	428	–
		231,160	316,491	539,652	538,662
Current assets					
Development properties	11	1,747,548	1,799,066	–	–
Contract costs	12	26,745	9,097	–	–
Trade and other receivables	13	69,890	14,321	1,300	3,619
Amounts due from subsidiaries	8	–	–	43,168	73,875
Cash and cash equivalents	14	100,669	29,005	30,654	341
		1,944,852	1,851,489	75,122	77,835
Total assets		2,176,012	2,167,980	614,774	616,497
Non-current liabilities					
Loans and borrowings	15	989,308	1,095,065	–	–
Loan from non-controlling interests	16	285,908	277,058	–	–
Loan from a related party	17	20,674	22,290	–	–
Lease liabilities	4	66	573	–	205
Derivative liabilities	18	6,751	7,327	–	–
Deferred tax liabilities	10	4,006	4,238	–	–
		1,306,713	1,406,551	–	205
Current liabilities					
Trade and other payables	19	45,554	32,375	8,614	4,462
Contract liabilities	20	208,398	66,742	–	–
Loans and borrowings	15	13,063	47,207	12,970	27,131
Lease liabilities	4	490	1,242	207	710
Current tax payable		2,304	2,647	–	250
		269,809	150,213	21,791	32,553
Total liabilities		1,576,522	1,556,764	21,791	32,758
Equity attributable to owners of the Company					
Share capital	21	520,430	520,430	520,430	520,430
Retained earnings		109,093	124,085	75,886	75,741
Reserves	21	(11,570)	(12,394)	(3,333)	(12,432)
		617,953	632,121	592,983	583,739
Non-controlling interests	22	(18,463)	(20,905)	–	–
Total equity		599,490	611,216	592,983	583,739
Total equity and liabilities		2,176,012	2,167,980	614,774	616,497

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2021

	Note	2021 $'000	2020 $'000
Revenue	24	152,849	57,169
Cost of sales		(119,634)	(42,418)
Gross profit		33,215	14,751
Other income	25	3,313	2,979
Selling and marketing expenses		(1,872)	(14,308)
Administrative expenses		(9,863)	(10,581)
Other operating expenses		(9,556)	(28,125)
Results from operating activities		15,237	(35,284)
Finance income	26	3,394	6,293
Finance costs	27	(27,225)	(39,279)
Net finance costs		(23,831)	(32,986)
Share of (loss)/profit of equity-accounted investees, net of tax		(3,826)	36,736
Loss before tax		(12,420)	(31,534)
Tax credit	28	1,552	6,044
Loss for the year	29	(10,868)	(25,490)
Loss attributable to:			
Owners of the Company		(13,290)	(7,826)
Non-controlling interests	22	2,422	(17,664)
Loss for the year		(10,868)	(25,490)
Earnings per share			
Basic and diluted earnings per share (cents)	31	(0.316)	(0.186)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2021

	2021 $'000	2020 $'000
Loss for the year	(10,868)	(25,490)
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss		
Share of currency translation differences of equity-accounted investees	(821)	(314)
Currency translation differences relating to foreign operations	(7,742)	5,812
Effective portion of changes in fair value of cash flow hedges	576	(7,327)
	(7,987)	(1,829)
Item that will not be reclassified to profit or loss		
Changes in fair value of financial assets at fair value through other comprehensive income	7,397	(20,601)
Other comprehensive income for the year, net of income tax	(590)	(22,430)
Total comprehensive income for the year	(11,458)	(47,920)
Total comprehensive income attributable to:		
Owners of the Company	(14,168)	(26,592)
Non-controlling interests	2,710	(21,328)
Total comprehensive income for the year	(11,458)	(47,920)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2021

		Attributable to owners of the Company								
	Note	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2019		522,939	749	(1,356)	–	8,492	135,000	665,824	943	666,767
Adjustment on initial application of SFRS(I) 16 (net of tax)		–	–	–	–	–	(279)	(279)	–	(279)
Adjusted balance at 1 April 2019		522,939	749	(1,356)	–	8,492	134,721	665,545	943	666,488
Total comprehensive income for the year										
Loss for the year		–	–	–	–	–	(7,826)	(7,826)	(17,664)	(25,490)
Other comprehensive income										
Share of currency translation differences of equity-accounted investees		–	–	(314)	–	–	–	(314)	–	(314)
Effective portion of change in fair value of cash flow hedge		–	–	–	(3,663)	–	–	(3,663)	(3,664)	(7,327)
Changes in fair value of financial assets at fair value through other comprehensive income		–	–	–	–	(20,601)	–	(20,601)	–	(20,601)
Currency translation differences relating to foreign operations		–	–	5,812	–	–	–	5,812	–	5,812
Total other comprehensive income		–	–	5,498	(3,663)	(20,601)	–	(18,766)	(3,664)	(22,430)
Total comprehensive income for the year				5,498	(3,663)	(20,601)	(7,826)	(26,592)	(21,328)	(47,920)
Transfer of gain on disposal of financial assets through other comprehensive income to retained earnings		–	–	–	–	(3,519)	3,519	–	–	–
Transactions with owners, recorded directly in equity										
Acquisition of treasury shares	21	–	(503)	–	–	–	–	(503)	–	(503)
Cancellation of treasury shares	21	(2,509)	2,509	–	–	–	–	–	–	–
Dividends declared	21	–	–	–	–	–	(6,329)	(6,329)	(520)	(6,849)
Total transactions with owners		(2,509)	2,006	–	–	–	(6,329)	(6,832)	(520)	(7,352)
At 31 March 2020		520,430	2,755	4,142	(3,663)	(15,628)	124,085	632,121	(20,905)	611,216

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 31 March 2021

		Attributable to owners of the Company								
	Note	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2020		520,430	2,755	4,142	(3,663)	(15,628)	124,085	632,121	(20,905)	611,216
Total comprehensive income for the year										
(Loss)/Profit for the year		–	–	–	–	–	(13,290)	(13,290)	2,422	(10,868)
Other comprehensive income										
Share of currency translation differences of equity-accounted investees		–	–	(821)	–	–	–	(821)	–	(821)
Effective portion of change in fair value of cash flow hedge		–	–	–	288	–	–	288	288	576
Changes in fair value of financial assets at fair value through other comprehensive income		–	–	–	–	7,397	–	7,397	–	7,397
Currency translation differences relating to foreign operations		–	–	(7,742)	–	–	–	(7,742)	–	(7,742)
Total other comprehensive income		–	–	(8,563)	288	7,397	–	(878)	288	(590)
Total comprehensive income for the year		–	–	(8,563)	288	7,397	(13,290)	(14,168)	2,710	(11,458)
Transfer of loss on disposal of financial assets through other comprehensive income to retained earnings		–	–	–	–	1,702	(1,702)	–	–	–
Transactions with owners, recorded directly in equity										
Dividends declared	21	–	–	–	–	–	–	–	(268)	(268)
Total transactions with owners		–	–	–	–	–	–	–	(268)	(268)
At 31 March 2021		520,430	2,755	(4,421)	(3,375)	(6,529)	109,093	617,953	(18,463)	599,490

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2021

	2021 $'000	2020 $'000
Cash flows from operating activities		
Loss before tax	(12,420)	(31,534)
Adjustments for:		
Allowance for diminution in value of development properties	506	–
Changes in fair value of financial assets at fair value through profit or loss	–	(447)
Changes in fair value of investment properties	8,257	25,639
Depreciation of property, plant and equipment	1,356	1,471
Gain on disposal of property, plant and equipment	–	(8)
Interest and dividend income	(3,394)	(5,846)
Interest expense	27,225	39,279
Loss on disposal of financial assets at fair value through profit and loss	–	1,567
Net unrealised foreign exchange gain	(4,105)	(3,558)
Share of profits/(losses) of equity-accounted investees, net of tax	3,826	(36,736)
	21,251	(10,173)
Changes in:		
– Contract costs	(17,648)	(9,098)
– Contract assets	–	2,170
– Contract liabilities	141,656	66,906
– Development properties	46,301	(403,639)
– Trade and other payables	12,235	18,868
– Trade and other receivables	(53,469)	(4,349)
Cash generated from/(used in) operations	150,326	(339,315)
Tax credit/(paid)	177	(955)
Net cash generated from/(used in) operating activities	150,503	(340,270)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(27)	(456)
Capital expenditure on investment properties	(261)	(544)
Interest and dividend income received	3,394	8,528
Investment in a joint venture	–	(8,050)
Net proceeds from disposal of investment in financial assets at fair value through other comprehensive income	15,701	12,085
Net proceeds from disposal of investment in financial assets at fair value through profit or loss	–	28,369
Proceeds from disposal of property, plant and equipment	–	50
Proceeds from redemption of preference shares of joint venture	62,511	–
Net cash generated from investing activities	81,318	39,982

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Year ended 31 March 2021

	Note	2021 $'000	2020 $'000
Cash flows from financing activities			
Acquisition of treasury shares		–	(503)
Dividends paid to non-controlling interests		(268)	(520)
Dividends paid to owners of the Company		–	(6,329)
Interest paid		(24,820)	(38,342)
Payment of lease liabilities		(1,259)	(1,199)
Proceeds from bank loans, net of transaction costs		49,583	281,905
Proceeds from loan from non-controlling interests		8,850	83,658
Repayment of bank loans		(192,243)	(90,080)
Net cash (used in)/generated from financing activities		(160,157)	228,590
Net increase/(decrease) in cash and cash equivalents		71,664	(71,698)
Cash and cash equivalents at beginning of the year		29,005	101,030
Effect of exchange rate fluctuations on cash held		–	(327)
Cash and cash equivalents at end of the year	14	100,669	29,005

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 25 May 2021.

1 DOMICILE AND ACTIVITIES

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

The financial statements of the Group as at and for the year ended 31 March 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). The related changes to significant accounting policies are described in Note 2.5.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

Management is of the opinion that there are no critical judgements in applying the entity's accounting policies that have significant effect on the amounts recognised in the financial statements.

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

- Note 3.13 Utilisation of tax losses
- Note 5 Determination of the fair values of investment properties
- Note 6 Measurement of recoverable amounts of investments in and amounts due from subsidiaries
- Note 8 Measurement of recoverable amounts of amounts due from subsidiaries
- Note 11 Measurement of net realisable value of development properties
- Note 28 Estimation of current and deferred tax

2 BASIS OF PREPARATION (cont'd)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values

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

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

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

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

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

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

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

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

- Note 5 Investment properties
- Note 9 Financial assets at fair value through other comprehensive income
- Note 34 Financial instruments

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following amendments to SFRS(I)s for the first time for the annual period beginning on 1 April 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business (Amendments to SFRS(I) 3)*
- *Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8*

The application of these amendments to standards does not have a material effect on the financial statements.

The Group has early adopted COVID-19 Related Rent Concessions – Amendment to SFRS(I) 16 issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on retained earnings at 1 April 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

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

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

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

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation (cont'd)

Subsidiaries

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

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

Loss of control

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

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

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

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

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Foreign currency (cont'd)

Foreign currency transactions (cont'd)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

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

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

3.3 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

Classification and subsequent measurement

Non-derivative financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

Non-derivative financial assets (cont'd)

Financial assets at amortised cost

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

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

Equity investments at FVOCI

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

Financial assets at FVTPL

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

Financial assets: Business model assessment

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

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

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

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

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)

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

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

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

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

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

Equity investments at FVOCI

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

Financial assets at FVTPL

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

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

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

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Derecognition

Financial assets

The Group derecognises a financial asset when:

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

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

Financial liabilities

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

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

Offsetting

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

Derivative financial instruments and hedge accounting

Specific policies applicable from 1 April 2020 for hedges directly affected by interbank offer rates (IBOR) reform

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark interbank offered rates ("IBORs") with alternative rates. In Singapore, the fundamental review and reform of the two key Singapore Dollar interest rate benchmarks that are widely referenced in financial contracts, namely Singapore interbank offered rates ("SIBORs") and Singapore swap offer rates ("SORs"), and the transition from SOR to the Singapore Overnight Rate Average ("SORA"), is also ongoing.

The Group early adopted the principles of the amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 issued in December 2019 in relation to the project on interest rate benchmark reform (the "amendments").

A hedging relationship is directly affected by the uncertainties arising from the IBOR reform with respect to the hedged risk and the timing amount of the interest rate benchmark-based cash flows of the hedged item and the hedging instruments. For the purpose of evaluating whether the hedging relationship is expected to be highly effective (i.e. prospective effectiveness assessment), the Group assumes that the benchmark interest rate on which the cash flows are based is not altered as a result of IBOR reform.

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Derivative financial instruments and hedge accounting (cont'd)

Specific policies applicable from 1 April 2020 for hedges directly affected by interbank offer rates (IBOR) reform (cont'd)

The Group will cease to apply the amendments to its effectiveness assessment of the hedging relationship at the earlier of, when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the hedged risk and the timing and the amount of the interest rate benchmark-based cash flows of the hedged item and hedging instrument; and when the hedging relationship is discontinued.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Share capital

Ordinary shares

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Share capital (cont'd)

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

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

Financial guarantees in the separate financial statements

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

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

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

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

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 is recognised in profit or loss.

Subsequent costs

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

Depreciation

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Property, plant and equipment (cont'd)

Depreciation *(cont'd)*

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

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

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

• Land and building leased for own use	2 to 4 years
• Leasehold improvements	3 to 19 years
• Furniture and fittings	5 years
• Office equipment	5 years
• Computers	3 to 5 years
• Motor vehicles	5 to 10 years

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

Reclassification to investment property

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

3.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

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

3.6 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes land acquisition costs, development expenditure, capitalised borrowing costs (applicable to construction of a development for which revenue is to be recognised at a point in time) and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.7 Contract costs

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

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

3.8 Contract assets and liabilities

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

Contract liabilities primarily relate to:
- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

3.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 4.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Leases (cont'd)

(i) As a lessee (cont'd)

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'lease liabilities' in the statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Impairment

Non-derivative financial assets

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

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

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

Simplified approach

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

General approach

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

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

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

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

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

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

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

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

Measurement of ECLs

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Impairment (cont'd)

Non-derivative financial assets (cont'd)

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statements of financial position

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

Write-off

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

Non-financial assets

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Impairment (cont'd)

Non-derivative 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 objective evidence that the investment in an associate may be impaired.

3.11 Employee benefits

Defined contribution plans

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

Short-term employee benefits

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

Share-based payment transactions

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

3.12 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.

(i) Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

(ii) Restoration costs

A provision for restoration costs is recognised when the Group enters into a lease agreement for the premises. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the Group to the premises. The premises shall be reinstated to the condition set out in the lease agreements upon the expiration of the lease agreement.

3.13 Tax

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13 Tax (cont'd)

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

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

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

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

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

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

Deferred tax asset are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.14 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income; and
- the net gain or loss on financial assets at FVTPL.

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

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

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

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

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

3.15 Revenue recognition

Sale of development properties

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 Revenue recognition (cont'd)

Sale of development properties *(cont'd)*

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

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

3.16 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.

3.17 Inter-company interest-free loans

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

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

3.18 Earnings per share

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

3.19 Segment reporting

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.20 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- *Annual Improvements to SFRS(I)s 2018 – 2020*

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leased land $'000	Leased buildings $'000	Leasehold improvement $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Cost								
At 1 April 2019	–	–	1,814	284	494	210	559	3,361
Recognition of right-of-use assets on initial application of SFRS(I) 16	899	2,734	–	–	–	–	–	3,633
Adjusted balance at 1 April 2019	899	2,734	1,814	284	494	210	559	6,994
Additions	–	–	15	7	–	194	240	456
Disposal	–	–	–	–	–	(19)	(193)	(212)
Currency translation differences	–	–	(26)	(4)	(18)	(2)	(6)	(56)
At 31 March 2020	899	2,734	1,803	287	476	383	600	7,182
At 1 April 2020	899	2,734	1,803	287	476	383	600	7,182
Additions	–	–	–	11	–	16	–	27
Currency translation differences	–	–	(39)	(4)	(23)	(2)	(9)	(77)
At 31 March 2021	899	2,734	1,764	294	453	397	591	7,132
Accumulated depreciation								
At 1 April 2019		–	934	185	66	124	413	1,722
Recognition of right-of-use assets on initial application of SFRS(I) 16	76	945	–	–	–	–	–	1,021
Adjusted balance at 1 April 2019	76	945	934	185	66	124	413	2,743
Depreciation charge for the year	299	792	206	35	16	57	66	1,471
Disposal	–	–	–	–	–	(19)	(151)	(170)
Currency translation differences	–	–	(13)	(2)	(2)	(1)	(6)	(24)
At 31 March 2020	375	1,737	1,127	218	80	161	322	4,020
At 1 April 2020	375	1,737	1,127	218	80	161	322	4,020
Depreciation charge for the year	299	788	113	24	4	72	56	1,356
Currency translation differences	–	–	(9)	(4)	(2)	(2)	(8)	(25)
At 31 March 2021	674	2,525	1,231	238	82	231	370	5,351
Carrying amounts								
At 1 April 2019	–	–	880	99	428	86	146	1,639
At 31 March 2020	524	997	676	69	396	222	278	3,162
At 31 March 2021	225	209	533	56	371	166	221	1,781

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Leased buildings $'000	Leasehold improvements $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Cost							
At 1 April 2019	–	525	118	34	170	390	1,237
Recognition of right-of-use assets on initial application of SFRS(I) 16	2,290	–	–	–	–	–	2,290
Adjusted balance at 1 April 2019	2,290	525	118	34	170	390	3,527
Additions	–	15	5	–	194	–	214
Disposals	–	–	–	–	(19)	(193)	(212)
At 31 March 2020	2,290	540	123	34	345	197	3,529
At 1 April 2020	2,290	540	123	34	345	197	3,529
Additions	–	–	–	–	16	–	16
At 31 March 2021	2,290	540	123	34	361	197	3,545
Accumulated depreciation							
At 1 April 2019	–	243	50	16	93	280	682
Recognition of right-of-use assets on initial application of SFRS(I) 16	928	–	–	–	–	–	928
Adjusted balance at 1 April 2019	928	243	50	16	93	280	1,610
Depreciation charge for the year	587	178	20	5	55	23	868
Disposal	–	–	–	–	(20)	(152)	(172)
At 31 March 2020	1,515	421	70	21	128	151	2,306
At 1 April 2020	1,515	421	70	21	128	151	2,306
Depreciation charge for the year	583	112	20	4	60	20	799
At 31 March 2021	2,098	533	90	25	188	171	3,105
Carrying amounts							
At 1 April 2019	–	282	68	18	77	110	555
At 31 March 2020	775	119	53	13	217	46	1,223
At 31 March 2021	192	7	33	9	173	26	440

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

	Leased land (Note (i)) $'000	Leased buildings (Note (ii)) $'000	Motor vehicle (Note (iii)) $'000	Total $'000
Group				
Balance at 1 April 2019	823	1,789	–	2,612
Addition to right-of-use assets	–	–	240	240
Depreciation charge for the year	(299)	(792)	(20)	(1,111)
Balance at 31 March 2020	524	997	220	1,741
Balance at 1 April 2020	524	997	220	1,741
Depreciation charge for the year	(299)	(788)	(24)	(1,111)
Balance at 31 March 2021	225	209	196	630

	Leased buildings (Note (ii)) $'000
Company	
Balance at 1 April 2019	1,362
Depreciation charge for the year	(587)
Balance at 31 March 2020	775
Balance at 1 April 2020	775
Depreciation charge for the year	(583)
Balance at 31 March 2021	192

(i) Leased land for own use

The Group has obtained temporary occupation license to use a piece of state land for show flat and carpark purposes. The temporary occupation license has remaining validity of 1 year and 11 months (2020: 2 years and 11 months).

(ii) Leased buildings for own use

The Group and the Company have obtained the right to use other properties as their offices through tenancy agreements. The leases run for a period of 2 to 3 years (2020: 2 to 4 years).

(iii) Motor vehicle

At 31 March 2021, the carrying amount of the right-of-use asset of the Group relating to motor vehicles is $196,000 (2020: $220,000).

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group and the Company seek to include such extension options exercisable by the Group and the Company to provide operational flexibility. The Group and the Company assess at lease commencement date whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group and the Company have estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liabilities of $1,800,000 (2020: $1,800,000).

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Lease liabilities

The future lease payments for the Group and the Company as at reporting date was summarised below.

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Lease liabilities				
– Non-current	66	573	–	205
– Current	490	1,242	207	710
	556	1,815	207	915

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 32 and 34, respectively.

5 INVESTMENT PROPERTIES

	Group	
	2021	**2020**
	$'000	**$'000**
Investment properties at fair value	53,812	63,581

The details of the Group's investment properties as at 31 March 2021 were:

Description	**Site area (sq. ft)**	**Tenure**
Tri-County Mall, a two-storey shopping mall at 11700 Princeton Pike, Cincinnati, Ohio, USA	3,314,916	Freehold
5 office units, No. 883 North Bridge Road, Southbank, Singapore 198785	6,028	99 years commencing from 27 January 2006 to 26 January 2105
10 factory units, No. 81 Ubi Avenue 4, #02-19 to #02-28 UB. One, Singapore 408830	13,853	60 years commencing from 31 December 2008 to 30 December 2068
1 office unit, No. 8 Eu Tong Sen Street #23-81, The Central, Singapore 059818	1,216	99 years commencing from 21 January 2001 to 20 January 2100
5 factory units, #02-02, #02-04 to #02-07, No. 701 Sims Drive LHK Building, Singapore, 387383	14,736	Freehold

5 INVESTMENT PROPERTIES (cont'd)

The investment properties comprise a shopping mall, several office and factory units that are leased to non-related parties under operating leases. Generally, the leases contain an initial non-cancellable period of 1 to 10 years (2020: 1 to 10 years). Subsequent renewals are negotiated with the lessees. During the year, contingent rents, representing income based on certain sales achieved by tenants, recognised in profit or loss amounted to $360,000 (2020: $637,000).

Security

At 31 March 2021, investment properties of the Group with carrying amounts of $28,675,000 (2020: $29,745,000) are pledged as security to secure credit facilities (Note 15).

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 values of the Group's investment properties portfolio annually. Valuations are made based on the properties' highest-and-best use using direct market comparison method (2020: direct market comparison method and discounted cash flows method).

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

(ii) Level 3 fair value

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

	Group	
	2021	**2020**
	$'000	**$'000**
At beginning of the year	63,581	87,221
Capital expenditure on investment properties	261	544
Changes in fair value	(8,257)	(25,639)
Currency translation differences	(1,773)	1,455
At end of the year	53,812	63,581

Valuation technique and significant unobservable inputs

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

The COVID-19 pandemic has created uncertainty in the real estate market which could impact the valuation. The valuers have taken into consideration the impact of COVID-19 pandemic in their valuations based on currently available market data and prevailing market conditions.

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

5 INVESTMENT PROPERTIES (cont'd)

Valuation technique and significant unobservable inputs (cont'd)

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Direct market comparison method: Valuation method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.	• Prices per square foot: United States of America: USD$25 or equivalent to $34 (2020: Not applicable) Singapore: $515 to $2,426 (2020: $551 to $2,590)	Increase in price per square foot would result in higher fair value measurement. Conversely, decrease in price per square foot would result in lower fair value measurement.
Discounted cash flows method: The valuation model considers the present value of the net cashflow to be generated from the property discounted using a risk-adjusted discount rate.	• Rent growth rate: United States of America: 2020: 2.3% to 4.7% • Discount rate: United States of America: 2020: 18% • Terminal capitalisation rate United States of America: 2020: 17.5%	Increase in rent growth rate would result in higher fair value measurement. Conversely, increase in both discount and terminal capitalisation rates in isolation would result in lower fair value measurement.

6 SUBSIDIARIES

	Company 2021 $'000	Company 2020 $'000
Equity investment, at cost	148,502	148,502
Less: Allowance for impairment loss of investments	(1,000)	(1,000)
	147,502	147,502
Amount due from a subsidiary	34,208	34,208
	181,710	181,710

Impairment loss

The movements in impairment loss on investments in subsidiaries and amount due from a subsidiary are as follows.

	2021 $'000	2020 $'000
Company		
At 1 April and 31 March	(1,000)	(1,000)

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

6 SUBSIDIARIES (cont'd)

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on the forecasted performance of the subsidiaries. Based on the Company's assessment, there is no additional allowance for impairment to the investment in subsidiaries was considered necessary at the reporting date.

Amount due from a subsidiary

Amount due from a subsidiary is unsecured, interest-free and have no fixed term of repayment. The settlement of the amount is neither planned nor likely to occur in the foreseeable future and hence the amount is, in substance, a part of the Company's net investment in subsidiary which is carried at cost less accumulated impairment losses.

Details of significant subsidiaries are as follows:

Company name	Principal activities	Principal place of business/ Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
Ocean Landing LLC	Real estate development	USA	100	100
Sing-Haiyi Gold Pte Ltd	Real estate development	Singapore	50	50
SingHaiyi Huajiang Sun Pte Ltd	Real estate development	Singapore	50	50
Vietnam Town Property LLC	Real estate development	USA	100	100
Tri-County Mall LLC	Properties investment	USA	100	100
SingHaiyi Properties (Hungary) Kft.	Investment holding	Hungary	100	100
Asset Century International Limited	Investment holding	British Virgin Islands	100	100
Phoenix 99 Pte Ltd	Investment holding	Singapore	100	100

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

7 ASSOCIATES AND JOINT VENTURES

	Group 2021 $'000	Group 2020 $'000
Interests in associates	44,659	50,072
Interests in joint ventures	86,650	150,495
	131,309	200,567

(a) *Associates*

The Group has one (2020: one) associate that is material and one (2020: one) associate that is immaterial to the Group. All are equity accounted. The following is the material associate:

	Principal activities	Principal place of business/ Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
ARA Harmony Fund III[1]	Real estate investment	Cayman Islands	25	25

[1] Audited by KPMG LLP

7 ASSOCIATES AND JOINT VENTURES (cont'd)

(a) *Associates* (cont'd)

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

	ARA Harmony Fund III	
	2021	**2020**
	$'000	**$'000**
Revenue	38,666	46,320
(Loss)/Profit for the year and total comprehensive income	(18,489)	21,386
Non-current assets	561,242	596,194
Current assets	26,009	13,182
Non-current liabilities	(399,056)	(398,495)
Current liabilities	(11,183)	(12,094)
Net assets	177,012	198,787
Group's interests in net assets of investee at beginning of the year	49,698	46,857
Dividends received during the year	–	(2,192)
Group's share		
– (loss)/profit and total comprehensive income for the year	(4,624)	5,347
– currency translation differences	(821)	(314)
Carrying amount of interests in investee at end of the year	44,253	49,698

Immaterial associate

The Group has interest in an immaterial associate. The following table summarises the share of profit/(loss) of the immaterial associate that are accounted for using the equity method:

	2021	**2020**
	$'000	**$'000**
Carrying amount of interests in immaterial associate	406	374
Group's share		
– profit/(loss) and total comprehensive income for the year	32	(45)

(b) *Joint ventures*

	Group	
	2021	**2020**
	$'000	**$'000**
Unquoted shares in joint ventures, at cost	17,500	17,500
Share of post-acquisition reserve	59,140	60,474
	76,640	77,974
Amount due from a joint venture	10,010	72,521
	86,650	150,495

Amount due from a joint venture is unsecured, interest-free and have no fixed term of repayment. The settlement of the amount is neither planned nor likely to occur in the foreseeable future and hence the amount is, in substance, a part of the Group's investment in joint venture which is carried at cost less accumulated impairment losses.

7 ASSOCIATES AND JOINT VENTURES (cont'd)

(b) *Joint ventures (cont'd)*

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Ownership interest 2021 %	2020 %
ARA Fund Management (Harmony III) Limited ("AFM")*	Cayman Island	35	35
Park Mall Investment Limited ("PMIL")* (wholly own Park Mall Pte. Ltd., a company incorporated in Singapore and with its principal activity of property investment and redevelopment)	British Virgin Islands	35	35

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

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

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

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

	AFM $'000	PMIL $'000	Total $'000
2021			
Revenue	2,351	41,839	
Profit for the year and total comprehensive income	1,511	678	
Non-current assets	–	927,008	
Current assets (1)	2,860	23,067	
Non-current liabilities (2)	–	(678,305)	
Current liabilities	(307)	(55,352)	
Net assets	2,553	216,418	
Group's interests in net assets of investee at beginning of the year	365	77,609	77,974
Dividends declared during the year	–	(2,100)	(2,100)
Share of profit and total comprehensive income for the year	529	237	766
Carrying amount of interests in investee at end of the year	894	75,746	76,640
Includes the following:			
(1) Cash and cash equivalents	19	18,684	
(2) Non-current financial liabilities (excluding trade and other payables, and provisions)	–	(649,708)	

7 ASSOCIATES AND JOINT VENTURES (cont'd)

(b) *Joint ventures* (cont'd)

	AFM $'000	PMIL $'000	Total $'000
2020			
Revenue	2,375	16,509	
Profit for the year and total comprehensive income	1,462	88,351	
Non-current assets	–	930,000	
Current assets [(1)]	1,257	14,544	
Non-current liabilities [(2)]	–	(670,306)	
Current liabilities	(202)	(52,498)	
Net assets	1,055	221,740	
Group's interests in net assets of investee at beginning of the year	344	46,686	47,030
Dividends received during the year	(490)	–	(490)
Share of profit and other comprehensive for the year	511	30,923	31,434
Carrying amount of interests in investee at end of the year	365	77,609	77,974
Includes the following:			
[(1)] Cash and cash equivalents	666	10,270	
[(2)] Non-current financial liabilities (excluding trade and other payables, and provisions)	–	(670,306)	

8 AMOUNTS DUE FROM SUBSIDIARIES

	Company 2021 $'000	Company 2020 $'000
Non-current		
Loans to subsidiaries	321,011	313,695
Less: Allowance for impairment loss	(16)	–
	320,995	313,695
Current		
Loans to subsidiaries	55,541	85,602
Less: Allowance for impairment loss	(12,373)	(11,727)
	43,168	73,875

Non-current and current loans to subsidiaries amounting to $6,073,000 (2020: $1,471,000) and $9,958,000 (2020: $9,590,000) respectively are unsecured, bear interests ranging from 5.25% – 6.50% (2020: 5.25% – 6.50%) per annum and repayable on demand. These amounts are not expected to be repaid within the next 12 months and hence are classified as non-current.

Non-current and current loans to subsidiaries amounting to $314,938,000 (2020: $312,224,000) and $45,583,000 (2020: $76,012,000) respectively are unsecured, interest-free and repayable on demand. These amounts are not expected to be repaid within the next 12 months and hence are classified as non-current.

The Company's exposure to credit risk and impairment loss on amounts due from subsidiaries is disclosed in Note 34.

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

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group designated equity investments as financial assets at fair value through other comprehensive income because these equity investments represent investments that the Group intends to hold for the long-term for strategic purposes.

	Group/Company		Group/Company	
	Fair value at 31 March 2021 $'000	Dividend income recognised during 2021 $'000	Fair value at 31 March 2020 $'000	Dividend income recognised during 2020 $'000
Equity investments	36,079	3,387	42,034	4,501

Credit and market risks, and fair value measurement

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

10 DEFERRED TAX ASSETS AND LIABILITIES

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

Group	Balance at beginning of the year $'000	Currency translation difference $'000	Recognised in profit or loss (Note 28) $'000	Balance at end of the year $'000
2021				
Investment properties	(4,238)	232	–	(4,006)
Tax losses	7,147	–	1,032	8,179
	2,909	232	1,032	4,173
2020				
Investment properties	(4,074)	(164)	–	(4,238)
Tax losses	–	–	7,147	7,147
	(4,074)	(164)	7,147	2,909

Company	Balance at beginning of the year $'000	Currency translation difference $'000	Recognised in profit or loss $'000	Balance at end of the year $'000
2021				
Tax losses	–	–	428	428

	Group 2021 $'000	2020 $'000	Company 2021 $'000	2020 $'000
Deferred tax assets	8,179	7,147	428	–
Deferred tax liabilities	(4,006)	(4,238)	–	–

Unrecognised deferred tax assets and liabilities

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

	Asset 2021 $'000	2020 $'000
Tax losses	44,106	47,324

10 DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

Unrecognised deferred tax assets and liabilities (cont'd)

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

The Group did not recognise deferred tax liabilities relating to unremitted earnings in foreign subsidiaries amounting to $45,868,000 (2020: $50,289,000) as the Group is able to control the timing of the reversal of this temporary difference and it is not probable that these earnings will be repatriated in the foreseeable future.

11 DEVELOPMENT PROPERTIES

		Group	
		2021	**2020**
		$'000	**$'000**
(a)	***Properties under development, for which revenue is to be recognised at a point in time***		
	Land and land related cost	51,867	54,857
	Development costs	16,798	17,767
		68,665	72,624
	Properties under development, for which revenue is recognised over time		
	Land and land related cost	1,620,029	1,612,034
	Development costs	132,839	69,043
	Total costs recognised as cost of sales	(142,836)	(29,754)
		1,610,032	1,651,323
	Properties under development	1,678,697	1,723,947
(b)	***Completed development properties, at cost***		
	Completed development properties	70,116	75,878
	Allowance for diminution in value	(1,265)	(759)
		68,851	75,119
	Total development properties	1,747,548	1,799,066

(i) *Allowance for diminution in value*

Movement in allowance for diminution in value was as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
At 1 April	759	759
Additions	506	–
At 31 March	1,265	759

The allowance for foreseeable losses was determined taking into consideration the expected selling prices for the projects, which were based on external independent professional valuations undertaken or recent selling prices for the development projects or comparable projects and estimated total construction costs.

11 DEVELOPMENT PROPERTIES (cont'd)

(i) *Allowance for diminution in value* (cont'd)

The valuations were undertaken by independent professional valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the development properties being valued. The valuations were based on the comparable sales method. The valuation method used involves making estimates of the selling prices of the development properties, taking into consideration the recent selling prices for comparable properties and prevailing property market conditions, including the impact of COVID-19 pandemic. The recent outbreak of COVID-19 pandemic has created uncertainty in the real estate market. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred.

(ii) Development properties of the Group recognised as cost of sales, excluding foreseeable losses, amounted to $116,712,000 (2020: $38,202,000) for the year.

As at 31 March 2021, development properties of the Group with carrying amounts of $1,610,032,000 (2020: $1,651,323,000) are pledged as security to secure credit facilities (Note 15).

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

Location	Tenure	Land area (Sq. ft)	Gross floor area (Sq. ft)	Percentage of completion	Interest held by the Group
Completed projects					
235 Balestier Road, Singapore	Freehold	11,384	31,875	100%	100%
Pasir Ris Central/ Pasir Ris Drive 1, Singapore	99 years leasehold	176,400	441,000	100%	80%
Story Road, Santa Clara County, California, USA (Phase 2)	Freehold	442,736	223,990	100%	100%
Projects under development					
5 Thomas Mellon Circle, San Francisco, California, USA	Freehold	204,300	Not applicable	Planned development	100%
The Lilium How Sun Road, Singapore	Freehold	54,942	84,604	82%	50%
The Gazania How Sun Drive, Singapore	Freehold	146,046	224,912	41%	50%
Parc Clematis Jalan Lempeng, Singapore	99 years leasehold	633,639	1,330,642	15%	50%

12 CONTRACT COSTS

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

Capitalised commission fees are amortised when the related revenue is recognised. During the year, $4,751,000 (2020: $901,000) was amortised. There was no impairment loss in relation to such costs capitalised.

	Group	
	2021	**2020**
	$'000	**$'000**
At beginning of the year	9,097	–
Addition	22,399	9,998
Amortised to profit or loss	(4,751)	(901)
At end of the year	26,745	9,097

13 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	63,118	8,788	102	2,111
Government grant receivable	150	324	150	324
Dividend receivable from a joint venture	2,100	–	–	–
Other receivables	1,203	1,830	839	964
Deposits	366	329	181	181
	66,937	11,271	1,272	3,580
Tax recoverable	1,411	1,324	–	–
Prepaid expenses	1,542	1,726	28	39
	69,890	14,321	1,300	3,619

Included in prepaid expenses of the Group was prepaid banking facility fees of $1,220,000 (2020: $1,680,000).

Government grant receivables relate to wage subsidies under jobs support scheme from Singapore Government in relation to the COVID-19 pandemic. As at 31 March 2021, grant receivables and corresponding deferred income (see Note 19) were recognised in relation to the grant receivables for the wages payable to eligible employees for March 2021.

14 CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Amount held under "Project Account Rules – 1997 Ed" withdrawals from which are restricted to payments for expenditure incurred on projects	61,220	20,490	–	–
Short term bank deposits	–	45	–	45
Cash at banks and in hand	39,449	8,470	30,654	296
	100,669	29,005	30,654	341

The Group's and the Company's short term deposits bear interest at rates ranging from 0.45% to 1.73% per annum as at 31 March 2020. Interest rates are repriced at intervals of between one week to one month.

15 LOANS AND BORROWINGS

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Secured				
Bank loans	1,002,371	1,142,272	12,970	27,131
Repayable:				
Within 1 year	13,063	47,207	12,970	27,131
After 1 year but within 5 years	988,976	1,094,607	–	–
After 5 years	332	458	–	–
	989,308	1,095,065	–	–
	1,002,371	1,142,272	12,970	27,131

The bank loans are secured by:

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

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

(c) corporate guarantees by the Company; and

(d) a charge over financial asset at fair value through other comprehensive income with an amount of $36,079,000 (2020: $42,034,000).

The effective interest rates of the bank loans for the Group and the Company are 2.13% (2020: 2.28%) and 1.03% (2020: 1.59%) per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

15 LOANS AND BORROWINGS (cont'd)

Reconciliation of movements of (assets)/liabilities to cash flows arising from financing activities

	Liabilities				Derivatives liabilities held to hedge loan-term borrowings	Equity				
	Loans and borrowings $'000	Loan from non-controlling interests $'000	Loan from a related party $'000	Lease liabilities $'000	Interest rate swap used for hedging $'000	Share capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total $'000
Restated balance at 1 April 2019	952,488	193,400	21,316	2,891	–	522,939	7,885	134,721	943	1,836,583
Changes from financing cash flows										
Acquisition of treasury shares	–	–	–	–	–	–	(503)	–	–	(503)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(520)	(520)
Dividends paid to owners of the Company	–	–	–	–	–	–	–	(6,329)	–	(6,329)
Interest paid	(36,846)	–	(1,496)	–	–	–	–	–	–	(38,342)
Payment of lease liabilities	–	–	–	(1,199)	–	–	–	–	–	(1,199)
Proceeds from bank loans (net of transaction costs)	281,905	–	–	–	–	–	–	–	–	281,905
Proceeds from loan from non-controlling interests	–	83,658	–	–	–	–	–	–	–	83,658
Repayment of bank loans	(90,080)	–	–	–	–	–	–	–	–	(90,080)
Total changes from financing cash flows	154,979	83,658	(1,496)	(1,199)	–	–	(503)	(6,329)	(520)	228,590
The effect of changes in foreign exchange rates	(2,861)	–	923	–	–	–	5,498	–	–	3,560
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	(20,601)	–	–	(20,601)
Transfer of gain on disposal of financial assets through other comprehensive income to retained earnings	–	–	–	–	–	–	(3,519)	3,519	–	–
Changes in fair value of derivatives liabilities	–	–	–	–	7,327	–	(7,327)	–	–	–
Effective portion of change in fair value of cash flow hedge	–	–	–	–	–	–	3,664	–	(3,664)	–
Other changes										
Liability-related										
Interest expense	37,666	–	1,547	66	–	–	–	–	–	39,279
New lease	–	–	–	57	–	–	–	–	–	57
Total liability-related other changes	37,666	–	1,547	123	–	–	–	–	–	39,336
Equity-related										
Loss for the year	–	–	–	–	–	–	–	(7,826)	(17,664)	(25,490)
Cancellation of treasury shares	–	–	–	–	–	(2,509)	2,509	–	–	–
Total equity-related other changes	–	–	–	–	–	(2,509)	2,509	(7,826)	(17,664)	(25,490)
Balance at 31 March 2020	1,142,272	277,058	22,290	1,815	7,327	520,430	(12,394)	124,085	(20,905)	2,061,978

15 LOANS AND BORROWINGS (cont'd)

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

	Liabilities				Derivatives liabilities held to hedge loan-term borrowings	Equity				
	Loans and borrowings $'000	Loan from non-controlling interests $'000	Loan from a related party $'000	Lease liabilities $'000	Interest rate swap used for hedging $'000	Share capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total $'000
Balance at 1 April 2020	1,142,272	277,058	22,290	1,815	7,327	520,430	(12,394)	124,085	(20,905)	2,061,978
Changes from financing cash flows										
Dividends paid to non-controlling interests	–	–		–	–	–	–	–	(268)	(268)
Interest paid	(23,365)	–	(1,416)	(39)	–	–	–	–	–	(24,820)
Payment of lease liabilities	–	–	–	(1,259)	–	–	–	–	–	(1,259)
Proceeds from bank loans (net of transaction costs)	49,583	–	–	–	–	–	–	–	–	49,583
Proceeds from loan from non-controlling interests	–	8,850	–	–	–	–	–	–	–	8,850
Repayment of bank loans	(192,243)	–	–	–	–	–	–	–	–	(192,243)
Total changes from financing cash flows	(166,025)	8,850	(1,416)	(1,298)	–	–	–	–	(268)	(160,157)
The effect of changes in foreign exchange rates	100	–	(1,362)	–	–	–	(8,563)	–	–	(9,825)
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	7,397	–	–	7,397
Transfer of gain on disposal of financial assets through other comprehensive income to retained earnings	–	–	–	–	–	–	1,702	(1,702)	–	–
Changes in fair value of derivatives liabilities	–	–	–	–	(576)	–	576	–	–	–
Effective portion of change in fair value of cash flow hedge	–	–	–	–	–	–	(288)	–	288	–
Other changes										
Liability-related										
Interest expense	26,024	–	1,162	39	–	–	–	–	–	27,225
Total liability-related other changes	26,024	–	1,162	39	–	–	–	–	–	27,225
Equity-related										
(Loss)/Profit for the year	–	–	–	–	–	–	–	(12,191)	2,422	(9,769)
Total equity-related other changes	–	–	–	–	–	–	–	(12,191)	2,422	(9,769)
Balance at 31 March 2021	1,002,371	285,908	20,674	556	6,751	520,430	(11,570)	110,192	(18,463)	1,916,849

16 LOAN FROM NON-CONTROLLING INTERESTS

The loan from non-controlling interests is non-trade in nature, unsecured, interest-free and repayable on demand with a notice period of not less than 366 days. The loan from non-controlling interests is not expected to be repaid in the next twelve months from 31 March 2021.

17 LOAN FROM A RELATED PARTY

The loan from a related party is unsecured with an effective interest rate of 5.61% (2020: 7.25%) per annum. The loan is due on 11 July 2023.

The related party is an affiliated company to the Group which is defined as one:

(a) in which a director of the Company has a substantial financial interests or who is in a position to exercise significant influence; and/or
(b) which directly or indirectly, through one or more intermediaries, are under the control of a common shareholder.

18 DERIVATIVE LIABILITIES

	Group	
	2021	**2020**
	$'000	**$'000**
Interest rate swaps used for hedging	6,751	7,327

The Group had entered into interest rate swaps contracts with a notional amount of $450,000,000 (2020: $450,000,000) to hedge the Group's interest rate exposure. The fair value loss of these interest rate swaps for the year is $6,751,000 (2020: $7,327,000).

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables	27,766	25,824	305	107
Other payables	458	333	77	95
Deferred income	406	592	154	324
Accrued expenses	16,924	5,390	618	558
Accrued real estate taxes	–	236	–	–
	45,554	32,375	1,154	1,084
Amounts due to subsidiaries	–	–	7,460	3,378
	45,554	32,375	8,614	4,462

19 TRADE AND OTHER PAYABLES (cont'd)

Deferred income relates to wage subsidies under the jobs support scheme from the Singapore Government in relation to the COVID-19 pandemic, which will be recognised in profit or loss in future period.

Amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

20 CONTRACT LIABILITIES

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Contract liabilities	(208,398)	(66,742)	–	–

Contract liabilities relate to advance consideration received from customers and progress billings issued in excess of the Group's rights to the consideration.

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

	Group	
	2021 $'000	2020 $'000
Contract liabilities at the beginning of the year	(66,742)	–
Contract liabilities at the beginning of the year recognised as revenue during the year	145,494	–
Increases due to cash received, excluding amounts recognised as revenue during the year	(287,150)	(66,742)
	(208,398)	(66,742)

21 SHARE CAPITAL AND RESERVES

Ordinary shares

	2021		2020	
	No. of shares '000	$'000	No. of shares '000	$'000
Company				
At beginning of the year	4,236,136	520,430	4,266,136	522,939
Cancellation of treasury shares	–	–	(30,000)	(2,509)
At end of the year	4,236,136	520,430	4,236,136	520,430

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

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

There were 24,110,300 treasury shares held by the Company as at 31 March 2021 (2020: 24,110,300 treasury shares). On 17 March 2020, 30,000,000 treasury shares were cancelled.

21 SHARE CAPITAL AND RESERVES (cont'd)

Dividends

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

	Group/Company	
	2021	2020
	$'000	$'000
For the year ended 31 March		
Paid by the Company to owners of the Company		
$Nil per qualifying ordinary share (2020: $0.0015)	–	6,329
Paid by subsidiaries to non-controlling interests		
$1.34 per qualifying ordinary share (2020: $3.25)	268	520

Reserves

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

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Capital reserve	2,755	2,755	3,197	3,197
Translation reserve	(4,421)	4,142	–	–
Hedging reserve	(3,375)	(3,663)	–	–
Fair value reserve	(6,529)	(15,628)	(6,530)	(15,629)
At 31 March	(11,570)	(12,394)	(3,333)	(12,432)

Capital reserve

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

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and share of currency translation differences of equity-accounted investees.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets at FVOCI until the assets are derecognised or impaired.

Capital management

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

21 SHARE CAPITAL AND RESERVES (cont'd)

Capital management (cont'd)

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

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

	Group	
	2021	**2020**
	$'000	**$'000**
Gross borrowings	1,308,953	1,441,620
Cash and cash equivalents	(100,669)	(29,005)
Net debts	1,208,284	1,412,615

The Group's gross borrowings consist of loans and borrowings, loan from non-controlling interests and loan from a related party.

	Group	
	2021	**2020**
	$'000	**$'000**
Total capital employed	599,490	611,216
Net debts equity ratio	2.02	2.31

No changes were made to the above objectives, policies and processes during the years ended 31 March 2021 and 2020.

Under the Housing Developers (Control and Licensing) Act, in order to qualify for a housing developer's license, certain subsidiaries of the Company are required to maintain a minimum paid-up capital of $1,000,000. These entities complied with the requirement throughout the year.

Other than as disclosed above, the Company and its subsidiaries are not subject to externally imposed capital requirements.

22 NON-CONTROLLING INTERESTS ("NCI")

The following subsidiaries have material NCI:

		Ownership interests held by NCI	
Name	**Principal place of business/Country of incorporation**	**2021 %**	**2020 %**
SingHaiyi Huajiang Sun Pte Ltd	Singapore	50	50
Sing-Haiyi Gold Pte Ltd	Singapore	50	50
SingHaiyi Huajiang Amber Pte Ltd	Singapore	50	50

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

22 NON-CONTROLLING INTERESTS ("NCI") (cont'd)

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

	SingHaiyi Huajiang Sun Pte Ltd $'000	Sing-Haiyi Gold Pte Ltd $'000	SingHaiyi Huajiang Amber Pte Ltd $'000	Other individually immaterial subsidiaries $'000	Total $'000
2021					
Revenue	12,003	132,657	583	1,787	
(Loss)/Profit	(1,130)	6,868	(704)	(460)	
Other comprehensive income	–	576	–	–	
Total comprehensive income	(1,130)	7,444	(704)	(460)	
Attributable to NCI:					
- (Loss)/Profit	(565)	3,434	(352)	(95)	2,422
- Other comprehensive income	–	288	–	–	288
- **Total comprehensive income**	(565)	3,722	(352)	(95)	2,710
Non-current assets	2,903	4,550	1,101	78	
Current assets	308,984	1,338,958	117,765	5,729	
Non-current liabilities	(316,604)	(1,124,325)	(119,138)	–	
Current liabilities	(5,894)	(243,210)	(3,083)	(3,063)	
Net assets	(10,611)	(24,027)	(3,355)	2,744	
Net assets attributable to NCI	(5,306)	(12,014)	(1,678)	535	(18,463)
Cash flows from operating activities	(7,378)	158,906	(5,646)	1,773	
Cash flows from investing activities	–	–	–	–	
Cash flows from financing activities (dividends to NCI: $268,000)	6,899	(119,756)	5,533	(1,340)	
Net (decrease)/increase in cash and cash equivalents	(479)	39,150	(113)	433	

22 NON-CONTROLLING INTERESTS ("NCI") (cont'd)

	SingHaiyi Huajiang Sun Pte Ltd $'000	Sing-Haiyi Gold Pte Ltd $'000	SingHaiyi Huajiang Amber Pte Ltd $'000	Other individually immaterial subsidiaries $'000	Total $'000
2020					
Revenue	7,993	27,748	614	1,194	
(Loss)/Profit	(6,838)	(25,766)	(2,799)	188	
Other comprehensive income	–	(7,327)	–	–	
Total comprehensive income	(6,838)	(33,093)	(2,799)	188	
Attributable to NCI:					
- (Loss)/Profit	(3,419)	(12,883)	(1,399)	37	(17,664)
- Other comprehensive income	–	(3,664)	–	–	(3,664)
- **Total comprehensive income**	(3,419)	(16,547)	(1,399)	37	(21,328)
Non-current assets	1,564	5,775	554	–	
Current assets	299,372	1,289,809	108,049	8,509	
Non-current liabilities	(303,742)	(1,234,425)	(106,981)	(13)	
Current liabilities	(6,807)	(92,629)	(4,272)	(3,592)	
Net assets	(9,613)	(31,470)	(2,650)	4,904	
Net assets attributable to NCI	(4,807)	(15,735)	(1,325)	962	(20,905)
Cash flows from operating activities	(13,247)	(308,932)	(10,766)	1,628	
Cash flows from investing activities	–	–	–	–	
Cash flows from financing activities (dividends to NCI: $520,000)	13,113	318,848	11,080	(2,600)	
Net (decrease)/increase in cash and cash equivalents	(134)	9,916	314	(972)	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

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 and property related investment — Holding and management of investment properties ("IP") and investment in IP related entities
- Others — Investment holding and provision of management services

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

	Property development		Property and property related investment		Others		Segment total		Unallocated items		Total	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Group												
External revenue	147,950	51,321	4,899	5,848	–	–	152,849	57,169	–	–	152,849	57,169
Profit/(Loss) from operating activities	32,620	(3,974)	(11,576)	(26,672)	(1,918)	(934)	19,126	(31,580)	(3,889)	(3,704)	15,237	(35,284)
Share of profit/(loss) of equity-accounted investees, net of tax	32	(45)	(3,858)	36,781	–	–	(3,826)	36,736	–	–	(3,826)	36,736
Finance income	–	2	3,387	4,501	7	1,790	3,394	6,293	–	–	3,394	6,293
Finance costs	(26,472)	(37,477)	(735)	(1,718)	(18)	(84)	(27,225)	(39,279)	–	–	(27,225)	(39,279)
Reportable segment profit/(loss) before tax	6,180	(41,494)	(12,782)	12,892	(1,929)	772	(8,531)	(27,830)	(3,889)	(3,704)	(12,420)	(31,534)
Depreciation of property, plant and equipment	507	504	50	99	799	868	1,356	1,471	–	–	1,356	1,471
Other material items:												
Change in fair value of investment properties	–	–	8,257	25,639	–	–	8,257	25,639	–	–	8,257	25,639
Allowance for diminution of value of development properties	506	–	–	–	–	–	506	–	–	–	506	–
Interests in associates	406	374	44,253	49,698	–	–	44,659	50,072	–	–	44,659	50,072
Interests in joint ventures	–	–	86,650	150,495	–	–	86,650	150,495	–	–	86,650	150,495
Capital expenditure*	–	–	272	544	–	–	272	544	16	456	288	1,000
Reportable segment assets	1,876,651	1,855,980	292,167	308,196	5,823	3,059	2,174,641	2,167,235	1,371	745	2,176,012	2,167,980
Reportable segment liabilities	1,552,495	1,493,329	23,042	61,200	628	1,882	1,576,165	1,556,411	357	353	1,576,522	1,556,764

* Capital expenditure comprises property, plant and equipment of $27,000 (2020: $456,000) and investment properties of $261,000 (2020: $544,000).

23 OPERATING SEGMENTS (cont'd)

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

	Group	
	2021 $'000	2020 $'000
Profit or loss		
Total loss for reportable segments	(8,531)	(27,830)
Unallocated items:		
– Net unrealised foreign exchange gains	6	327
– Corporate expenses	(3,895)	(4,031)
Consolidated loss before tax	(12,420)	(31,534)
Assets		
Total assets for reportable segments	2,174,641	2,167,235
Unallocated items:		
– Property, plant and equipment	640	674
– Cash and cash equivalents	731	71
Consolidated total assets	2,176,012	2,167,980
Liabilities		
Total liabilities for reportable segments	1,576,165	1,556,411
Unallocated items:		
– Trade and other payables	357	353
Consolidated total liabilities	1,576,522	1,556,764

Geographical information

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

	Singapore		USA		Malaysia		Australia	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Group								
Revenue	147,937	39,861	4,912	17,308	–	–	–	–
Current assets	1,807,805	1,706,580	137,047	144,909	–	–	–	–
Non-current assets #	123,913	189,599	26,021	34,795	45,147	50,063	36,079	42,034

Include property, plant and equipment, investment properties, associates and joint ventures, financial assets at fair value through other comprehensive income and deferred tax assets.

Major customer

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

24 REVENUE

In the following table, revenue is disaggregated by primary geographical market, major product and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with Group's reportable segments (see Note 23).

	Property development		Property and property related investment		Total	
	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000
Primary geographical markets						
Singapore	147,107	38,846	830	1,015	147,937	39,861
United States	843	12,475	4,069	4,833	4,912	17,308
	147,950	51,321	4,899	5,848	152,849	57,169
Major products and service lines						
Property development income	147,873	50,024	–	–	147,873	50,024
Rental income	–	–	4,899	5,848	4,899	5,848
Management fee income	77	1,297	–	–	77	1,297
	147,950	51,321	4,899	5,848	152,849	57,169
Timing of revenue recognition						
Products transferred at a point in time	1,864	13,668	–	–	1,864	13,668
Products and services transferred over time	146,086	37,653	4,899	5,848	150,985	43,501
	147,950	51,321	4,899	5,848	152,849	57,169

As at 31 March 2021, the Group has property development income of $898,141,000 (2020: $380,341,000), which is expected to be recognised as revenue over the next 1 to 3 years as construction of development properties progresses.

The Group has applied the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

25 OTHER INCOME

	Group	
	2021	2020
	$'000	$'000
Forfeiture of booking deposit	817	–
Gain on disposal of plant and equipment	–	8
Government grants	1,165	–
Net foreign exchange gain	1,035	2,663
Others	296	308
	3,313	2,979

Government grants of the Group include wages subsidies under jobs support scheme of $1,068,000 (2020: $Nil).

26 FINANCE INCOME

	Group 2021 $'000	Group 2020 $'000
Dividend income:		
– Equity investments – at fair value through other comprehensive income	3,387	4,501
– Equity investments – at fair value through profit or loss	–	1,010
Fair value gain on financial assets at fair value through profit or loss	–	447
Interest income on fixed deposits and cash at bank/interest income arising from financial assets measured at amortised cost	7	335
	3,394	6,293

27 FINANCE COSTS

	Group 2021 $'000	Group 2020 $'000
Interest expense on:		
– bank loans	25,532	36,877
– loan from a related party	1,162	1,547
– lease liabilities	39	66
Amortisation of banking facility fee	492	789
Interest expense on financial liabilities measured at amortised cost	27,225	39,279

28 TAX CREDIT

	Note	Group 2021 $'000	Group 2020 $'000
Current tax expense			
Current year		330	1,318
Over provision in prior year		(1,105)	(796)
Withholding tax		255	581
		(520)	1,103
Deferred tax credit			
Origination and reversal of temporary differences		672	(7,147)
Recognition of tax effect of previously unrecognised tax losses		(1,704)	–
	10	(1,032)	(7,147)
Tax credit		(1,552)	(6,044)
Reconciliation of effective tax rate			
Loss before tax		(12,420)	(31,534)
Tax using Singapore tax rate of 17% (2020: 17%)		(2,111)	(5,361)
Income not subject to tax		(1,894)	(300)
Non-deductible expenses		4,095	5,712
Effect of tax rates in foreign jurisdictions		(903)	(653)
Effect of unrecognised deferred tax assets		(547)	994
Tax effect of losses not allowed to be set off against future taxable profits		7	24
Effect of results of equity-accounted investees presented net of tax		651	(6,245)
Over provision in prior year		(1,105)	(796)
Withholding tax		255	581
		(1,552)	(6,044)

28 TAX CREDIT (cont'd)

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

29 LOSS FOR THE YEAR

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

	Group	
	2021	**2020**
	$'000	**$'000**
Audit fees payable to:		
– Auditors of the Company	243	242
– Other auditors	35	57
Non-audit fees payable to:		
– Auditors of the Company	93	78
Changes in fair value of investment properties	8,257	25,639
Depreciation of property, plant and equipment	1,356	1,471
Employee benefits expenses		
– Salaries and wages	3,755	4,798
– Defined contribution benefits	241	380
– Other short-term benefits	12	27
– Directors' remuneration	739	821
	4,747	6,026

30 SHARE-BASED PAYMENT ARRANGEMENTS

Share option scheme

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

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

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

There were neither share options outstanding nor unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

31 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 31 March 2021 was based on loss attributable to ordinary shareholders of $13,290,000 (2020: $7,826,000) and weighted average number of ordinary shares outstanding of 4,212,025,475 (2020: 4,218,607,221), calculated as follows:

(i) Loss attributable to ordinary shareholders

	Group 2021 $'000	Group 2020 $'000
Loss attributable to ordinary shareholders	(13,290)	(7,826)

(ii) Weighted average number of ordinary shares

	Group 2021 '000	Group 2020 '000
Issued ordinary shares at beginning of the year	4,218,607	4,269,381
Effect of own shares held	(6,582)	(50,774)
Weighted average number of ordinary shares during the year	4,212,025	4,218,607

32 LEASES

Leases as lessees

The Group and the Company lease office premise and industrial premise for a period of 3 years and 2 years respectively.

Information about leases for which the Group and the Company are lessees are presented below.

Amounts recognised in profit or loss

	2021 $'000	2020 $'000
Depreciation charge of right-of-use assets	1,111	1,111
Interest on lease liabilities	39	66

Amounts recognised in statement of cash flows

	2021 $'000	2020 $'000
Total cash outflow for leases		
Interest paid	39	66
Payment of lease liabilities	1,259	1,199
	1,298	1,265

Leases as lessor

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 5 sets out information about the operating leases of investment properties.

The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

32 LEASES (cont'd)

Operating leases

	2021 $'000	2020 $'000
Within one year	2,850	2,965
One to two years	1,948	1,805
Two to three years	1,602	1,540
Three to four years	1,532	1,485
Four to five years	1,431	1,434
More than 5 years	1,672	2,968
	11,035	12,197

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, $4,899,000 (2020: $5,848,000) was recognised as rental income in profit or loss by the Group. Repairs and maintenance expenses, included in administration expenses, were as follows:

	Group	
	2021 $'000	2020 $'000
Utilities	1,299	1,399
Real estate taxes	1,806	1,810
Repair and maintenance	790	531
Other	1,101	1,516
	4,996	5,256

33 COMMITMENTS

The Group has the following commitments at the reporting date:

	Group	
	2021 $'000	2020 $'000
Estimated development expenditure contracted but not provided for	219,372	220,258

34 FINANCIAL INSTRUMENTS

Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

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

34 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 or the Company 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 and the Company's amount due from subsidiaries. Except as disclosed, there is no significant concentration of credit risk for the Group and the Company.

The carrying amounts of financial assets and contract assets represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held.

There is no impairment loss on trade receivables recognised in profit or loss in year 2021 and 2020.

Trade receivables

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets. The Group does not have trade receivables for which no allowance is recognised because of collaterals.

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for trade receivables by geographical region was as follows.

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	61,924	8,149	102	2,111
United States	1,194	639	–	–
	63,118	8,788	102	2,111

The maximum exposure to credit risk for trade receivables at the reporting date by business segment is set out below:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Rental properties	288	401	–	–
Property development	62,620	8,174	–	–
Others	210	213	102	2,111
	63,118	8,788	102	2,111

34 FINANCIAL INSTRUMENTS (cont'd)

Expected credit loss assessment for customers

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a large number of small balances.

The allowance matrix is based on loss rates determined based on actual credit loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, recoverables and the Group's view of economic conditions over the expected lives of the receivables. The exposure to credit risk and ECL for trade receivables as at 31 March 2021 is insignificant.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March:

	Group		Company	
	Gross carrying amount $'000	Impairment loss allowance $'000	Gross carrying amount $'000	Impairment loss allowance $'000
2021				
Not past due	62,902	–	102	–
Past due 1 to 30 days	38	–	–	–
Past due 31 to 60 days	24	–	–	–
Past due 61 to 90 days	67	–	–	–
Past due over 90 days	87	–	–	–
	63,118	–	102	–
2020				
Not past due	8,636	–	2,111	–
Past due 1 to 30 days	10	–	–	–
Past due 31 to 60 days	34	–	–	–
Past due 61 to 90 days	25	–	–	–
Past due over 90 days	83	–	–	–
	8,788	–	2,111	–

Movements in allowance for impairment in respect of trade receivables

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Balance at 1 April	–	33	–	–
Amount written off	–	(33)	–	–
Balance at 31 March	–	–	–	–

There is no significant changes in the gross carrying amounts of trade receivables contributed to the changes in the impairment loss allowance during 2021.

Other receivables

The Group and the Company held other receivables. Impairment on these balances has been measured on the 12- months expected loss basis which reflects the low credit risk of exposures. The amount of the allowance on non-trade amounts due from subsidiaries is set out in Note 8 and the amount of the allowance on other receivables was negligible.

34 FINANCIAL INSTRUMENTS (cont'd)

Non-trade amounts due from subsidiaries

The Company held non-trade receivables from its subsidiaries which were lent to subsidiaries to meet their funding requirements. Impairment on these balances has been measured on the 12-month or lifetime expected loss basis, as appropriate. The Company held non-trade receivables from its subsidiaries which were lent to subsidiaries to meet their funding requirements. Impairment on these balances has been measured on the 12-month or lifetime expected loss basis, as appropriate. During the year, an impairment loss of $662,000 (2020: $Nil) was recognised on amounts due from certain subsidiaries (Note 8) due to a decline in the financial performance of the subsidiaries.

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

Movement in allowance from impairment in respect of amounts due from subsidiaries

	2021		2020	
	12-month ECL $'000	Lifetime ECL $'000	12-month ECL $'000	Lifetime ECL $'000
Company				
At 1 April	–	–	–	–
Impairment loss recognised	–	662	–	–
Impairment loss written back	–	–	–	(164)
At 31 March	–	662	–	(164)

Derivatives

The financial derivatives are entered into with banks and financial institution counterparties, which are regulated.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $100,669,000 and $30,654,000 respectively at 31 March 2021 (2020: $29,005,000 and $341,000 respectively). The cash and cash equivalents are held with banks, which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Liquidity risk

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

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

34 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					
2021					
Non-derivative financial liabilities					
Bank loans	1,002,371	(1,050,496)	(28,652)	(1,021,605)	(239)
Lease liabilities	556	(598)	(496)	(102)	–
Trade and other payables*	45,148	(45,148)	(45,148)	–	–
Loan from a related party	20,674	(23,150)	(1,086)	(22,064)	–
Loan from non-controlling interests	285,908	(285,908)	–	(285,908)	–
Recognised financial liabilities	1,354,657	(1,405,300)	(75,382)	(1,329,679)	(239)
Financial guarantees	–	(1,187)	–	(1,187)	–
	1,354,657	(1,406,487)	(75,382)	(1,330,866)	(239)
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	6,751	(6,751)	–	(6,751)	–
	6,751	(6,751)	–	(6,751)	–
	1,361,408	(1,413,238)	(75,382)	(1,337,617)	(239)
2020					
Non-derivative financial liabilities					
Bank loans	1,142,272	(1,280,076)	(83,357)	(1,196,184)	(535)
Lease liabilities	1,815	(1,856)	(1,274)	(582)	–
Trade and other payables*	31,783	(31,783)	(31,783)	–	–
Loan from a related party	22,290	(24,310)	(1,616)	(22,694)	–
Loan from non-controlling interests	277,058	(277,058)	–	(277,058)	–
Recognised financial liabilities	1,475,218	(1,615,083)	(118,030)	(1,496,518)	(535)
Financial guarantees	–	(1,187)	–	(1,187)	–
	1,475,218	(1,616,270)	(118,030)	(1,497,705)	(535)
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	7,327	(7,327)	–	(7,327)	–
	7,327	(7,327)	–	(7,327)	–
	1,482,545	(1,623,597)	(118,030)	(1,505,032)	(535)

34 FINANCIAL INSTRUMENTS (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					
2021					
Non-derivative financial liabilities					
Bank loans	12,970	(13,124)	(13,124)	–	–
Lease liabilities	207	(208)	(208)	–	–
Trade and other payables*	8,460	(8,460)	(8,460)	–	–
Recognised financial liabilities	21,637	(21,792)	(21,792)	–	–
Financial guarantees	–	(492,741)	–	(491,944)	(797)
	21,637	(514,533)	(21,792)	(491,944)	(797)
2020					
Non-derivative financial liabilities					
Bank loans	27,131	(27,896)	(27,896)	–	–
Lease liabilities	915	(928)	(722)	(206)	–
Trade and other payables*	4,138	(4,138)	(4,138)	–	–
Recognised financial liabilities	32,184	(32,962)	(32,756)	(206)	–
Financial guarantees	–	(512,858)	(19,714)	(491,944)	(1,200)
	32,184	(545,820)	(52,470)	(492,150)	(1,200)

* Excludes deferred income of $406,000 (2020: $592,000) and $154,000 (2020: $324,000) for the Group and the Company, respectively.

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

Guarantees

The Company issued financial guarantees to certain banks in respect of banking facilities granted to certain subsidiaries and a joint venture amounting to $491,554,000 and $1,187,000 (2020: $511,671,000 and $1,187,000) respectively. There are no terms and conditions attached to the financial guarantees that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows. Management considers that the possibility of default of the parties is remote.

The table below shows the contractual expiry by maturity of the Group's and the Company's financial guarantee contracts. The maximum amount of the financial guarantees contracts are allocated to the earliest period in which the guarantees could be called.

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

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Within 1 year	–	–	–	19,714
After 1 year but within 5 years	1,187	1,187	491,944	491,944
After 5 years	–	–	797	1,200
	1,187	1,187	492,741	512,858

34 FINANCIAL INSTRUMENTS (cont'd)

Market risk

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

Interest rate risk

The Group's exposure to market risk for changes in interest rates relate primarily to the Group's debt obligations and deposits with financial institutions. Interest rates on borrowings and deposits are determined based on floating market rates.

Derivative financial instruments are used to manage interest rate risk, to the extent that the perceived cost of variable rate borrowings considered outweigh the benefits of their flexibility, and the Group actively monitors the need and timing for such derivatives.

The Group enters into interest rate swap agreements to hedge the interest rate risk exposure arising from its SGD variable rate term loan. As at the end of the financial year, the Group has interest rate swap agreements with notional amount totalling $450,000,000 (2020: $450,000,000) whereby it receives variable rate equal to Singapore swap offer rates and pays fixed rates of between 0.99% and 1.71% on the notional amount.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or borrowings.

Exposures to interest rate risk

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

	Group Nominal amount		Company Nominal amount	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	–	–	–	6,987
Variable rate instruments				
Financial assets	–	45	–	–
Financial liabilities	(1,023,045)	(1,164,562)	(12,970)	(27,131)
	(1,023,045)	(1,164,517)	(12,970)	(27,131)

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, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

34 FINANCIAL INSTRUMENTS (cont'd)

Sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have (decreased)/increased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation and tax effect. The analysis is performed on the same basis for 2020.

	Profit or loss		**Equity**	
	100 bp increase $'000	**100 bp decrease $'000**	**100 bp increase $'000**	**100 bp decrease $'000**
Group				
2021				
Variable rate instruments	(10,230)	10,230	–	–
Interest rate swaps	4,500	(4,500)	(66)	66
Cash flow sensitivity (net)	(5,730)	5,730	(66)	66
2020				
Variable rate instruments	(11,645)	11,645	–	–
Interest rate swaps	4,500	(4,500)	(110)	110
Cash flow sensitivity (net)	(7,145)	7,145	(110)	110

	Profit or loss	
	100 bp increase $'000	**100 bp decrease $'000**
Company		
2021		
Variable rate instruments	(130)	130
2020		
Variable rate instruments	(271)	271

Foreign currency risk

The Group is exposed to currency risk on trade and other receivable, financial assets at fair value through profit or loss, cash and cash equivalent and loans and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Australian Dollar ("AUD").

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

34 FINANCIAL INSTRUMENTS (cont'd)

Exposure to foreign currency risk

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

	USD		AUD		CHF	
	2021 **$'000**	**2020** **$'000**	**2021** **$'000**	**2020** **$'000**	**2021** **$'000**	**2020** **$'000**
Group and Company						
Trade and other receivables	–	–	676	818	–	–
Cash and cash equivalents	24	22	–	–	–	–
Loans and borrowings	–	–	(12,970)	(12,137)	–	(14,994)
	24	22	(12,294)	(11,319)	–	(14,994)

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 and Company would increase/(decrease) profit or loss 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 and Company Profit or loss	
	10% strengthening $'000	**10% weakening $'000**
2021		
USD	2	(2)
AUD	(1,229)	1,229
2020		
USD	2	(2)
AUD	(1,132)	1,132
CHF	(1,499)	1,499

Equity price risk

The Group and the Company has investments in quoted equity investments and is exposed to equity price risk. These investments are listed on the Australian Securities Exchange. For such investments classified as FVOCI, the impact of a 5% increase in prices of the quoted investments at the reporting date would have increased the equity of the Group and the Company by $1,804,000 (2020: $2,102,000). An equal change in the opposite direction would have decreased the equity of the Group and the Company by $1,804,000 (2020: $2,102,000).

34 FINANCIAL INSTRUMENTS (cont'd)

Determining fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods and processes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Financial derivatives

The fair values of interest rate swaps are based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on terms and maturity of each contract and using market interest rates or exchange rates, where applicable, for a similar financial instrument at the measurement date.

(ii) Non-derivative financial liabilities

The fair value of quoted interest-bearing borrowings is their quoted ask price at the reporting date.

(iii) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

34 FINANCIAL INSTRUMENTS (cont'd)

Accounting classifications and fair values

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

		Carrying amount					Fair value			
	Note	Amortised cost $'000	FVOCI – equity instruments $'000	FVTPL $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
2021										
Financial assets measured at fair value										
Financial assets at fair value through other comprehensive income	9	–	36,079	–	–	36,079	36,079	–	–	36,079
Financial assets not measured at fair value										
Trade and other receivables*	13	66,937	–	–	–	66,937				
Cash and cash equivalents	14	100,669	–	–	–	100,669				
		167,606	–	–	–	167,606				
Financial liabilities measured at fair value										
Derivative liabilities	18	–	–	–	(6,751)	(6,751)	–	(6,751)	–	(6,751)
Financial liabilities not measured at fair value										
Loans and borrowings	15	–	–	–	(1,002,371)	(1,002,371)				
Loan from a related party	17	–	–	–	(20,674)	(20,674)				
Lease liabilities	4	–	–	–	(556)	(556)				
Loan from non-controlling interests	16	–	–	–	(285,908)	(285,908)				
Trade and other payables#	19	–	–	–	(45,148)	(45,148)				
		–	–	–	(1,354,657)	(1,354,657)				

34 FINANCIAL INSTRUMENTS (cont'd)

Accounting classifications and fair values (cont'd)

		Carrying amount					Fair value			
	Note	Amortised cost $'000	FVOCI – equity instruments $'000	FVTPL $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
2020										
Financial assets measured at fair value										
Financial assets at fair value through other comprehensive income	9	–	42,034	–	–	42,034	42,034	–	–	42,034
Financial assets not measured at fair value										
Trade and other receivables*	13	11,271	–	–	–	11,271				
Cash and cash equivalents	14	29,005	–	–	–	29,005				
		40,276	–	–	–	40,276				
Financial liabilities measured at fair value										
Derivative liabilities	18	–	–	–	(7,327)	(7,327)	–	(7,327)	–	(7,327)
Financial liabilities not measured at fair value										
Lease liabilities	4	–	–	–	(1,815)	(1,815)				
Loans and borrowings	15	–	–	–	(1,142,272)	(1,142,272)				
Loan from a related party	17	–	–	–	(22,290)	(22,290)				
Loan from non-controlling interests	16	–	–	–	(277,058)	(277,058)				
Trade and other payables#	19	–	–	–	(31,783)	(31,783)				
		–	–	–	(1,475,218)	(1,475,218)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

34 FINANCIAL INSTRUMENTS (cont'd)

Accounting classifications and fair values (cont'd)

		Carrying amount					Fair value			
	Note	Amortised cost $'000	FVOCI – equity instruments $'000	FVTPL $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company										
2021										
Financial assets measured at fair value										
Financial assets at fair value through other comprehensive income	9	–	36,079	–	–	36,079	36,079	–	–	36,079
Financial assets not measured at fair value										
Amounts due from subsidiaries	8	364,163	–	–	–	364,163				
Trade and other receivables*	13	1,272	–	–	–	1,272				
Cash and cash equivalents	14	30,654	–	–	–	30,654				
		396,089	–	–	–	396,089				
Financial liabilities measured at fair value										
Lease liabilities	4	–	–	–	(207)	(207)				
Loans and borrowings	15	–	–	–	(12,970)	(12,970)				
Trade and other payables#	19	–	–	–	(8,460)	(8,460)				
		–	–	–	(21,637)	(21,637)				

34 FINANCIAL INSTRUMENTS (cont'd)

Accounting classifications and fair values (cont'd)

		Carrying amount					Fair value			
	Note	Amortised cost $'000	FVOCI – equity instruments $'000	FVTPL $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Level 4 $'000
Company										
2020										
Financial assets measured at fair value										
Financial assets at fair value through other comprehensive income	9	–	42,034	–	–	42,034	42,034	–	–	42,034
Financial assets not measured at fair value										
Amounts due from subsidiaries	8	387,570	–	–	–	387,570				
Trade and other receivables*	13	3,580	–	–	–	3,580				
Cash and cash equivalents	14	341	–	–	–	341				
		391,491	–	–	–	391,491				
Financial liabilities measured at fair value										
Lease liabilities	4	–	–	–	(915)	(915)				
Loans and borrowings	15	–	–	–	(27,131)	(27,131)				
Trade and other payables#	19	–	–	–	(4,138)	(4,138)				
		–	–	–	(32,184)	(32,184)				

* Excludes prepaid expenses of $1,542,000 (2020: $1,726,000) and $28,000 (2020: $39,000) for the Group and the Company, respectively. It also excludes tax recoverable of $1,411,000 (2020: $1,324,000) for the Group.

\# Excludes deferred income of $406,000 (2020: $592,000) and $154,000 (2020: $324,000) for the Group and the Company, respectively.

34 FINANCIAL INSTRUMENTS (cont'd)

(i) Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values.

Type	Valuation techniques
Group	
Interest rate swaps	*Swap models:* The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.

(ii) Transfers between Level 1 and 2

There were no transfers between levels during the financial year.

35 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	
	2021 **$'000**	**2020** **$'000**
Short-term employee benefits	1,498	1,976
Contributions to defined contribution plans	69	59
	1,567	2,035

Other related party transactions

	Transaction value for the year ended 31 March	
	2021 **$'000**	**2020** **$'000**
Property consultancy fees payable to American Pacific International Capital, Inc ("APIC") [(1)]	368	495
Interest paid/payable to APIC	1,162	1,547
Rental income received/receivable from OKH Holdings Pte. Ltd. ("OKH") [(2)]	(118)	(126)

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

(2) OKH is a wholly owned subsidiary of OKH Global Ltd, which is controlled by Haiyi.

36 SUBSEQUENT EVENT

SingHaiyi Investments Pte. Ltd., a wholly-owned subsidiary of the Company, CEL Development Pte. Ltd. and Chuan Investments Pte Ltd ("Joint Tenderers"), had successfully tendered for the collective purchase of Maxwell House ("Property") at the tender price of $276.8 million, which was awarded to the Joint Tenderers on 7 May 2021. The Joint Tenderers intend to redevelop the Property into a mixed-use development, of which 80% will be zoned for residential and the remaining 20% will be zoned for commercial use.