SINGHAIYI
GROUP

STRENGTHENING RESILIENCE
DEEPENING ROOTS

SINGHAIYI GROUP LTD.

Annual Report 2020

精诚存信 佳业传承

BUILDING FOR GENERATIONS

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CORPORATE PROFILE

SingHaiyi Group Ltd. ("**SingHaiyi**" or the "**Group**") is a fast growing, diversified company focused on property development, investment and management services. With strategic support from its major shareholders, the Group is led by a board and management team that has deep insights and strong connections that enables access to unique and rare investment opportunities.

Apart from an established track record in residential property development, the Group also holds a diversified portfolio of income-generative assets in the commercial and retail sectors, with geographical reach into the US and widening exposure in Asia.

The Group's exposure to various segments of the real estate sector in multiple countries stands as a testament to its calculated diversification strategy, which is designed to provide stable and visible earnings and deliver value to shareholders.

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

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

VISION

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

MISSION

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

Keep up with the times

Pragmatism

Integrity

Strive for excellence

STRENGTHENING RESILIENCE DEEPENING ROOTS

The Bird of Paradise is famous for its slender, bright-coloured petals — its shape resembling a majestic crane in flight. Not only do these tropical flowers add an air of elegance and exotic flair to any environment, they are also known to symbolise a positive perspective and a forward-looking disposition.

Just like the Bird of Paradise, SingHaiyi is eyeing growth possibilities with deep passion and shared optimism for the future. We display this by deepening our roots through capitalising on our solid fundamentals, enhancing our business strengths, and nurturing sound strategies to stay resilient and ready to scale new heights.

POISED FOR THE LONG TERM

SingHaiyi's resilience is underpinned by sound growth strategies, a diverse asset and investment portfolio, and a steadfast commitment to create sustainable shareholder value. Our long-term view of growth informs not just how we seize opportunities, but also how we adapt to market conditions and fortify our resilience.

Propagation of the bird of paradise requires following a disciplined watering schedule during its first growing season to establish a deep, extensive root system. It grows profusely during late spring or summer, yet, with proper attention, can flower throughout the year.

OUR BUSINESS STRATEGY

OUR 4 PRONGED BUSINESS STRATEGY

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

1 BUILDING A PORTFOLIO OF QUALITY PROPERTY DEVELOPMENTS

- 7 development projects completed since 2013
- 4 development projects in Singapore and US expected to be completed by 2024

2 OPTIMISING PORTFOLIO THROUGH YIELD-ACCRETIVE ACQUISITIONS AND DIVESTMENTS

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

3 MANAGING OUR PROPERTIES PROACTIVELY

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

4 CREATING VALUE SUSTAINABLY

- Strong project pipeline with clear earnings visibility
  - Launch of The Gazania, The Lilium and Parc Clematis
  - Full occupancy of the office space at 9 Penang Road
- Optimising our capital structure through strategic partnerships with Haiyi Holdings, our controlling shareholder, and by tapping capital markets
- Leveraging the resources and network of our controlling shareholder for enhanced deal flow
- Diversifying income with investment in Cromwell, which we receive quarterly dividend income
- 25.0% stake through the limited partner of the ARA Harmony Fund III, which we receive quarterly dividend income

CORPORATE MILESTONES

FY2020

FEBRUARY 2020

> Obtained site permit for 5 Thomas Mellon Circle

OCTOBER 2019

> Obtained TOP for 9 Penang Road

> PGA – Special Recognition for Building Community for SingHaiyi Group Ltd.

Parc Clematis

The Gazania

AUGUST 2019

> Official sales launch of Parc Clematis, best selling residential project for the month

MAY 2019

> Official sales launch of The Gazania

> Official sales launch of The Lilium

APRIL 2019

> Secured anchor tenant, UBS AG Singapore Branch for the entire office space for 9 Penang Road

The Lilium

FY2013 – FY2019 (KEY EVENTS)

Completed Development Projects

> City Suites, SG

> The Vales (EC), SG

> CityLife @ Tampines (EC), SG

> Pasir Ris One (DBSS), SG

> Charlton Residences, SG

> Vietnam Town, San Jose, US

Property Acquisitions

> SG property acquisitions (on-going developments):

- The Gazania
- The Lilium
- Parc Clematis

> US property acquisitions (on-going development/ redevelopment):

- Tri-County Mall (retail), Cincinnati, Ohio
- 5 Thomas Mellon Circle (residential condominium), San Francisco, California

Other Investments & Divestment

> 25.0% stake in ARA Harmony Fund III, Malaysia

> 2.3% stake in Cromwell Property Group ("**Cromwell**")

> Divestment of 20.0% equity interest in TripleOne Somerset

Corporate Actions

> Rights Issue and Share Placement to raise S$226.0 million in proceeds

> Establishment of S$500.0 million Multi-currency Debt Issuance Programme. Issuance of S$100.0 million notes in July 2014 and fully redeemed in January 2017

> Transferred to the Mainboard of the SGX-ST

> 2-for-1 Rights Issue at S$0.10 per share to raise S$143.5 million in proceeds

DBSS	–	*Design, Build & Sell Scheme*
EC	–	*Executive Condominium*
PGA	–	*PropertyGuru Asia Property Awards (Singapore)*
SGX-ST	–	*Singapore Exchange Securities Trading Limited*
TOP	–	*Temporary Occupation Permit*

JOINT MESSAGE BY CHAIRMAN AND GROUP MANAGING DIRECTOR

Dear Shareholders,

The 12 months ended 31 March 2020 ("**FY2020**") marked a year of overcoming obstacles and strengthening resiliency for SingHaiyi. Global economic headwinds induced by the trade war and Brexit were further exacerbated by the COVID-19 pandemic, leading to financial market instability and global recession. SingHaiyi continued to stay nimble, adjusting our strategy to enhance adaptability and our strengths. The Group continued our strive for excellence as a diversified real estate company, backed by the strategic support from our controlling shareholder Haiyi Holdings, which provides the Group access to strong connections and competitive investment opportunities. The Group continued to leverage and strengthen our solid fundamentals, to deepen our roots and break new grounds while setting sight on long-term growth.

STRIVING FOR EXCELLENCE, BUILDING A BRAND

In FY2020, the Group broadened our reach into a new asset class, with the successful completion and handover of our first commercial redevelopment, 9 Penang Road – a 2015 joint venture project with Haiyi Holdings and Suntec (PM) Pte. Ltd., a unit of Suntec REIT. The Group and its controlling shareholder Haiyi Holdings each holds a 35% stake in the joint venture while Suntec (PM) Pte. Ltd. owns the remaining 30% interest. The Grade A commercial building has a net lettable area of 381,155 square feet for office space, spanning eight levels across two towers, with two levels of retail space and a basement carpark.

The milestone achievement is not without its challenges. Situated in between the Istana and Fort Canning, and adjacent to the MRT Station, 9 Penang Road's unique location brought about many design and construction challenges. Over the past three years, the project management team worked in close partnership with the main contractor, various specialists and consultants, demonstrating our adaptability and strive for excellence in dealing with roadblocks, working swiftly as a team to ensure the smooth completion of the project. The redevelopment of 9 Penang Road has achieved the Green Mark Platinum award and "CONQUAS STAR" rating by the Building and Construction Authority ("**BCA**").

We would like to commend the team for their tireless dedication in all aspects of the project, including working closely and synergistically with our joint venture partners. This led to the securing of UBS Singapore as the anchor office tenant at 9 Penang Road. UBS Singapore's choice of 9 Penang Road is a testament to the prestige and appeal of our development and will bring about long-term stable returns for our joint ventures. The development was successfully handed over to UBS Singapore on 1 November 2019, which marks a major corporate milestone for us in this financial year.

The 9 Penang Road project is an affirmation of SingHaiyi's diversified development strategy and commercial development capabilities. We believe in the appeal of this development and see it as a strategic springboard to expand our brand and track record into the commercial property development space.

In terms of residential development, the Group's completed projects – The Vales and City Suites – received the "CONQUAS Star" rating from BCA, which solidifies our track record in property development for well-designed and high-quality residential properties. At the same time, the Group was honoured to be recognised at the prestigious 2019 PropertyGuru Asia Property Awards (Singapore) for the second consecutive year. The Group bagged a total of six awards, including the "Best Strata Housing Landscape Architectural Design", "Best Strata Housing Interior Design", "Best Universal Design Development" and "Best Mega Scale Condo Development" for Parc Clematis; "Best New Private Condo Landscape Architectural Design" for The Gazania; and "Special Recognition for Building Community" for SingHaiyi Group Ltd. These awards acknowledge the quality and design concepts of our projects. The "Special Recognition for Building Community" award reinforces our firm belief on social responsibility at SingHaiyi. Over the years, SingHaiyi has been steadfast in our commitment towards contributing to the community; actively participating in local and overseas initiatives. Based upon the intricacies of community living, Parc Clematis is inspired by our deep-seated belief of fostering communal development and environmental consciousness.

DILIGENT AND PRAGMATIC, ACHIEVING STEADY PROGRESS

The Group recorded a total revenue of S$57.2 million in FY2020, mainly attributable to the progressive revenue recognised for the Group's three new residential developments. Revenue is lower as compared to the previous corresponding year ("**FY2019**") of S$75.9 million, mainly due to the decrease of revenue recognised for City Suites and The Vales of S$31.9 million and Vietnam Town Phase Two of S$18.1 million.

The Group's two freehold residential projects in Bartley – 250-unit The Gazania and 80-unit The Lilium were launched on 1 May 2019. The projects are strategically located within walking distance from Bartley MRT station and are in close proximity to reputable schools and amenities. These projects attracted positive interest from home buyers, selling 13% of the 165 units launched in Phase One of sales.

On 31 August 2019, the Group launched its 1,468-unit residential development Parc Clematis, which is conveniently located on an expansive site near Clementi MRT station. Through in-depth market research, our team identified the inventive theme of "weaving together residents, homes and well-thought spaces to facilitate a unique kindred lifestyle community"（百家居 千户情）. Parc Clematis is primely located in Clementi estate and its attractive attributes with communal spaces and facilities to cater to home buyers' diverse needs. Parc Clematis attracted strong sales with

JOINT MESSAGE BY CHAIRMAN AND GROUP MANAGING DIRECTOR

324 units, or 70%, of the 465 released units sold within the first weekend of launch. Parc Clematis was ranked the top selling private residential project in August 2019 and was one of the Top 5 best-selling projects in 2019.

As of 31 May 2020, the Group has sold 671 units of Parc Clematis and a total of 22 units for The Gazania and The Lilium. Our team will continue to work closely with our main contractors, professional consultants and real estate agents to ensure the smooth construction progress and sales of our residential development projects.

The Group is currently focused on curating an optimal tenant mix for 9 Penang Road's retail space, which has seen interest from F&B outlets and ancillary services. The Group will continue to monitor progress closely given the expected impact from economic headwinds induced by the COVID-19 pandemic.

Meanwhile, the Group sold more than 30% of the 141 units in Phase Two of Vietnam Town in San Jose, California. In San Francisco, the Group has obtained site permit for 5 Thomas Mellon Circle in February 2020. However, due to the widespread pandemic along with the social and economic unrest in the US, we will wait for the situation to stabilise before proceeding with redevelopment works. In Cincinnati, Ohio, reducing footfall and the challenging retail market have affected the performance of Tri-County Mall. Business will continue to be challenging as a result of the COVID-19 pandemic.

In Malaysia, ARA Harmony Fund III continued to actively manage the five malls in its portfolio, which enjoyed an overall occupancy rate of 95.5% as at 31 March 2020.

SingHaiyi holds a 2.3% stake in Australia-listed Cromwell Property Group ("**Cromwell**"), which manages A$11.9 billion of assets as at 31 December 2019. It is one of the largest real estate investment managers in Australia, and operates across Australia, New Zealand and Europe. Besides balancing the Group's investment risk, this investment also provides a stable return for the Group.

NAVIGATING CHALLENGES

The global economy took a drastic turn with the COVID-19 outbreak. Our business and investments locally and overseas will inevitably be affected in the year ahead. The Group must stay agile and adapt to these changes quickly as we navigate this unprecedented global health and economic crisis in the upcoming year.

As part of the Singapore government's efforts to combat local virus transmission, the Urban Redevelopment Authority ("**URA**") ordered all sales galleries to close from 7 April 2020 with the start of the "Circuit Breaker" period. Consequentially, the Group's sales galleries for all three ongoing property developments – The Lilium, The Gazania and Parc Clematis, remained closed during this period.

In response, the Group immediately stepped up digital marketing efforts through the use of virtual showflat tours and online sales presentations, as part of our integrated marketing strategy to promote our property developments. This reaped positive results as we continue to register sales for projects during this period, with Parc Clematis consistently listed as one of the top 10 selling projects since launch according to URA.

Moving forward, we expect home buyers to be cautious given the uncertain economic outlook. The operating environment is expected to be challenging in the upcoming financial year. As we continue to adapt and navigate challenges, the Group will do our utmost best to actively push sales and at the same time, we will continue to practice prudent capital and cash flow management to manage potential financial implications that may arise from the COVID-19 pandemic.

DIVIDEND

We would like to sincerely thank our shareholders for their continuous support over the years. However, in view of the challenging financial year ahead as a result of the impact of the COVID-19 pandemic, the Board of Directors is of the view that conserving cash for our ongoing development projects takes priority. As such, no final dividend has been declared for FY2020. To demonstrate our commitment to shareholders in weathering the difficult times, our management and directors have taken the initiative to reduce remuneration to support cash flow.

WORDS OF APPRECIATION

On behalf of the Board, we would like to thank Mr. See Yen Tarn who has resigned as Non-Executive & Independent Director from our Board on 24 June 2020. Mr. See has also stepped down as the Chairman of Nominating Committee and Member of Audit Committee and Remuneration Committee. We are grateful to his invaluable contributions to SingHaiyi during his tenure of service.

On behalf of the Board, we would like to express our deepest gratitude and appreciation to our valued shareholders, for your support and trust in SingHaiyi's business and ambitions. Not forgetting our committed team of management and employees, special thanks to all for your hard work and perseverance. To our customers and business partners, our sincere appreciation for your unwavering support and faith in our Group as we continue to march forward to bring the best returns for the Group.

We continue to stand united against the challenging operating environment and remain guided by the Group's philosophy of "精诚存信，佳业传承". Founded on business excellence and integrity, SingHaiyi is committed to building for generations, for a trusted name and legacy. Together, we remain committed to deliver results spearheaded by the Group's philosophy in the years to come.

Neil Bush
Non-Executive Chairman

Celine Tang
Group Managing Director

集团主席与董事经理联合致辞

尊敬的股东：

截至2020年3月31日的12个月（“**2020财年**”），标志着新海逸坚韧不拔，攻坚克难的一年。贸易战和脱欧等因素让世界经济面临重重挑战，2019冠状病毒大流行更引发了金融市场不稳定与全球经济萧条。新海逸不断调整应变措施，加强适应能力及集团业务实力。作为一家多元化的房地产公司，在集团控股股东海逸控股的战略支持下，集团秉承精诚存信的原则，凭着坚实的业务基础和强大的业务关系，在扎稳根基的同时，着眼于长期的增长。

精益求精，打造品牌

2020财年，集团首个本地商业开发项目9 Penang Road的顺利竣工，拓展了集团战略资产类型。9 Penang Road是2015年新海逸、海逸控股和新达城信托合作的重建项目，集团与海逸控股分别持有35%的股份，新达城信托持30%的股份。新建成的9 Penang Road是一栋甲级商业大厦，办公楼的出租面积为38.1万平方尺，拥有左右翼两座八层办公楼，两层零售餐饮商店与地下停车场。

9 Penang Road项目建设过程充满挑战。由于此项目的地理位置前方是总统府，后方是福康宁山，旁边是地铁线，独特的位置给设计和建筑带来高难度的挑战，三年来我们的团队和设计公司、建筑总包及各方面的工程顾问公司紧密合作，灵活应变，精益求精，攻克了一道道难关，全力以赴保证新楼如期竣工。9 Penang Road的重建工程获得了新加坡建设局（“**BCA**”）“绿色建筑标志白金奖”（Green Mark Platinum）和“CONQUAS STAR”评级。

值得表扬的是我们的团队与我们合作伙伴经过不懈努力，成功获得瑞士银行新加坡分行（“**UBS**”）的办公楼整体租约。优质品牌的租户提高了我们的知名度，并将为合作各方带来长期稳定的租金回报。大厦于2019年11月1日交接给大厦唯一办公楼租户UBS，实现了重大的商业里程碑。

9 Penang Road项目是对集团多元化发展策略和商业开发能力的肯定，我们对此项目充满信心，并将其视为拓展业务的战略跳板，以扩大公司的品牌和在商业项目的记录。

在住宅开发方面，The Vales和City Suites均获得了新加坡建设局的“CONQUAS STAR”评级，巩固了集团在优质住宅项目的开发和良好设计的坚实业绩。同时，集团很荣幸连续第二年在PropertyGuru新加坡亚洲地产大奖中继续获得认可。在这一届的大奖中，集团荣获的六个奖项分别如下：錦泰門第（Parc Clematis）荣获“最佳分层住宅景观建筑设计”、“最佳分层住宅室内设计”、“最佳通用设计开发”以及“最佳霸级公寓开发”四奖项；迎昕园（The Gazania）荣获“最佳私人公寓景观建筑设计”奖项；新海逸集团更是荣获“社区建设特别表彰奖项”。

这些奖项是对我们项目的设计概念和品质的肯定。“社区建设特别表彰奖项”彰显了新海逸对社会企业责任的重视。多年来，新海逸致力于贡献社区，积极参与本地和海外的社区活动。对社区建设和环保的责任心也激发了新海逸最新住宅开发项目錦泰門第的设计灵感——以社区生活为基本和创造性前提。该奖项肯定了集团为社区增值的贡献。

勤奋务实 坚实推进

集团2020财年总收入为5,720万新元，主要来自集团新推出的三个住宅项目。相比去年同期（“**2019财年**”）总收入7,590万新元，今年较低的收入主要因为新项目已售出单位大部分的收入无法在2020财年体现。而且本地已竣工住宅项目The Vales和City Suites的3,190万新元的收入在去年已录入，集团在美国加州圣何塞市的商业项目越南城（Vietnam Town）第二期的出售，也比去年减少1,810万新元的收入。

本集团在2019年5月1日推出在巴特礼路一带的两个永久地契私人公寓项目——迎昕园和莲逸轩（The Lilium），分别有250单位和80单位。这两个项目位置优越，可步行至巴特礼地铁站，靠近著名学校和便利设施。两项目在第一阶段推出的165个单位中售出13%。

集团于2019年8月31日推出位于金文泰的99年住宅项目：錦泰門第，共1,468单位。临近金文泰地铁站的錦泰門第楼盘面积宽广，交通发达，是一个非常方便的生活区域。我们的团队经过深入调查分析，确定了“百家居、千戶情”的独特主题，通过一系列精心设计的共享设施来满足不同年龄层和喜好的人群的生活需要。项目一推出就成为市场的亮点，首个周末售出了324个单位，占所推出的465个单位的70%。錦泰門第成为2019年8月最畅销的私人住宅项目，并被评为2019年五大最畅销项目之一。

截至2020年5月31日，錦泰門第售出671个单位，迎昕园和莲逸轩共售出22个公寓单位。我们团队将继续和建筑承包商、专业顾问团队和房产经纪公司紧密合作，勤奋务实，确保本地住宅开发项目的工程和销售顺利进行。

集团主席与董事经理联合致辞

集团正在为9 Penang Road项目的零售空间寻求最佳租户组合，独特的位置和UBS包租使大楼的商场更具吸引力，尤其是新兴的餐饮业和辅助服务业。由于2019冠状病毒疫情对社会活动和经济的影响，集团将继续密切留意并推动其进展。

集团于美国的项目中，位于美国加州圣何塞市的商业项目越南城第二期的141个单位已售出逾30%的单位。我们在三藩市湾区的5 Thomas Mellon Circle海滨住宅公寓项目的工程许可证已于2020年2月获得市政府批准。由于疫情的蔓延，美国社会和经济局势不明朗，我们需要等待局势稳定再继续推进。俄亥俄州辛辛那提市的商场Tri-County Mall的营业并不乐观，疫情爆发后，商场和租户一起行动，加强防护措施，但是商场的生意也将面临严峻的考验。

在马来西亚，ARA Harmony III旗下五座购物中心在疫情之前都营运正常，截止2020年3月31日，五座购物中心租用率达到95.5%。

新海逸持有澳大利亚上市公司Cromwell Property Group（“**Cromwell**”）2.3%的股权，该集团是澳大利亚最大房地产投资管理公司之一。截至2019年12月31日，Cromwell在澳大利亚、新西兰和欧洲的管理资产总额达到119亿澳元。这项投资有利于平衡集团的投资风险，为集团提供了稳定的固定回报。

逆风行舟，应对挑战

随着2019冠状病毒疫情的爆发，世界经济发生了巨变也迎来了新常态。在未来的一年里，我们面临着前所未有的健康和经济危机。集团的本地业务和海外的投资将不可避免的遭受影响，房地产业逆风行舟，我们必须有快速适应突如其来的变化的能力，因此我们在保守求稳的同时做好应变准备。

配合新加坡政府阻断病毒传播的政策，市区重建局下令，房地产开发商必须于2020年4月7日实施阻断措施期间关闭所有住宅项目的示范单位。因此，本集团三个住宅开发项目（迎昕园、莲逸轩和錦泰門第）的销售示范单位在这段期间保持关闭。面临挑战，集团提前做好数码营销的准备，及时推出虚拟示范单位和在线销售演示。这一策略取得了良好的成果，根据市建局的数据，錦泰門第从开盘至今，都高居销售榜十大，还在今年5月及6月入围三甲。

鉴于经济前景的不确定性，潜在买家更多抱着观望的态度，在购房时将更为挑剔。预计房地产销售将更加艰难，下一个财年的经营环境将面临更大挑战。我们将全力以赴，在积极推动售房的同时开源节流，实行更为谨慎的资本和现金流管理，以减低2019冠状病毒所带来的财务影响。

股息

我们衷心感谢股东多年来的持续支持。然而，考虑到2019冠状病毒为来临的财年所带来的挑战，董事会一致认为，集团必须优先为正在进行的开发项目保留现金周转，因此决定在2020财年不派发最终股息，董事会及管理层也主动减薪支持现金流。

致意与感谢

我们谨代表董事会感谢薛献凡先生在任职期间为新海逸做出的宝贵贡献。薛先生于2020年6月24日辞去董事会独立非执行董事职务，同时卸下提名委员会主席、审计委员会和薪酬委员会委员职务。

我们谨代表董事会衷心地向我们尊贵的股东表示最深切的谢意，感谢您对新海逸业务和使命的支持与信任。同时，也特别感谢我们忠诚的管理团队和员工的辛勤奉献和坚持不懈的努力。我们也要感谢我们的客户和商业合作伙伴，对团队一如既往的坚定支持和信心，我们将继续向前迈进，为集团带来最佳回报。

让我们团结一致，同舟共济，对抗充满挑战的经营环境，始终遵循集团“精诚存信，佳业传承”的理念。新海逸以卓越的商业品质和诚信为基础，致力打造一个值得信赖的品牌，让我们的品牌永续成长，世代相传。

尼尔 布什
集团主席

陈怀丹
集团董事经理

SPREADING OUR WINGS

SingHaiyi's future growth and capacity for expansion are guided by our strong vision. We aspire to broaden our horizons with diverse property developments and investments, far-reaching geographical presence and strategic mix of asset types.

The bird of paradise thrives best in rich soils with good drainage, it is salt tolerant and can grow in most soils.

BOARDS OF DIRECTORS

NEIL BUSH
Chairman
Non-Executive &
Non-Independent Director

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

Mr. Bush is a director of American Pacific International Capital, Inc. ("**APIC**") and a business partner of Mr. Gordon Tang (a former Non-Executive Director) through the Company. Mr. Bush has been involved in energy and international business development for over three decades beginning in 1980 where he worked with Amoco Production Company (now known as BP plc) in Denver, Colorado. During the 1980s, Mr. Bush formed two independent oil companies that explored for oil in various states in the United States including Wyoming, Colorado, California and Michigan, as well as in Argentina. For the past 30 years, Mr. Bush has engaged in various international business development activities in China and the Middle East.

He has travelled to at least 34 cities in China and has worked with numerous entities on a variety of projects including real estate development, education, healthcare and manufacturing business.

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

Present Directorships in other listed companies (as at 31 March 2020):
- Hong Kong Finance Investment Holding Group Limited (f.k.a. Hoifu Energy Group Ltd) (Deputy Chairman), listed on the Stock Exchange of Hong Kong

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

CELINE TANG
Group Managing Director
Executive & Non-Independent Director

Date first appointed: 14 January 2013
Date last re-elected: 25 July 2019

Mrs. Tang was first appointed as Non-Executive Director of the Company and re-designated as Executive Director on 1 February 2013 before being appointed as Group Managing Director on 1 December 2013. Since 2003, Mrs. Tang has been serving as the Managing Director of Haiyi Holdings Pte Ltd ("**Haiyi**"), where she oversees its daily operations and decision-making.

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

Mrs. Tang graduated with a Bachelor's Degree in Literature from China People's University for Police Officers (now known as People's Public Security University of China). She is the spouse of Mr. Gordon Tang, the founder of Haiyi and an esteemed entrepreneur with a stellar track record in real estate and investments and a philanthropist who actively drives sports-related charity activities. Mr. and Mrs Tang are the owners of Aloha Sea Sports Club, which rents out equipment for water sports and conducts a wide range of water sport courses. All profits generated from the centre are donated for the development of sailing in Singapore.

Present Directorships in other listed companies (as at 31 March 2020):
- Chip Eng Seng Corporation Ltd. (Chairman, Non-Executive & Non-Independent Director)
- OKH Global Ltd. (Chairman, Non-Executive & Non-Independent Director)

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

BOARDS OF DIRECTORS

MAO JINSHAN, JASON
Managing Director, The US Operations Executive & Non-Independent Director

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

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

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

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

Present Directorships in other listed companies (as at 31 March 2020):
Nil

GN HIANG MENG
Non-Executive & Lead Independent Director

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

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

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

Present Directorships in other listed companies (as at 31 March 2020):
- Centurion Corporation Limited (Non-Executive and Lead Independent Director)
- Haw Par Corporation Limited (Non-Executive & Independent Director)
- Koh Brothers Group Limited (Non-Executive & Independent Director)
- TEE International Limited (Non-Executive & Independent Director)

BOARDS OF DIRECTORS

DAVID HWANG SOO CHIN
Non-Executive & Independent Director

Date first appointed: 29 July 2013
Date last re-elected: 25 July 2019
Chairman: Remuneration Committee
Member: Audit Committee and Nominating Committee

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

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

Present Directorships in other listed companies (as at 31 March 2020):
Nil

YANG MANLIN
Non-Executive & Independent Director

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

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

Present Directorships in other listed companies (as at 31 March 2020):
Nil

Other major appointments/ Principal commitments:
- Guangzhou Wan Xing Real Estate Exploitation Co., Ltd. (General Manager Assistant)

EXECUTIVE MANAGEMENT

SIM CHEE WAH, GREGORY
Deputy Chief Executive Officer, Singapore

Mr. Sim has more than 25 years of accounting, finance and management experience. He was appointed as Chief Financial Officer ("**CFO**") of the Group for the period from 4 January 2016 to 31 March 2019. Mr. Sim has been serving as Deputy Chief Executive Officer ("**CEO**") of the Group since 1 April 2018. As Deputy CEO, he supports the Group Managing Director in the daily operations including formulation and implementation of strategies for the growth of the Group's businesses and investor relations. Mr. Sim also oversees the project developments, sales and marketing, human resources and administration. Simultaneously, he undertakes an advisory role to the overall treasury, financial, taxation and reporting functions.

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

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

KOK JIA CHEUN
Chief Financial Officer, Singapore

Mr. Kok has more than 15 years of accounting, finance, and reporting experience. Mr Kok has been serving as the Chief Financial Officer ("**CFO**") of the Group since 1 April 2019. As CFO, he oversees the treasury, financial, taxation and reporting functions.

Prior to joining the Group, Mr. Kok was an audit manager at Deloitte & Touche LLP, Singapore and had managed a portfolio of clients and delivered high quality audit and assurance services for a period of 5 years before joining Super Bean International Pte Ltd (also known as Mr Bean) as its Group Financial Controller.

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

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

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

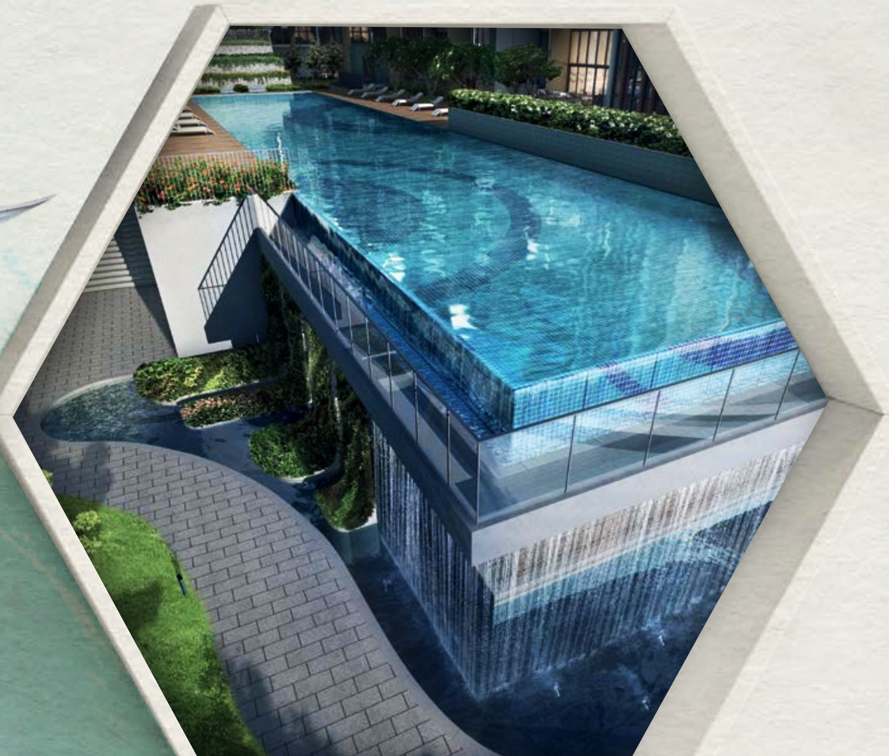
Ms. Chang has a strong track record in planning and developing projects from conceptualisation to handover. Prior to property development, she accumulated over 10 years of working experience in the construction industry working as an engineer, in consultancy firms.

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

ASPIRING FOR NEW HEIGHTS

SingHaiyi believes that our strategy of growing our presence, building a quality asset portfolio, and developing a strong pipeline of property development projects in Singapore and beyond will position the Group to soar to new heights, generate profitability and create long-term value.

The bird of paradise resembles a vibrant crane in flight, it is often associated with vitality, freedom, mobility and joyfulness through successes and challenges.



FINANCIAL SUMMARY

	Year	2020	2019	2018[1]	2017[2]	2016	2015
(A)	**For the financial year (S$'000)**						
	Revenue	57,169	75,909	460,276	44,189	269,104	20,878
	(Loss)/Profit before tax	(31,534)	21,589	37,909	26,365	41,528	23,245
	(Loss)/Profit attributable to shareholders (PATMI)	(7,826)	22,646	28,426	31,111	29,320	21,181
(B)	**At 31 March (S$'000)**						
	Investment properties	63,581	87,221	99,157	100,842	116,960	119,720
	Development properties	1,799,066	1,389,355	268,470	552,990	415,334	586,479
	Associate and joint ventures	200,567	158,777	126,977	142,598	139,102	19,949
	Financial assets at fair value through profit or loss	–	29,293	58,601	6,758	154,957	160,738
	Cash and cash equivalents	29,005	101,030	194,029	51,701	40,988	163,077
	Other assets	75,761	88,502	175,882	126,956	123,824	104,374
	Total assets	2,167,980	1,854,178	923,116	981,845	991,165	1,154,337
	Equity attributable to owners of the Company	632,121	665,824	655,122	493,727	462,314	443,810
	Total borrowings	1,441,620	1,167,204	206,229	266,961	398,441	523,792
	Non-controlling interests and other liabilities	94,239	21,150	61,765	221,157	130,410	186,735
	Total equities & liabilities	2,167,980	1,854,178	923,116	981,845	991,165	1,154,337
(C)	**Per Share Information (cents)**						
	Earnings per share	(0.186)	0.530	0.967	1.084	1.024	0.740
	Net asset value per share	15.01	15.78	15.22	17.20	16.15	15.50
	Ordinary dividend per share	–	0.15	0.30	0.20	0.40	–
(D)	**Key Financial Ratios**						
	Debt equity ratio (net of cash) (times)	2.3	1.6	0.02	0.4	0.8	0.8
	Return on equity (%)	(1.2)	3.4	4.3	6.3	6.3	4.8
	Dividend payout ratio (times)	–	27.9	45.2	27.7	39.1	–

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

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

OPERATIONAL & FINANCIAL REVIEW

OVERVIEW

In FY2020, SingHaiyi launch its three residential projects – freehold developments The Lilium and The Gazania, as well as Parc Clematis, a 99-year private residential project, and was encouraged by market response against the backdrop of ongoing global trade tensions and dampened economic outlook for Singapore in 2019. As at 31 May 2020, the Group has sold 671 units of Parc Clematis and a total of 22 units for The Gazania and The Lilium. Progressive revenue has been recognised and this is expected to continue for the financial year ahead.

During the year, the Group also successfully received TOP for 9 Penang Road ("**9PR**"), its first commercial property development. The office premises of 9PR were handed over to its sole office tenant UBS AG Singapore Branch in November 2019. These projects, along with the Group's existing pipeline of residential and commercial projects internationally, contributed towards its geographical and asset class diversification strategy.

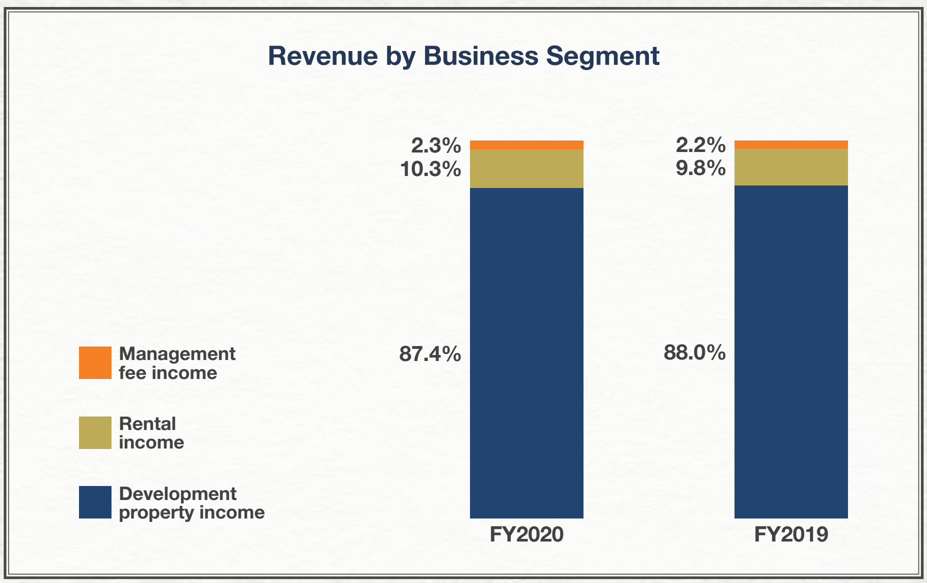
The Singapore Government implemented the Circuit Breaker measures on 7 April 2020 and with various COVID-19 health and safety measures in place, the construction progress of our development projects have been affected.

Owing to the fluid nature of the COVID-19 pandemic, there remains significant uncertainty regarding the length and intensity of the outbreak. The Group will continue to practise prudent capital and cash flow management to manage potential financial implications arising from COVID-19 pandemic.

REVENUE

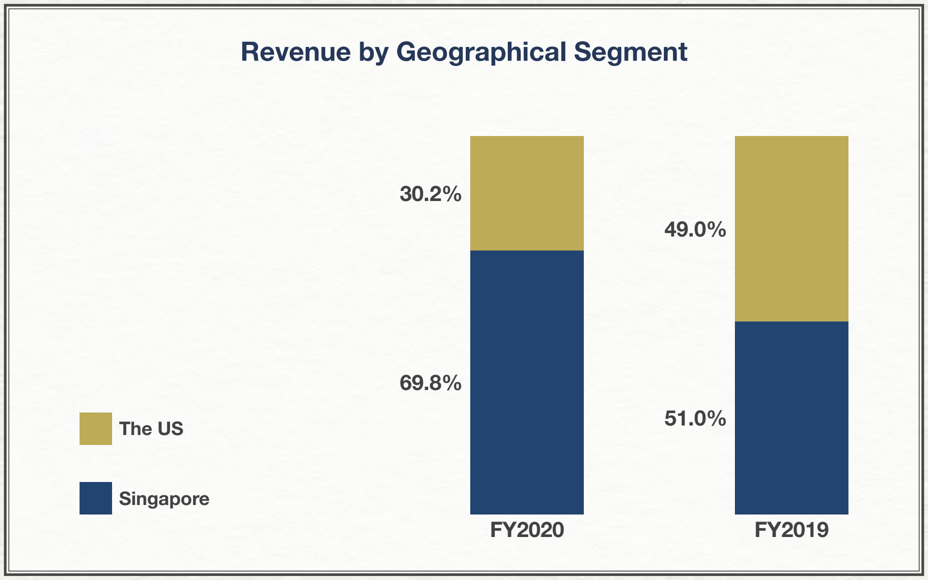
Total revenue recorded by the Group in FY2020 was S$57.2 million, compared to the S$75.9 million recorded in FY2019. The decrease in revenue was mainly due to the reduced revenue recognised for Vietnam Town Phase Two (S$18.1 million), City Suites (S$22.0 million) and The Vales (S$9.9 million), which were offset by progressive revenue recognised for Parc Clematis (S$27.7 million) and The Gazania (S$8.0 million).

On a segmental basis, property development income remains the main revenue driver, having contributed S$50.0 million or 87.4% of the Group's total revenue in FY2020. Rental income accounted for S$5.9 million or 10.3% of the Group's revenue, while management fee income made up the balance 2.3%. In FY2019, revenue from property development, rental and management fee contributed 88.0%, 9.8% and 2.2% to the Group's topline respectively.



Revenue by Business Segment (S$ in million)	FY2020	FY2019
Development property income	50.0	66.8
Rental income	5.9	7.4
Management fee income	1.3	1.7

OPERATIONAL & FINANCIAL REVIEW



Revenue by Geographical Segment (S$ in million)	FY2020	FY2019
Singapore	39.9	38.7
The US	17.3	37.2

In terms of geographical breakdown, revenue from the US contributed 30.2% or S$17.3 million in FY2020, down from S$37.2 million in FY2019. Revenue from Singapore in FY2020 made up 69.8%, maintaining at S$39.9 million from the previous year.

FINANCIAL PERFORMANCE

The Group's gross profit margin decreased slightly by 2.7 percentage points year-on-year, mainly due to the change in geographical revenue mix as more revenue from property developments in Singapore with a lower profit margin was recognised in FY2020. Cost of sales decreased by S$11.9 million year-on-year, in line with the decrease in property development income.

Additionally, other income decreased by S$8.6 million year-on-year, mainly due to the absence of the forfeiture of non-refundable deposit of S$9.9 million and the write-back of allowance of a diminution in value of the development project, City Suites, of S$1.2 million. The Group's selling and marketing expenses increased by S$9.3 million, from S$5.0 million in FY2019 to S$14.3 million in FY2020. This was mainly due to the advertising, marketing and show flat expenses incurred for the newly-launched residential projects – The Gazania, The Lilium and Parc Clematis.

Other operating expenses increased by S$11.7 million to S$28.1 million in FY2020, mainly due to the increase in fair value loss on investment property in US of S$10.2 million and loss on disposal of financial assets at fair value through profit or loss of S$1.6 million. The fair value loss on investment property was mainly due to the challenging environment on the retail market in US coupled with lower occupancy rate.

The increase in finance costs was mainly due to the increase in bank borrowings. Following the adoption of the agenda decision by IFRS Interpretation Committee in March 2019, the Group has ceased capitalisation of borrowing cost on development properties. As a result, the interest expense of $37.7 million has been expensed off in FY2020.

Share of results of equity-accounted investees, net of tax, increased by S$11.5 million to $36.7 million in FY2020, largely due to the share of profit of the 35% equity interest in Park Mall Pte. Ltd., the owner of 9PR, mainly attributable to the fair value gain.

OPERATIONAL & FINANCIAL REVIEW

FINANCIAL POSITION

Assets and Liabilities

Investment properties decreased by S$23.6 million, from S$87.2 million as at 31 March 2019 to S$63.6 million as at 31 March 2020, mainly due to the fair value loss on investment property in US.

Interest in joint ventures increased by S$39.0 million, from S$111.5 million as at 31 March 2019 to S$150.5 million as at 31 March 2020, mainly due to the capital contribution of S$8.1 million and share of profit of S$30.9 million approximately, from the 35% equity interest in Park Mall Pte. Ltd., the owner of the 9PR. The profit was mainly attributable to the fair value gain recognised on 9PR.

Financial assets at fair value through other comprehensive income, which pertains to the Group's investment in Cromwell, decreased by S$32.7 million in FY2020, due to changes in the market value of quoted stapled securities during the financial year.

Development properties saw an increase of S$409.7 million, from S$1,389.4 million as at 31 March 2019 to S$1,799.1 million as at 31 March 2020, mainly due to the payment of land-related costs for Parc Clematis and the increase in cumulative project development costs for the Group's development projects.

Trade and other payables increased by S$18.9 million, from S$13.5 million as at 31 March 2019 to S$32.4 million as at 31 March 2020, mainly due to project claims for the Group's development projects.

Financial assets at fair value through profit or loss, which pertains to a portfolio of fixed income funds, were fully divested during the financial year.

Amount due to non-controlling interest increased by S$83.7 million, mainly due to the proceeds of shareholders' loan from non-controlling interest, which was primarily used for the payment of land related costs for Parc Clematis.

Contract liabilities, which pertains to progress billings made for the Group's development projects, increased by S$66.7 million.

Loans and borrowings increased by S$189.8 million, from S$952.5 million as at 31 March 2019 to S$1,142.3 million as at 31 March 2020, mainly due to the drawdown of bank loans for the Group's development projects.

Cash Flow Statement

As at 31 March 2020, the Group has cash and cash equivalents of S$29.0 million, a decrease of S$72.0 million from the S$101.0 million as at 31 March 2019. This was mainly due to the operating cash outflow as a result of the increase in development properties, offset by the net cash generated from investing and financing activities.

Operating cash outflow in FY2020 amounted to S$340.3million, largely attributable to the operating loss of S$10.2 million and the increases in development properties of S$403.6 million and trade and other receivables of S$4.3 million. This was offset by the $66.9 million increase in contract liabilities and S$18.9 million increase in trade and other payables.

Net cash generated from investing activities in FY2020 total S$40.0 million, mainly due to the proceeds from disposal of investments in financial asset at fair value through other comprehensive income of S$12.1 million, proceeds from disposal of investment in financial assets through profit or loss of S$28.4 million and interest and dividends received of S$8.5 million. This was offset by the investment in a joint venture of S$8.1 million.

Net cash generated from financing activities in FY2020 amounted to S$228.6 million, mainly due to the drawdown of bank loans of S$281.9 million and proceeds of loans from non-controlling interest of S$83.7 million. This was offset by the repayment of bank loans of S$90.1 million, interest paid of S$38.3 million and dividends paid to owners of the Company of S$6.3 million.

ASSET PORTFOLIO

The Gazania

DEVELOPMENT PROPERTY
SINGAPORE – Ongoing

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

TYPE
Private Residential (Condominium)

LOCATION
Bartley, Singapore

STAKE
50%

TENURE
Freehold

UNITS
250

EXPECTED COMPLETION
1H 2022

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

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

AWARDS
- BCA Green Mark Gold Plus
- PGA
  - Best New Private Condo Landscape Architectural Design

ASSET PORTFOLIO

The Lilium

DEVELOPMENT PROPERTY
SINGAPORE – Ongoing

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

TYPE
Private Residential (Condominium)

LOCATION
Bartley, Singapore

STAKE
50%

AWARD
– BCA Green Mark Gold Plus

TENURE
Freehold

UNITS
80

EXPECTED COMPLETION
2H 2021

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

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

ASSET PORTFOLIO

Parc Clematis

DEVELOPMENT PROPERTY
SINGAPORE – Ongoing

Located at 2 – 20 Jalan Lempeng, it is set in a mature estate locale surrounded by a plethora of amenities including wet-market, hawker centre, shopping malls and popular eating establishments. It is also within walking distance to Clementi MRT station and surrounded by prestigious schools. It is a communal living theme residential development that cater to home buyers' diverse needs.

TYPE
Private Residential (Condominium)

LOCATION
Clementi, Singapore

STAKE
50%

AWARDS
– BCA Green Mark Gold Plus
– PGA
  - Best Universal Design Development
  - Best Mega Scale Condo Development
  - Best Strata Housing Landscape Architectural Design
  - Best Strata Housing Interior Design

TENURE
Leasehold – 99 years

UNITS
1,468

EXPECTED COMPLETION
1H 2023

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

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

ASSET PORTFOLIO

9 Penang Road

DEVELOPMENT PROPERTY
SINGAPORE – Completed

SingHaiyi, together with our joint venture partners, acquired the property at 9 Penang Road in December 2015, marking our first foray into commercial property redevelopment in Singapore.

Located in close proximity to the Orchard Road commercial and shopping belt and easily accessible from Dhoby Ghaut MRT station, 9 Penang Road is a Grade A office buildings comprising two wings and eight levels of office space, as well as one floor of retail space. The office tower offers column-free efficient floor plates with high ceiling.

TYPE
Mixed commercial/ retail use

LOCATION
Orchard, Singapore

STAKE
35%

AWARDS
- BCA CONQUAS Star rating
- BCA Green Mark Platinum

TOTAL DEVELOPMENT COST
S$800.0 million

MARKET VALUATION
S$930.0 million

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

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

COMPLETION
October 2019

NET LETTABLE AREA (“NLA”) (APPROXIMATE)
Office: 381,155 sq ft
Retail: 15,489 sq ft

ASSET PORTFOLIO

City Suites

DEVELOPMENT PROPERTY
SINGAPORE – Completed

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

TYPE
Private Residential (Condominium)

LOCATION
Balestier, Singapore

STAKE
100%

AWARD
– BCA CONQUAS Star rating

TENURE
Freehold

UNITS
56

COMPLETION
August 2017

GROSS FLOOR AREA (“GFA”)
(sq ft)
31,875

ASSET PORTFOLIO

The Vales

DEVELOPMENT PROPERTY
SINGAPORE – Completed

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

TYPE
Private Residential (Executive Condominium)

LOCATION
Sengkang, Singapore

STAKE
80%

AWARDS
- BCA CONQUAS Star Rating
- BCA Green Mark Gold Plus
- PGA
  - Best Executive Condo Development
  - Best Executive Condo Interior Design
  - Best Executive Condo Architectural Design

TENURE
Leasehold – 99 years

UNITS
517

COMPLETION
May 2017

GROSS FLOOR AREA ("GFA")
(sq ft)
525,709

ASSET PORTFOLIO

Pasir Ris One

DEVELOPMENT PROPERTY
SINGAPORE – Completed

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

TYPE
Public Residential (Design,Build and Sell Scheme)

LOCATION
Pasir Ris, Singapore

STAKE
80%

TENURE
Leasehold – 99 years

UNITS
447

COMPLETION
May 2015

GROSS FLOOR AREA (“GFA”)
(sq ft)
441,002

ASSET PORTFOLIO

Tri-County Mall

INVESTMENT PROPERTY
THE US

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

Tri-County Mall is a lifestyle mall for F&B, fashion brands through active asset enhancement initiatives by SingHaiyi to enhance footfall. Renowned tenants include Macy's, Men's Warehouse, Starbucks, BJ's and Outback Steakhouse.

TYPE
Retail Mall

LOCATION
Cincinnati, Ohio

STAKE
100%

TENURE
Freehold

MARKET VALUE
c.US$24.0 million

CAR PARK LOTS
7,118

TOTAL LAND AREA
(sq ft)
3,314,916

NET LETTABLE AREA ("NLA")
(sq ft)
1,261,502[1]

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

ASSET PORTFOLIO

Vietnam Town

DEVELOPMENT PROPERTY
THE US – Completed

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

Our stake in the project consists of 192 units, of which 51 units in Phase I have been successfully completed and sold in 2017.

TYPE
Commercial Condominium

LOCATION
San Jose, California

STAKE
100%

TENURE
Freehold

UNITS
192

COMPLETION
March 2018

GROSS LAND AREA ("GLA")
(sq ft)
853,502

ASSET PORTFOLIO

5 Thomas Mellon Circle

DEVELOPMENT PROPERTY

THE US – Ongoing

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

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

The project has obtained the site permit in February 2020.

TYPE
Residential Condominium

LOCATION
San Francisco, California

STAKE
100%

TENURE
Freehold

EXPECTED COMPLETION
1H 2024

GROSS LAND AREA ("GLA")
(sq ft)
204,300

ASSET PORTFOLIO

ARA Harmony Fund III

INVESTMENT PROPERTY FUND
MALAYSIA

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

TYPE
Fund

LOCATION
Malaysia – various states

STAKE
25%

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

AGGREGATE NET LETTABLE AREA ("NLA") (sq ft)
2,634,185

OVERALL OCCUPANCY RATE
95.5%

Assets	Location	GFA (sq ft)	NLA (sq ft)	Completion/ Major Renovation (Year)	Land Tenure	Occupancy @ 31 March 2020 (%)
1 Mont Kiara Mall	Kuala Lumpur	385,035	242,440	2009/2014	Freehold	98.3
AEON Mall	Malacca	955,865	623,429	2009/NA	99 years exp. 2095	100.0
Citta Mall	Selangor	651,453	467,930	2011/NA	99 years exp. 2097	92.5
Ipoh Parade	Ipoh	975,016	624,979	1998/2014	999 years exp. 2885	97.2
Klang Parade	Klang	1,255,007	675,407	1995/2014	Freehold	90.8

CORPORATE SOCIAL RESPONSIBILITY

OVERVIEW

Giving back to society and being a responsible corporate citizen is at the core of our business. As a Group, SingHaiyi actively seeks opportunities to generate positive impact on the communities in which we operate. At SingHaiyi, Corporate Social Responsibility ("**CSR**") has gone beyond sponsorships and donations, as we strive to find meaningful ways to generate positive impact through partnerships with various organisations.

In FY2020, SingHaiyi continued to engage communities in Singapore and the US as we hope to make a difference in the societies we live in, to contribute to the greater good, and improve the lives and welfare of our local and global communities.

SINGAPORE

Braddell Height Community Club Fund Raising

SingHaiyi participated in the Braddel Height Community Club Fund Raising activity, which aims to revitalise and revamp the 20-year old community club. While the government will bear 90% of the upgrading costs, the community centre will raise the remainder by itself. The donation will help fund the club's upgrading works and organise more community events to strengthen social cohesion and racial harmony in the community.

Donation to SIAS

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

Redas-Kidstart Program

SingHaiyi also participated in REDAS' fund raising efforts in support of the KidSTART program. Operated by the Early Childhood Development Agency ("**ECDA**"), KidSTART aims to build an 'ecosystem of support' around vulnerable children from low-income families, for their holistic development and help them grow up in a safe and secure home environment. KidSTART is a pilot programme for low-income and vulnerable young children. It seeks to provide new forms of support for child development strengthen holistic support for families when required, and monitor the developmental progress of children from birth onwards.

KidSTART was rolled out since July 2016, and about 1,000 children living in the pilot sites – Kreta Ayer, Bukit Merah, Taman Jurong, Boon Lay and Geylang Serai – are expected to benefit from the pilot programme. As of May 2018, over 800 children are receiving KidSTART support.

UOB Chinese New Year Charity 2020

SingHaiyi Group participated in UOB's Chinese New Year Charity 2020 and made a donation to support the less fortunate in our community. This year, more than S$1.8 million was raised for local charities at the bank's annual fundraiser.

Beneficiaries for this year's events include the Central Singapore Community Development Council, The Business Times Budding Artists Fund, The Straits Times School Pocket Money Fund, and Very Special Arts.

US

Girl Scout Cookies

The Tri-County Mall is a proud Cookie Booth Sponsor for the Girl Scouts of Western Ohio. The Cookie Booth event not only helps to improve community outreach but also builds awareness of the mall among the community and on social media. The program, which is the largest girl-led entrepreneurial program for girls in the world, helps Girl Scouts earn money for fun, educational activities and community projects while also playing a huge role in transforming them into a G.I.R.L. (Go-getter, Innovator, Risk-taker, Leader)™ as they learn essential life skills that will stay with them forever. We hope to encourage the young women of tomorrow and also play a part in empowering them through this strategic partnership.

CORPORATE SOCIAL RESPONSIBILITY

Law Enforcement Expo 2019
SingHaiyi is proud to host the Law Enforcement Expo once again at the Tri-County Mall. Held on June 2, the Law Enforcement Expo is an annual event that promotes public awareness and concern about crime, and educates the community on self-help in crime prevention. The Springdale Police Department was also at the event with their equipment and vehicles to engage the community.

Pretty in Pink with Mix 94.9
The Tri-County Mall returned as a sponsor for Mix 94.9's Pretty in Pink event, a celebration in which individuals can nominate breast cancer survivors across the Tri-State region to participate in a night out of drinks, dinner and raffles, and share their stories with other survivors. As a sponsor, SingHaiyi donated Tri-County mall gift cards and prizes for the cancer survivors. This served as a great way for the mall to give back to the community and also gain exposure on-air.

Safety Town 2019
The Safety Town Programme is an annual community programme which prepares children for pre-school by teaching them the basics of personal safety, road safety, and fire safety. In its 58th year running, the programme was proudly hosted by the Tri-County mall for the fourth consecutive year. Held in the month of July in 2019, the Safety Town Programme is supported by the Springdale Police & Fire Departments, Girl Scouts of Western Ohio and the Tri-County Mall.

Similar to previous years, the programme continued to receive positive feedback from parents and our partners. We are proud of this success and hope to continue hosting this important community programme in the future.

RESPONSIBILITY AND TRANSPARENCY TOWARDS SHAREHOLDERS

At SingHaiyi, we are committed to providing timely updates and disclosures on all corporate and financial developments to our valued shareholders and the broader investment community through SGXnet.

We endeavour to provide current and potential investors with readily accessible material of the Group on our corporate website www.singhaiyi.com. The website contains a dedicated Investor Relations page, which houses all basic information, key developments, historical information, past announcements and annual reports of the company. As part of our shareholder communications programme, we will continue to keep the investor community updated on corporate developments through regular analyst engagement.

We appreciate the value and importance in providing viable channels for shareholders to raise questions and have their concerns addressed as part of an effective shareholder communication programme. As such, apart from annual general meetings, our investor relations team can be reached at:

SingHaiyi Group Ltd.
6 Shenton Way
#45-01 OUE Downtown 1
Singapore 068809
Tel: +65 6533 9023
Fax: +65 6532 7602
Email: info@singhaiyi.com

Citigate Dewe Rogerson Singapore Pte Ltd
Contact: Chia Hui Kheng / Samantha Koh / Justin Teh
Tel: +65 6534 5122
Email: IR@singhaiyi.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive

Celine Tang	– Group Managing Director
Mao Jinshan, Jason	– Managing Director, US Operations

Non-Executive

Neil Bush	– Chairman, Non-Independent
Gn Hiang Meng	– Lead Independent
David Hwang Soo Chin	– Independent
Yang Manlin	– Independent

AUDIT COMMITTEE

Gn Hiang Meng	– Chairman
David Hwang Soo Chin	

NOMINATING COMMITTEE

Gn Hiang Meng
David Hwang Soo Chin

REMUNERATION COMMITTEE

David Hwang Soo Chin	– Chairman
Gn Hiang Meng	

COMPANY SECRETARY

Kevin Cho

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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

AUDITORS

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

PRINCIPAL BANKERS

United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited
UBS AG Singapore Branch

SHARE REGISTRAR

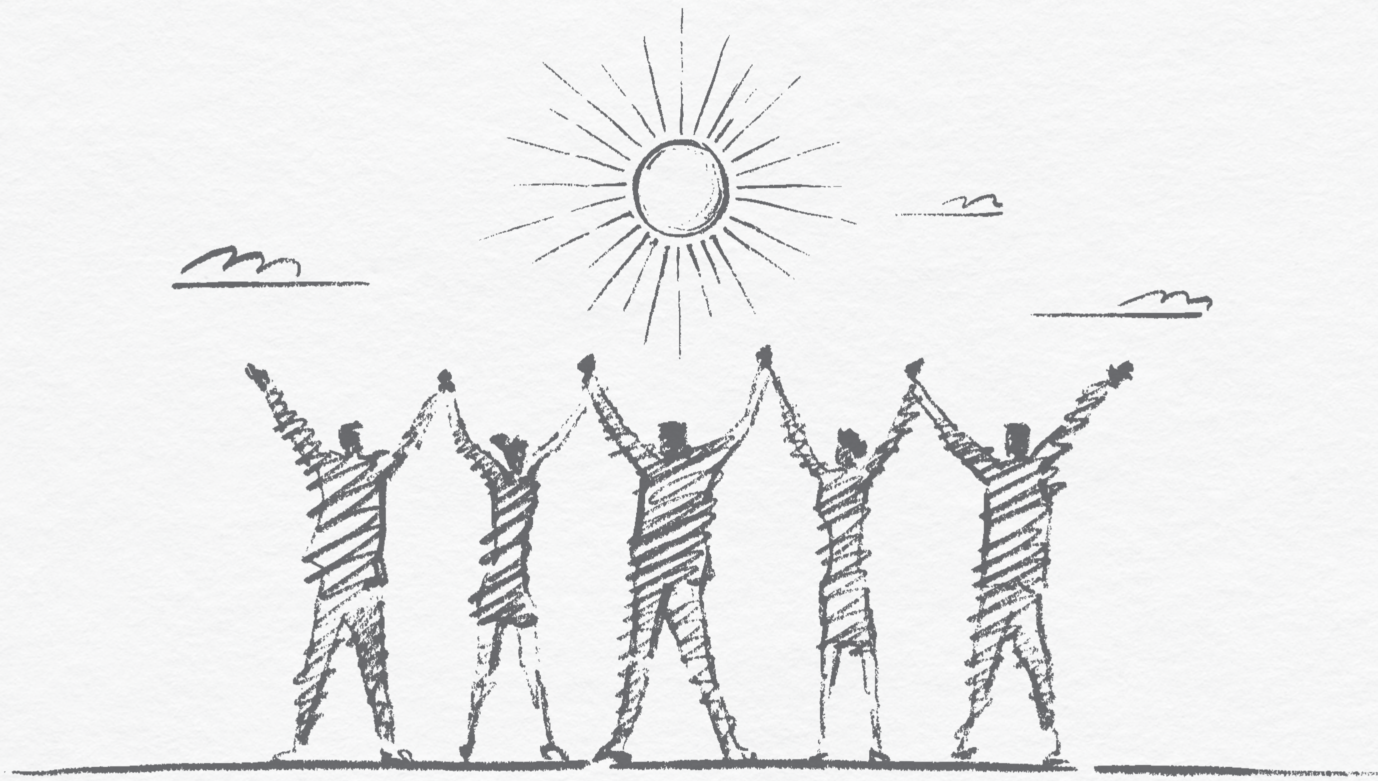
M&C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

INVESTOR RELATIONS

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

SUSTAINABILITY REPORT

Year ended 31 March 2020



ABOUT THIS REPORT

SingHaiyi Group Limited (the "**Group**" or the "**Company**") and the Board of Directors (the "**Board**") are pleased to present its sustainability report. The report covers the sustainability performance of the Group's real estate operations in Singapore from 1 April 2019 to 31 March 2020 ("**FY2020**").

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

SUSTAINABILITY AT THE GROUP

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

We take great pride in the quality of our developments, which is why we are working toward achieving the Building and Construction Authority (BCA) Quality Mark (QM) for our development projects going forward. The QM scheme goes beyond simply certifying the quality of the developer. It measures the quality of the workmanship of each newly completed residential unit. Our commitment to going above and beyond extends to the level of eco-efficiency in our developments. This is in line with the changing business environment, locally and globally, that has encouraged us to refine and formalise our approach to sustainability over the last year.

SUSTAINABILITY REPORT

Year ended 31 March 2020

We are pleased with our achievement of the BCA Green Mark Gold Plus for all our new developments, namely The Gazania, The Lilium and Parc Clematis during FY2020. We also strive to achieve at least a BCA QM Excellent rating for the aforesaid three new developments. We consider the environmental impact of our buildings in all our discussions, from the beginning of the design phase through to the completion of construction. These considerations include the use of environmentally efficient materials and designs that make the most of natural lighting, heating and cooling. We are also working on integrating Universal Design concepts into our designs in order to improve the user experience of all our customers, including those that are less able.

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

BOARD STATEMENT

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

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

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

STAKEHOLDER ENGAGEMENT

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

SUSTAINABILITY REPORT
Year ended 31 March 2020

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

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

SUSTAINABILITY REPORT

Year ended 31 March 2020

MATERIALITY

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

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

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

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

1 “Economic Performance” is detailed in pages 15 – 18 of this annual report.

MATERIALS AND DESIGN

Performance for FY2020	Target for FY2021
Achieved BCA Green Mark Gold Plus award for all new developments namely The Gazania, The Lilium and Parc Clematis.	Achieve Green Mark Gold Plus as a minimum on all future new developments.
Application of BCA CONQUAS rating for all new developments.	Achieve BCA CONQUAS Star rating for development which obtaining Temporary Occupation Permit in Year 2021.
Application of BCA QM rating for all new developments.	Achieve BCA QM Excellent rating as a minimum for development which obtaining Temporary Occupation Permit in Year 2021.
	Strive for BCA Green Mark Champion having accumulated six (6) development projects that have been certified minimally Green Mark Gold Plus.

SUSTAINABILITY REPORT

Year ended 31 March 2020

Sustainability begins at the onset of each development, where a climatically and contextually responsive brief is formulated and shared with stakeholders. Key members of the team are engaged early to initiate the collaborative process of design formulation and to set clear and shared vision on outcomes of the project.

Our developments go beyond the incorporation of eco-efficient features and materials but revolves around fulfilling the needs of our end-users and enhancing their experience within our developments. These factors significantly increase the desirability and liveability of our properties.

To ensure that our developments continue to deliver sustainable performance that are measurable and benchmarked against prevailing national standards; every project will be evaluated on three (3) key aspects of Sustainability, Productivity and Quality.

- **Sustainability** – The empirical aspect will be assessed through BCA Green Mark Certification Scheme, which measures the building's environmental impact and performance. Products that have low or beneficial impact on the environment such as those accredited under the Singapore Green Label Scheme.
- **Productivity** will be graded through BCA Buildability Design Score and engaging builders that have proven track records in effective and timely product delivery.
- **Quality** will be appraised by a 2-tiered scheme beginning with BCA CONQUAS and subsequently under the BCA Quality Mark (QM) for good workmanship.

BCA Green Mark

Green Mark certification is an empirical measure on the efficacy of our efforts to integrate eco-efficiency in our developments. It is an integral part of our development process, where active and passive measures are designed and incorporated into the project at the get-go. These are then further developed into detailed designs to be implemented. They form an essential part of our procurement documentation to ensure that the builder construct them in accordance.

Submittals made to BCA at the beginning of each project will be verified upon the project completion to validate committed environmentally friendly and sustainable features have been incorporated into the development. Some of these features include:

Energy efficiency

- Use of smart lighting to minimise energy consumption from lighting usage while maintaining proper lighting levels
- Use of lifts and escalators with AC variable voltage and VVVF (Variable Voltage Variable Frequency) motor drive and sleep mode features
- Use of high efficiency Air-Conditioning and Mechanical Ventilation (ACMV) equipment with the highest possible Singapore Energy Labelling System and to consider refrigerant with low GWP (Global Warming Potential)

Water management

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

Environmentally friendly materials

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

As part of our user engagement, a Building Users' Guide will be issued to the occupants to educate and inform them of the various green features such as green spaces, electric car charging points, recycling facilities and green fit-out guide.

BCA CONQUAS

BCA CONQUAS is the national quality yardstick for the industry and has been fine-tuned regularly to keep pace with changes in technology and quality demands. It is an integrative assessment tool that benchmarks our developments against the rest of our country's building stock.

By covering the three (3) critical components in buildings; Structural, Architectural, Mechanical and Electrical works through systematic sampling to suitably represent each project, it is a holistic tool that ensures all key components in our developments are checked and assessed to be constructed with good workmanship.

- Structural works – focusing on building users' safety, it covers the structural integrity and ensures consistency and quality in material and workmanship.
- Architectural works – it centers on the aesthetics of the building such as material quality, functional test (water-tightness), internal and external finishes, to ensure that end product is fit for their desired purpose.
- Mechanical & Electrical works – this focuses on the performance aspects which affects the daily performance of the building and the comfort of occupants.

We firmly believe that a good CONQUAS score track record goes beyond enhancing the Company's image and desirability of future projects. By delivering an end-product/ project of a higher quality and standard, it reduces the need for resource-draining rectifications works, attributing to more sustainable developments.

SUSTAINABILITY REPORT

Year ended 31 March 2020

BCA QM

The QM scheme is specific to residential developments, it builds upon the CONQUAS scheme, where every residential unit within our development will be assessed. This assessment focuses on internal finishes of six (6) key architectural elements (Floor, internal wall, ceiling, door, window and internal fixtures) which are essential components to aid in our home owners' enjoyment of their unit. These included inspections on workmanship, functionality check and water tightness checks for all wet areas.

With our upcoming new residential developments fully assessed under the QM scheme, we feel that homeowners will have the assurance that these units meet the national standard of good workmanship. A QM certificate will be issued to all units that meet the minimum workmanship quality standard.

TALENT RETENTION AND DEVELOPMENT

Performance for FY2020	Target for FY2021
100% of eligible employees received performance appraisals	100% of eligible employees to receive performance appraisals

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

As of 31 March 2020, we have 43 Singapore-based, permanent, full-time employees at the group compared to 40 last year. Some of our staff retention efforts include ensuring a competitive remuneration, bonuses and employee benefits and we regularly review these to ensure alignment with the market. We are careful to ensure that employees know what is expected of them at all times in regard to professional conduct and discipline and our Human Resources (HR) policies, which set out our processes and procedures in all areas including hiring and termination, are easily available to all staff members through the Employee Handbook.

Training and development

We encourage continuous professional development for all our employees. Our training policy, also detailed in the Employee Handbook, set out the Group's stand in this aspect. Employees are required to attend training courses, as and when deemed necessary by the Group, and the Group may impose a bond for sponsorship of certain courses, depending on the cost and duration. The training policy also describes independent learning & development opportunities where employees are encouraged to attend workshops and seminars that will enhance their skills and knowledge.

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

Diversity and fair employment

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

SUSTAINABILITY REPORT

Year ended 31 March 2020

CUSTOMER HEALTH AND SAFETY

Performance for FY2020	Target for FY2021
No incidents of non-compliance with health and safety laws and regulations in relation to our completed buildings (including showflats)	Zero incidents of non-compliance with health and safety laws and regulations in relation to our completed buildings (including showflats)

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

Fire safety

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

BCA Regulations

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

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

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

During FY2020, there were no incidents of non-compliance with health and safety laws and regulations.

CONTRACTOR ASSESSMENT

Performance for FY2020	Target for FY2021
100% of relevant suppliers assessed via our Contractor Pre-Qualification exercise	100% of relevant suppliers assessed via our Contractor Pre-Qualification exercise

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

Tender and assessment process

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

When selecting the contractor, we conduct a Contractor Pre-Qualification Exercise. This assessment includes:

- Track record and quality performance
- MOM Workplace Safety and Health (“WSH”)
- Awards (e.g. BCA Construction Excellence Award, BCA Green Mark Award, BCA Green and Gracious Builder Award)
- Financial Performance

Contractor Pre-Qualification exercise was conducted when assessing the contractors for The Gazania, The Lilium and Parc Clematis during FY2020.

SUSTAINABILITY REPORT

Year ended 31 March 2020

During the contract

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

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

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

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

If any delays occur, the main contractor is subject to a set of fines. Therefore, it is in their best interest to ensure that there are no incidents of non-compliance with any regulations in regard to, but not exclusive of, environmental laws, workplace health and safety and labour regulations. There were no incidents of non-compliance on our sites that resulted in a stop work order during FY2020.

MARKETING COMMUNICATIONS

Performance for FY2020	Target for FY2021
No incidents of non-compliance in regards to marketing regulations resulting in a delay of sales launch	Zero incidents of non-compliance in regards to marketing regulations resulting in a delay of sales launch

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

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

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

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

SUSTAINABILITY REPORT
Year ended 31 March 2020

ANTI-CORRUPTION AND CORPORATE COMPLIANCE

Performance for FY2020	Target for FY2021
No confirmed incidents of corruption	Zero confirmed incidents of corruption
No significant incidents of non-compliance with relevant laws and regulations	Zero significant incidents of non-compliance with relevant laws and regulations

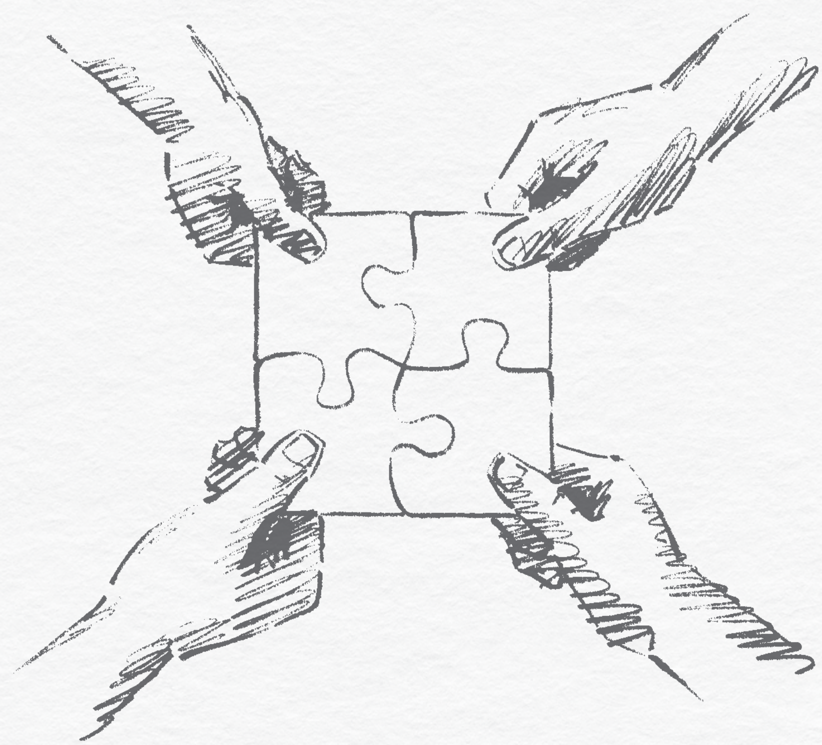
Sales of our project development units can sometimes leave us vulnerable to corruption risk and we are subject to laws and regulations from organisations such as SGX, the Monetary Authority of Singapore and others. Complying with laws and regulations that apply to us ensures our good corporate conduct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

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

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

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

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



SUSTAINABILITY REPORT

Year ended 31 March 2020

GRI STANDARDS CONTENT INDEX

UNIVERSAL STANDARDS		
GRI Standards	**Description**	**Annual Report Section Reference/Remarks**
Organisational Profile		
102-1	Name of the organisation	SingHaiyi Group Ltd.
102-2	Activities, brands, products, and services	Corporate Profile, Asset Portfolio, Notes to the Financial Statements
102-3	Location of headquarters	Corporate Information, Notes to the Financial Statements
102-4	Location of operations	Corporate Information, Notes to the Financial Statements
102-5	Ownership and legal form	Notes to the Financial Statements
102-6	Markets served	Operational & Financial Review, Notes to the Financial Statements
102-7	Scale of the organisation	Operational & Financial Review, Financial Summary
102-8	Information on employees and other workers	Sustainability Report (Talent Retention and Development)
102-9	Supply chain	Sustainability Report (Contractor Assessment)
102-10	Significant changes to the organisation and its supply chain	No significant changes during FY2020
102-11	Precautionary principle or approach	Sustainability Report (Board Statement) Materiality and management approach are discussed under each material topic
102-12	External initiatives	Sustainability Report (Materials and Design)
102-13	Membership of associations	Board of Directors, Executive Management
Strategy		
102-14	Statement from senior decision-maker	Joint Message by Chairman and Group Managing Director
102-15	Key impacts, risks, and opportunities	Joint Message by Chairman and Group Managing Director, Corporate Social Responsibility, Sustainability Report
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	Sustainability Report (Sustainability at the Group)
102-17	Mechanisms for advice and concerns about ethics	Sustainability Report (Anti-corruption and Corporate Compliance)
Governance		
102-18	Governance structure	Sustainability Report (Board Statement)

SUSTAINABILITY REPORT

Year ended 31 March 2020

GRI STANDARDS CONTENT INDEX (cont'd)

UNIVERSAL STANDARDS		
GRI Standards	**Description**	**Annual Report Section Reference/Remarks**
Stakeholder Engagement		
102-40	List of stakeholder groups	Sustainability Report (Stakeholder Engagement)
102-42	Identifying and selecting stakeholders	Sustainability Report (Stakeholder Engagement)
102-43	Approach to stakeholder engagement	Sustainability Report (Stakeholder Engagement)
102-44	Key topics and concerns raised	Sustainability Report (Stakeholder Engagement)
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Notes to the Financial Statements
102-46	Defining report content and topic boundaries	Sustainability Report (Materiality)
102-47	List of material topics	Sustainability Report (Materiality)
102-48	Restatements of information	N.A.
102-49	Changes in reporting	N.A.
102-50	Reporting period	1 April 2019 to 31 March 2020
102-51	Date of most recent report	8 July 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Sustainability Report (Sustainability at the Group)
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report (Board Statement)
102-55	GRI content index	Sustainability Report (GRI Standards Content Index)
102-56	External assurance	Sustainability Report (Sustainability at the Group)
103-1	Explanation of the material topic and its boundary	Sustainability Report (Board Statement) Materiality and management approach are discussed under each material topic
103-2	The management approach and its components	Sustainability Report (Board Statement) Materiality and management approach are discussed under each material topic
103-3	Evaluation of the management approach	Sustainability Report (Board Statement) Materiality and management approach are discussed under each material topic

SUSTAINABILITY REPORT

Year ended 31 March 2020

GRI STANDARDS CONTENT INDEX (cont'd)

TOPIC-SPECIFIC STANDARDS		
GRI Standards	**Description**	**Annual Report Section Reference/Remarks**
Economic		
201-1	Direct economic value generated and distributed	Joint Message by Chairman and Group Managing Director, Operational & Financial Review
205-1	Operations assessed for risks related to corruption	Sustainability Report (Anti-corruption and Corporate Compliance)
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report (Anti-corruption and Corporate Compliance)
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report (Anti-corruption and Corporate Compliance)
Environmental		
302-5	Reductions in energy requirements of products and services	Sustainability Report (Materials and Design)
307-1	Non-compliance with environmental laws and regulations	Sustainability Report (Contractor Assessment)
308-1	Percentage of new suppliers that were screened using environmental criteria	Sustainability Report (Contractor Assessment)
Social		
401-1	New employee hires and employee turnover	Sustainability Report (Talent Retention and Development)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report (Contractor Assessment)
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report (Talent Retention and Development)
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report (Talent Retention and Development)
405-1	Diversity of governance bodies and employees	Sustainability Report (Talent Retention and Development)
406-1	Incidents of discrimination and corrective actions taken	Sustainability Report (Talent Retention and Development)
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility
414-1	New suppliers screened using social criteria	Sustainability Report (Contractor Assessment)
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report (Customer Health and Safety)
417-3	Incidents of non-compliance concerning marketing communications	Sustainability Report (Marketing Communications)
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report (Anti-corruption and Corporate Compliance)
419-1	Non-compliance with laws and regulations in the social and economic area	Sustainability Report (Anti-corruption and Corporate Compliance)

CORPORATE GOVERNANCE REPORT

SingHaiyi Group Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance. Good corporate governance establishes and maintains an ethical environment and enhances the interests of all shareholders. This report describes the Company's corporate governance practices during the financial year ended 31 March 2020 ("**FY2020**") with specific reference to the principles of the Code of Corporate Governance 2018 (the "**Code**"). The Company is pleased to report that it has complied in all material aspects with the principles and guidelines set out in the Code. Deviations from the Code, if any, are explained under the respective sections.

Outlined below are the policies, processes and practices adopted by the Group in compliance with the principles and spirit of the Code.

A. BOARD MATTERS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long term success of the company.

Provisions 1.1, 1.2 and 1.4
Board roles, Board duties and Delegation to Board Committees

The Primary Functions of the Board

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

The principal roles and responsibilities of the Board include:

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

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

The Board is guided by Code of Conduct and Ethics which prescribed the standards of ethical behaviour. Any director of the Company facing conflicts of interests will recuse himself or herself from discussions and decisions involving the issues of conflict.

CORPORATE GOVERNANCE REPORT

A. BOARD MATTERS (cont'd)

Board Orientation and Training

The Company conducts an orientation programme for newly appointed Directors to familiarise them with the businesses, operations and financial performance of the Group. They are also briefed on the corporate governance practices, including Board processes, policies on disclosure of interests in securities, prohibitions in dealing with the Company's securities and restrictions on disclosure of price-sensitive information.

All new Directors appointed on the Board, if any, will also be provided with a formal letter of appointment setting out the director's duties and obligations.

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

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

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

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

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

No new directors were appointed during the year under review.

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

Provision 1.3
Internal guidelines on matters requiring Board's approval

Board Approval

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

CORPORATE GOVERNANCE REPORT

A. BOARD MATTERS (cont'd)

Provision 1.5
Board and Board Committee meetings and attendance records

The Board conducts meetings on a quarterly basis. Ad hoc meetings are also convened when circumstances warrant. For FY2020, the Board met four times. The report on the Directors' attendance for Board and Board Committees meetings is set out hereunder. Directors who are unable to attend Board or Board Committees meetings may convey their views to the Chairman or the Company Secretary. The Company's Constitution provides for participation in meetings via telephone and/or video conference where Directors are unable to be physically present at such meetings. During FY2020, certain Directors participated in Board and Board Committees meetings via telephone conference. Where required, Directors may raise questions and seek clarification through discussion forums with Management in respect of significant matters passed via circular resolutions. To facilitate a more effective check on Management, Non-Executive Directors would meet amongst themselves without the presence of Management prior to the start of each Board meeting, where necessary.

Directors' Attendance for Board and Board Committees Meetings

	Number of meetings attended in FY2020				
Name of Director	**Board**	**AC**	**NC**	**RC**	**General Meeting**
Neil Bush	4	–	–	–	1
Celine Tang	4	–	–	–	1
Mao Jinshan	4	–	–	–	1
Gn Hiang Meng	4	4	1	1	1
Hwang Soo Chin	4	4	1	1	1
See Yen Tarn (resigned w.e.f 24.06.2020)	4	4	1	1	1
Yang Manlin	4	–	–	–	1
Number of meetings held in FY2020	4	4	1	1	1

Provision 1.6
Access to Information

<u>Complete and Timely Information and Access to Management</u>

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

CORPORATE GOVERNANCE REPORT

A. BOARD MATTERS (cont'd)

Provisions 1.7
Company Secretary/ Independent professional advice

Company Secretary

The Board has separate and independent access to the Company Secretary and to other senior management executives of the Company and of the Group at all times in carrying out its duties. The Company Secretary provides the Board with regular updates on the requirements of the Companies Act, Code of Corporate Governance and all other rules and regulations of the Listing Manual of the SGX-ST.

The Company Secretary attends all Board meetings and meetings of the Board Committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary was also involved in discussing and reviewing the announcements of the quarterly and full-year results for release to SGX-ST. Minutes of all Board and Board Committees meetings are circulated to the Board and Board Committees as appropriate. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Independent Professional Advice

Should the Directors, whether as a group or individually, need independent professional advice, the Company will, upon direction by the Board, appoint a professional advisor selected by the group or the individual to render the advice at the expense of the Company.

Principle 2: Board Composition and Guidance

Provisions 2.1, 2.2 and 2.3
Independence of Directors, Composition of Independent Directors on the Board and Proportion of Non-Executive Directors

Board Independence

When there are changes to the Board, the NC will take into account the appropriateness of the board size and composition. The Board presently comprises six (6) directors. All members of the Board, except for the Group Managing Director and Managing Director of the US Operations, are Non-Executive Directors. Three (3) of the Directors are Independent Non-Executive Directors.

There is a strong and independent element on the Board with Independent Non-Executive directors making up half of the Board and no individual or small group of individuals should be allowed to dominate the Board's decision making. The Company is in the midst of sourcing for a candidate to replace Mr. See Yen Tarn who has resigned as an Independent Non-executive Director of the Company on 24 June 2020 to fill the vacancy in the Board.

The independence of each of the Directors has been assessed by the Board (after taking into account the NC's views) in accordance with the requirements of the Code for assessing independence. Under the Code, an Independent Director is one who has no relationship with the Company, its related corporations, its 5% substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

The integrity and professionalism of the Directors have enabled and facilitated them to discharge their responsibilities with due care and diligence. Through active participation during Board meetings, the Directors constructively and judiciously challenge the proposals and assumptions of Management. The Directors will review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

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

CORPORATE GOVERNANCE REPORT

A. BOARD MATTERS (cont'd)

Provisions 2.4
Board composition and size

Board Composition and Size

The composition of the Board is reviewed annually. The Board is also taking steps to ensure that the Board has sufficient Independent Non-Executive Directors to comply with the recommendations of the Code. The Board is of the opinion that its current size is appropriate, taking into account the nature and scope of the Company's businesses, for effective decision making. The Board currently includes two (2) female Directors who have served for different tenures. The members of the Board have the core competencies, such as accounting or finance, business or management experience, industry knowledge, corporate actions and strategic planning experience required for the Board to be effective in all aspects of its roles. The objective judgement of the Independent and Non-Executive Directors on corporate affairs and their collective experiences and contributions are invaluable to the Company.

Board Diversity

The Company also has a board diversity policy in place to set out the approach to achieve diversity on the board composition and support the attainment of the Company's strategic objectives and its sustainable development.

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

Neil Bush	–	Non-Independent/Non-Executive Chairman
Celine Tang	–	Group Managing Director
Mao Jinshan	–	Managing Director of the US Operations
Gn Hiang Meng	–	Lead Independent Non-Executive Director
Hwang Soo Chin	–	Independent Non-Executive Director
Yang Manlin	–	Independent Non-Executive Director

Key information on the Directors' particulars and background can be found in the "Board of Directors" section of the Annual Report. The Notice of Annual General Meeting ("**AGM**") sets out the directors proposed for re-election at the forthcoming AGM.

Principle 3: Chairman and Group Managing Director

Provisions 3.1 and 3.2
Separation of the role of Chairman and Group Managing Director

The Board is chaired by Mr. Neil Bush, Non-Independent and Non-Executive Chairman ("**Chairman**"). Mrs. Celine Tang, Group Managing Director ("**GMD**") is assisted by Mr. Gregory Sim Chee Wah, Deputy Chief Executive Officer ("**Deputy CEO**") and Mr. Mao Jinshan, Managing Director of the US Operations.

There is a clear separation of responsibilities between the Chairman and the GMD, so as to maintain an appropriate balance of power and authority. The Chairman and the GMD are not related to each other and there is no immediate family relationship between them. The Company has in place a set of written Terms of Reference of Chairman and the GMD.

CORPORATE GOVERNANCE REPORT

A. BOARD MATTERS (cont'd)

The responsibilities of the Board Chairman are as follows:

- Leading the Board in a strategic effective and decisive way;
- Setting the agenda and ensuring (with the assistance of the Company Secretary) that adequate time is available to discuss all agenda items, in particular, strategic issues;
- Promoting a culture of openness and debate within the Board;
- Ensuring (with the assistance of Management and Company Secretary) that the Directors of the Company receive complete, adequate and timely information;
- Ensuring effective communication with the shareholders and other stakeholders;
- Encouraging constructive relationships within the Board and between the Board and Management;
- Ensuring Non-Executive Directors contribute effectively and that their contributions are taken into account by the Board; and
- Promoting high standards of corporate governance.

The responsibilities of the GMD are as follows:

- Developing, with the Board, a consensus for the Company's vision and mission;
- Making strategic proposals of the Company and the Group to the Board;
- Implementing and executing the Group's strategies and policies;
- Assuming the executive responsibility to the day-to-day management of the Group, with the support of the Group's key management personnel; and
- Ensuring that the Board is informed about key company activities and issues.

Provision 3.3
Lead Independent Director

Mr. Gn Hiang Meng ("**Mr. Gn**"), the Lead Independent Non-Executive Director ("**Lead ID**") serves as a sounding board to the Chairman and also as an intermediary between the Non-Executive Directors and the Chairman. Due to the seniority and extensive experience of Mr. Gn, the Board is of the view that he is qualified to perform the role of the Lead ID. The Lead ID is guided by Terms of Reference established by the Board.

The duties of the Lead ID are as follows:

- To be available to shareholders and other stakeholders where they have concerns and for which contact through the normal channels of communication with the Board Chairman, the GMD or the Chief Financial Officer ("**CFO**") (or equivalent) has failed to resolve the matter or the result has been inappropriate;
- To attend meetings with major shareholders to listen to, and understand, their concerns in a way that will assist the Board in making balanced decisions;
- To arrange, lead and chair periodic/regular meetings of the Non-Executive Directors and/or Independent Directors as appropriate, without the presence of Executive Directors and Management, and provide feedback from these meetings to the Board and/or the Board Chairman as appropriate;
- To provide a communication channel for Independent Directors and Non-Executive Directors for private discussions about their concerns regarding Board affairs if they feel these concerns have not been properly considered or addressed by the Board;
- To work with the Board Chairman in leading the Board and, if required, to chair the Board;
- To be a mediator for other Directors of the Company to resolve conflicts as and when necessary;
- To help the NC conduct the annual performance evaluation and to develop the succession planning for the Board Chairman and the GMD, if requested to do so by the Board; and
- To help the Remuneration Committee design and assess the remuneration of the Board Chairman, if requested to do so by the Board.

CORPORATE GOVERNANCE REPORT

A. BOARD MATTERS (cont'd)

Principle 4: Board membership

Provisions 4.1 and 4.2
NC membership and key terms of reference

The Composition and Role of NC

The NC currently comprises two Independent Non-Executive Directors, namely Mr. Hwang Soo Chin and Mr. Gn. The NC met once in FY2020. The Company is the midst of sourcing for a candidate to replace Mr. See Yen Tarn who was the Chairman of the NC.

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

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

Provision 4.3
Selection, appointment and re-appointment of Directors

Re-appointment of Directors

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

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

Criteria and Process for Nomination and Selection of New Directors

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

CORPORATE GOVERNANCE REPORT

A. BOARD MATTERS (cont'd)

Provision 4.4
Continuous review of Directors' independence

The NC determines on an annual basis whether or not a director is independent, taking into account the Code's guidance on what constitutes an "independent" director, and the existence of relationships or circumstance which would deem a director to be not independent. A Director who has no relationship with the Company, its related corporations, its 5% substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment with a view to the best interest of the Company, is considered to be independent.

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

Provision 4.5
Multiple directorships

Directors' Time Commitment

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

Details of the Directors' principal commitments and outside directorships are set out on pages 10 to 12 of this Annual Report.

Principle 5: Board Performance

Provisions 5.1 and 5.2
Board evaluation process, Board performance criteria and individual Director evaluation

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

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

CORPORATE GOVERNANCE REPORT

B. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

Provisions 6.1, 6.2 and 6.3
Remuneration Committee composition, Terms of reference and Developing remuneration framework

The Composition and Role of RC

The RC comprises two members, namely Mr. Hwang Soo Chin (Chairman) and Mr. Gn (all of whom are independent). All of the members of the RC are Non-Executive Directors. The Company is the midst of sourcing for a candidate to replace Mr. See Yen Tarn who was a member of the RC. The RC met once in FY2020.

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

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

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

Provision 6.4
RC's access to advice on remuneration matters

The RC has explicit authority to investigate any matter within its terms of reference and to seek external expert advice on remuneration matters should such a need arise at the Company's expense. In this regard, the RC draws on pool of independent consultants for diversified views and specific expertise to ensure that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

The Company did not engage any external remuneration consultant in FY2020.

Principle 7: Level and Mix of Remuneration

Provision 7.1, 7.2 and 7.3
Remuneration of Directors and Key Management Personnel ("KMP")

Fees payable to the Independent and Non-Executive Directors are proposed at the AGM as aggregated fees of the Directors, subject to the approval of shareholders of the Company at its forthcoming AGM. The remuneration of Directors takes into account their level of contribution and respective responsibilities, including attendance, time and contribution at Board meetings and Board Committees meetings.

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

The RC also functions as the Administrative Committee of the SingHaiyi Share Option Scheme 2013 (the "**Scheme**"), the adoption of which was approved by the shareholders of the Company at the extraordinary general meeting held on 29 July 2013. Please refer to page 135 of this annual report for details of the Scheme.

CORPORATE GOVERNANCE REPORT

B. REMUNERATION MATTERS (cont'd)

Principle 8: Disclosure on Remuneration

Provision 8.1 and 8.3
Disclosure of Remuneration and Details of all forms of remuneration and other payments and benefits paid to Directors and KMP

Disclosure of Remuneration

The compensation packages for employees including the GMD, Executive Director and KMP comprised fixed component (in the form of a base salary and fixed allowances), a variable component (which would normally include year-end and variable bonuses), where applicable taking into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

No termination, retirement or post-employment benefits were granted to any Director or KMP by the Company and its subsidiaries during FY2020.

Remuneration of Directors for FY2020

Name of Director	Directors' Fee %	Salary %	Bonus %	Others %	Total Remuneration %
Below S$250,000					
Neil Bush	100%	–	–	–	100%
Celine Tang	–	87%	7%	6%	100%
Gn Hiang Meng	100%	–	–	–	100%
Hwang Soo Chin	100%	–	–	–	100%
See Yen Tarn (resigned w.e.f 24.06.2020)	100%	–	–	–	100%
Yang Manlin	100%	–	–	–	100%
Mao Jinshan	–	100%	–	–	100%

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

The Board believes that its current disclosure is consistent with the intent of Principle 8 of the Code as shareholders are provided with information on the level and mix of remuneration of each director in percentage terms and that the interests of shareholders will not be prejudiced as a result of such non-disclosure of the total remuneration in dollar terms for the Directors.

Remuneration of KMP for FY2020 (inclusive of those who had resigned during the year)

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

CORPORATE GOVERNANCE REPORT

B. REMUNERATION MATTERS (cont'd)

The Company has only four (4) KMP (who are not directors or the GMD or CEO). After careful deliberation, the Company has decided not to disclose the names, amount and breakdown of remuneration of its top four (4) KMP as well as in aggregate the total remuneration (in percentage or dollar terms) paid to them, as the disadvantages to the Group's business interests would far outweigh the benefits of such disclosure, in view of the confidentiality and commercial sensitivity attached to executive remuneration matters.

During FY2020, there were no share options granted to the employees, directors and the controlling shareholders of the Company or their associates, or the parent company's directors or employees.

Provision 8.2
Remuneration of Directors' Immediate Family Members for FY2020

Save for Mrs. Celine Tang, who is a substantial shareholder of the Company, the Company does not have any employee who is a substantial shareholder of the Company, an immediate family member of a Director or the GMD or a substantial shareholder of the Company, whose remuneration exceeds S$100,000 during FY2020.

C. ACCOUNTABILITY AND AUDIT

Principal 9: Risk Management and Internal Controls

Provision 9.1
Significant risks, objectives and value creation

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

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

Based on the internal controls maintained by the Group, works performed by the internal and external auditors, review done by the management, various Board Committees and the Board, the Board with the concurrence of the AC, is satisfied that the Group's risk management systems and internal controls are adequate and effective in addressing financial, operational, compliance and IT risks as at 31 March 2020.

The Board recognises the importance of maintaining a system of internal control processes to safeguard shareholders' interest and the Group's business and assets. The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities. The annual audits conduct by the internal auditors assess the effectiveness of the Group's internal control procedures and provides reasonable assurance to the AC and Management that the Group's risk management, controls and governance processes are adequate and effective.

The Company has an Enterprise Risk Management Framework in place for the Group. In view of the size and operations of the Company, the Company does not have a separate board risk management committee. The AC and Management will continually assess the adequacy and effectiveness of the risk management framework and processes.

CORPORATE GOVERNANCE REPORT

C. ACCOUNTABILITY AND AUDIT (cont'd)

Provision 9.2
Assurance from GMD, Deputy CEO, CFO

For FY2020, the GMD, Deputy CEO and CFO have provided written confirmation to the Board that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and (b) the Company's risk management, compliance and internal control systems are effective. This certification covers the Company and subsidiaries which are under the Company's management control. In line with the SGX-ST Listing Rules, the Board provides a negative assurance statement to shareholders in respect of the interim financial statements, which is supported by a negative assurance statement from the GMD, Deputy CEO and CFO, and which is in turn supported by a negative assurance confirmation from the various key business and operating/functional heads within the Group that nothing has come to their attention that would render the quarterly and year-end financial results to be false or misleading.

Further details on the Group's risk management philosophy and approach in respect of the financial and business risks can be found on pages 138 to 150 of this Annual Report.

Principle 10: Audit Committee

Provisions 10.1, 10.2 and 10.3
Composition, roles and expertise of the AC

The Composition and Role of the AC

The AC consists of two Independent Non-Executive Directors, namely Mr. Gn (Chairman) and Mr. Hwang Soo Chin. The Company is the midst of sourcing for a candidate to replace Mr. See Yen Tarn who was a member of the AC. The AC members and the AC Chairman have recent and relevant accounting knowledge or related financial management expertise and experience to discharge their duties and responsibilities. None of the AC members were previous partners or directors of the Company's external auditors, KPMG LLP and the Company's internal auditors, Ernst & Young Advisory Pte. Ltd. ("**E&Y**"), within the last two years or hold any financial interest in KPMG LLP and E&Y. The Board is of the view that the AC members have several years of experience in senior management positions and are appropriately qualified to discharge their responsibilities. The AC met four times in FY2020.

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

- To review the nature and extent of non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors, seek to balance the maintenance of objectivity and value for money;
- To make recommendations to the Board on the appointment, re-appointment and removal of external auditors, and to approve the remuneration and terms of engagement of the external auditors;
- To review the financial reporting issues and judgements so as to ensure the integrity of the quarterly, half-yearly and full-year financial statements, and of announcements and press releases to SGX in relation to the company's financial performance and recommend changes;
- To review the assurance provided by the GMD and CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the company's operations and finances;
- To review the Enterprise Risk Management Framework in relation to financial reporting and other financial-related risks and recommend such to the Board for approval;
- To review the adequacy of internal audits in respect of cost, scope and performance;
- To ensure, at least annually, the independence, adequacy and the effectiveness of the internal audit function;
- To review interested person transactions in accordance with the requirements of Chapter 9 of the Listing Rules;
- To undertake such other functions, duties, reviews and projects as may be requested by the Board or as may be required by statute or the Listing Rules.
- To ensure that policies and arrangements are in place by which staff may safely raise concerns about possible improprieties in financial reporting or other matters; and
- To review reports on all whistleblowing incidents and ensure that they will be appropriately dealt with.

CORPORATE GOVERNANCE REPORT

C. ACCOUNTABILITY AND AUDIT (cont'd)

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

During the year, the results of the AC's review are reported to the Board.

Whistle-Blowing Policy

The Company has in place a whistleblowing policy which encourages employees and external parties such as vendors, clients, contractors and other stakeholders to raise concerns, in confidence, on possible irregularities to the AC. It aims to provide an avenue for employees and external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith within the ambit of the law.

The AC oversees the administration of the whistleblowing policy. Periodic reports will be submitted to the AC stating the number and the complaints received, the results of the investigations, follow-up actions and unresolved complaints. The AC has the responsibility to ensure that there is proper maintenance, regular review and relevant updates of the policy. Revisions, amendments and alterations to the whistleblowing policy are subject to the recommendation of the AC and approval by the Board prior to implementation. Changes will be notified when they are implemented. There were no reported incidents during FY2020. Report can be lodged via email at acm@singhaiyi.com. This policy has been published on the Company's website.

External Auditors

The external auditors, KPMG LLP, provide periodic updates to the AC members on changes to the accounting standards to enable AC members to keep abreast of such changes and its corresponding impact on the financial statements, if any, and these are discussed at the AC meetings. The AC met with the external auditors in AC meetings approving the quarterly/year-end results during the year.

The AC, from time to time, considers the appropriateness of continuing with the existing external auditors or appointment of new external auditors and factors taken into consideration include performance of the auditor, the technical competence of the audit team and the audit firm, ability to communicate issues and concerns to the AC, ability to meet deadlines and ability to work with Management while maintaining independence and objectivity. The Board and the AC consider it is appropriate to continue with the incumbent auditors.

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

The AC has reviewed and is satisfied that the independence and objectivity of the external auditor has not been compromised by the provision of non-audit services. The amount of audit and non-audit fees paid/payable to the external auditor in respect of FY2020 amounted to S$242,000 and S$78,000 respectively. Accordingly, the AC has recommended to the Board the nomination of the external auditors, KPMG LLP, for re-appointment at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

C. ACCOUNTABILITY AND AUDIT (cont'd)

The details of the remuneration of the external auditors of the Company during FY2020 are as follows:

	FY2020 (S$'000)	FY2019 (S$'000)
Auditor's remuneration paid/payable to:		
– Auditor of the Company	242	259
– Other auditor	57	28
Other fee paid/payable to:		
– Auditor of the Company	78	83

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

Interested Person Transactions

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

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
American Pacific International Capital, Inc. ("**APIC**") (1)	S$495,000 (2)	–
Interest paid/payable to APIC	S$1,547,000 (3)	–
OKH Holdings Pte. Ltd. ("**OKH**") (4)	S$126,000 (5)	–
Huajiang International Corporation Pte. Ltd. ("**HICPL**") (6)	S$363,000 (7)	–
Huajiang Properties II Pte. Ltd. ("**HPII**") (6)	S$142,000 (8)	–
Haiyi Wealth Pte Ltd. ("**HWPL**") (6)	S$1,747,000 (9)	–

CORPORATE GOVERNANCE REPORT

C. ACCOUNTABILITY AND AUDIT (cont'd)

Note:
(1) APIC is an entity controlled by Mr. Gordon Tang and Mrs. Celine Tang, who collectively own Haiyi Holdings Pte. Ltd. ("**Haiyi**"), the controlling shareholder of the Company.
(2) This amount represents the consultancy fees to APIC. APIC provided consultancy services to the Company's subsidiaries.
(3) This amount represents the total interest paid/payable to APIC for the provision of loan to a wholly-owned subsidiary of the Company.
(4) OKH is a wholly-owned subsidiary of OKH Global Ltd, which is 44.3% held by Haiyi.
(5) This amount represents the monthly rental received/receivable from OKH.
(6) HICPL, HPII and HWPL are entities controlled by Mr. Gordon Tang and Mrs. Celine Tang, who collectively own Haiyi.
(7) This amount represents the project management fee paid/payable to SingHaiyi Development Pte Ltd ("**SHPL**"), a wholly owned subsidiary of the Company. The provision of the project management service is in respect of the development of The Gazania which SingHaiyi Properties Pte. Ltd. ("**SPPL**"), a wholly owned subsidiary of the Company and HICPL, each took up a 50% equity interest in the development.
(8) This amount represents the project management fee paid/payable to SHPL, a wholly owned subsidiary of the Company. The provision of the project management service is in respect of the development of The Lilium which Corporate Bridge Pte. Ltd. ("**CBPL**"), a wholly owned subsidiary of the Company and HPII, each took up a 50% equity interest in the development.
(9) This amount represents the project management fee paid/payable to SHPL, a wholly owned subsidiary of the Company. The provision of the project management service is in respect of the development of Parc Clematis which SingHaiyi Land Pte. Ltd. ("**SLPL**"), a wholly owned subsidiary of the Company and HWPL, each took up a 50% equity interest in the development.

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Transactions with HICPL	S$8,000,000 [1]	–
Transactions with HPII	S$4,300,000 [2]	–
Transactions with HWPL	S$71,358,000 [3]	–

Note:
(1) This amount represents the shareholders' loan in respect of the development of The Gazania by SPPL and HICPL.
(2) This amount represents the shareholders' loan in respect of the development of The Lilium by CBPL and HPII.
(3) This amount represents the shareholders' loan in respect of the development of Parc Clematis SLPL and HWPL.

Provision 10.4
Internal Audit

Role and Responsibilities of Internal Auditor

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

CORPORATE GOVERNANCE REPORT

C. ACCOUNTABILITY AND AUDIT (cont'd)

The internal auditor reports to the AC Chairman on internal audit matters. Internal auditor's performance and remuneration are reviewed by the AC. The internal audit plan is approved by the AC and the results of the audit findings are submitted to the AC for its review in its meeting. The internal auditor conducted an annual review in accordance with their audit plans, the effectiveness of the Company's material internal controls, including financial, operational, compliance controls, information technology ("**IT**") controls and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements were reported to the AC. The AC, together with the Board, has also reviewed the effectiveness of the actions taken by management on the recommendations made by the internal and external auditors in this respect. The AC also reviews the independence, adequacy and effectiveness of the internal audit function annually. The Board and the AC are of the view that the internal audit function is adequately resourced, effective and has the appropriate standing within the Group.

Provision 10.5
Independent meeting with external and internal auditors

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

The AC has met the external auditors and the internal auditor without the presence of Management during FY2020.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

Provision 11.1
Providing opportunity for shareholders to participate and vote at general meetings

Shareholders are given the opportunity to communicate their views and encouraged to raise pertinent questions to the Board members and to vote at shareholders' meetings. The respective Chairman of the AC, NC and RC, as well as the external auditor are also present at shareholders' meetings to address relevant questions raised by the Shareholders. Shareholders and potential investors are encouraged to visit the Company's website at www.singhaiyi.com for information on the Company.

Under the alternative arrangements for conducting general meetings during the Safe Management Period in the Covid-19 situation ("**Alternative Meeting Arrangements**"), the Chairman of the meeting can only be appointed as the sole proxy by shareholders to attend, speak and vote on their behalf at the forthcoming AGM. Under normal circumstances, the Constitution of the Company currently allows a shareholder of the Company to appoint up to two proxies to attend and vote in his stead at general meetings, and shareholders who are a "relevant intermediary" (as defined under Section 181 of the Companies Act) may also appoint multiple proxies pursuant to the Companies Act. The Company encourages shareholder participation at general meetings. Information on shareholder meeting is disseminated through notice in the annual reports or circular sent to shareholders. The notices are also released through SGXNET and published in the newspapers, as well as posted on the Company's website.

Provision 11.2
Separate resolutions at general meetings

All resolutions put to every shareholders' meeting of the Company are voted separately unless the resolutions are interdependent and linked so as to form one significant proposal. Voting at the forthcoming AGM shall be conducted by poll. Under the Alternative Meeting Arrangements, the votes will be pre-counted based on the proxy forms received at least 48 hours before the AGM and the poll results will be verified by the independent scrutineer. Votes cast, for or against, and the respective percentages on each resolution are tallied and instantaneously announced at the meeting and announced via SGXNET on the same day of the meeting.

CORPORATE GOVERNANCE REPORT

D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

Provision 11.3
Attendees at general meetings

In FY2020, the Chairman of the Board and the Chairman of each Board Committee, and the KMP attended all the general meetings to address issues raised by shareholders.

The Company's external auditor were also present at the meetings to address relevant queries from shareholders. The attendance of the Directors attending the general meetings is set out under Provision 1.5 of this Report.

Provision 11.4
Absentia voting at general meetings

Provision has been made under Article 76 of the Constitution, allowing for shareholders to vote in absentia. Examples of absentia voting are voting via mail, electronic mail or facsimile at the general meetings. However, such methods may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web is not compromised. Therefore, at this point in time, the Company does not allow a shareholder to vote in absentia at general meetings, except through the appointment of a proxy, attorney or in the case of a corporation, a corporate representative, to cast their vote in the stead.

Provision 11.5
Minutes of general meetings

The Company prepares minutes of general meeting with details of the proceedings, questions raised by shareholders and answers given by the Board and Management and the voting results of each resolution. Under the Alternative Meeting Arrangements, Minutes of the AGM will be published via the Company's website and SGXNet within one month from the date of the AGM.

Provision 11.6
Dividend Policy

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.

E. ENGAGEMENT WITH SHAREHOLDERS

Principle 12: Communication with Shareholders

Provision 12.1, 12.2 and 12.3
Communication with shareholders

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

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

CORPORATE GOVERNANCE REPORT

E. ENGAGEMENT WITH SHAREHOLDERS (cont'd)

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

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

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

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

F. MANAGING STAKE HOLDERS RELATIONSHIP

Principle 13: Engagement with Stakeholders

Provision 13.1, 13.2 and 13.3
Managing stakeholder relationships

The Company has appropriate channels in place to identify and engage with its material stakeholders groups. It recognises the importance of having intimate knowledge of its business and regular interactions with its stakeholders to determine material issues for its business.

The Company's approach to stakeholders' engagement and materiality assessment can be found under "Sustainability Report" section of this Annual Report.

The Company has a corporate website to communicate and engage with all stakeholders.

G. DEALINGS IN COMPANY'S SECURITIES

The Company has issued guidelines on dealing in the Company's securities. This point to the existence of insider trading laws and the rules and regulations with regard to dealings in the Company's securities by its Directors, officers and relevant employees. During FY2020, the Company sent out memoranda and e-mails to its Directors, officers and relevant employees to remind them that the Directors, officers and relevant employees of the Group and their connected persons are prohibited from dealing in the Company's shares two weeks before the announcement of the Company's quarterly results and one month before the announcement of the Company's full-year results and ending on the date of announcement of the relevant results. With effect from 7 February 2020, the Company is qualified not to do quarterly reporting. As such, the Company is required to send out such memoranda and emails to its Directors, officers and relevant employees one month before the announcement of the Company's half year and full year results and ending the date of announcement of the relevant results.

CORPORATE GOVERNANCE REPORT

G. DEALINGS IN COMPANY'S SECURITIES (cont'd)

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

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

H. CODE OF CONDUCTS

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

I. MATERIAL CONTRACTS

Save for the IPTs as disclosed above, there were no material contracts entered into between the Company or any of its subsidiaries with any Director or controlling shareholder in FY2020.

J. USE OF PROCEEDS

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

a. Rights Issue in July 2013

		S$ million
	Proceeds from Rights Issue	193.01
	Use of proceeds in accordance with the intended use stated in circular dated 13 June 2013:	
(1)	Professional fees and related expenses of the Rights Issue	0.35
(2)	Payment of bid price of US$45.0 million for acquisition of Tri-County Mall ("**TCM**")	56.57
(3)	Payment for the acquisition of 5 Thomas Mellon ("**5TM**") for US$24.4 million	30.41
(4)	Partial payment of secured debt of US$29.8 million in relation to acquisition of Vietnam Town ("**VT**")	8.59
(5)	Capital expenditure on TCM	7.88
(6)	Development costs on 5TM	14.15
(7)	Transaction costs in relation to TCM	1.95
(8)	Transaction costs in relation to VT	0.99
(9)	Transaction costs in relation to 5TM	0.57
(10)	General working capital	10.41
	Balance of net proceeds as at date of this report	61.14

The breakdown of general working capital presented are as follows:

1. Professional fees	0.46
2. Financing costs	8.78
3. Marketing and Administrative expenses	1.17
General working capital	10.41

J. USE OF PROCEEDS (cont'd)

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

b. Rights Issue in March 2018

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

Use of proceeds in accordance with the intended use stated in Offer Information Statement dated 19 February 2018

	Amount utilised (S$ million)
1. Payment for acquisition of The Gazania	27.10
2. Payment for acquisition of Parc Clematis	101.74
3. General working capital	14.32
Balance of net proceeds as at date of this report	–

The breakdowns of the use of proceeds for general working capital are as follows:

1. Professional fees	0.10
2. Financing costs	13.16
3. Marketing and Administrative expenses	1.06
General working capital	14.32

FINANCIAL STATEMENTS

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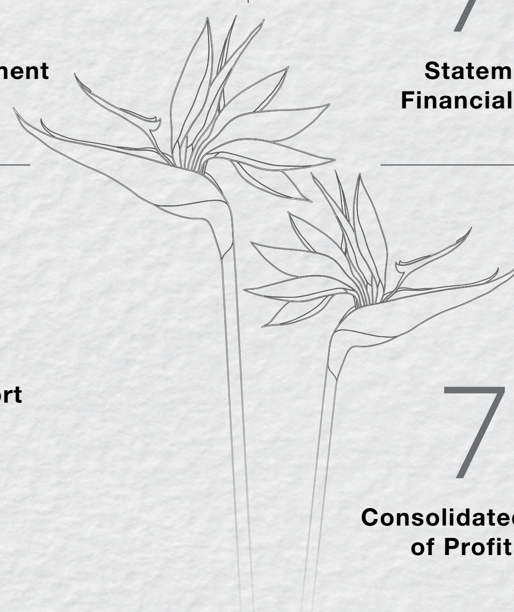

DIRECTORS' STATEMENT

Year ended 31 March 2020

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 2020.

In our opinion:

(a) the financial statements set out on pages 76 to 151 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 2020 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. See Yen Tarn
Ms. Yang Manlin

DIRECTORS' STATEMENT

Year ended 31 March 2020

DIRECTORS' INTERESTS

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

Name of director and corporation in which interests are held	Holdings at beginning of financial year	Holdings at end of financial year
Neil Bush [(1)]		
– ordinary shares		
– deemed interests	220,000,000	220,000,000
Celine Tang [(2)]		
– ordinary shares		
– deemed interests	2,779,213,367	2,660,713,367
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 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 2020.

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.

DIRECTORS' STATEMENT

Year ended 31 March 2020

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. See Yen Tarn

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

The Audit Committee has held 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.

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).

DIRECTORS' STATEMENT

Year ended 31 March 2020

AUDIT COMMITTEE (cont'd)

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

23 June 2020

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 2020, 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 76 to 151.

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 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

INDEPENDENT AUDITORS' REPORT

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 ($63,581,000) **(Refer to Note 5 to the financial statements)**	
The key audit matter	***How the matter was addressed in our audit***
As at 31 March 2020, the Group has a portfolio of investment properties comprising commercial properties in Singapore and shopping mall in the United States. These investment properties are measured at fair values based on independent external valuation. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuation is sensitive to the key assumptions relating to discount rates, rent growth rates and terminal capitalisation rates. The valuers had indicated in their valuation reports that the real estate market is being impacted by the uncertainty that the COVID-19 pandemic has caused, 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 held discussions with the valuers to understand their valuation method and basis of valuation by comparing them with methodologies applied by other valuers and understand how they have considered the impact of the COVID-19 pandemic and market uncertainty in their valuations. Where applicable, we evaluated the reasonableness of the estimated selling prices implied in valuation reports by comparing them with recent transacted prices of comparable properties in the vicinity. We also tested key inputs such as rental income and occupancy rate used in the valuation to actual rental income and assessed discount rates and terminal capitalisation rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. We enquired with management on their development plan to ascertain if the assumptions used in the valuation are appropriate. ***Our findings*** The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies are in line with generally accepted market practices and the key assumptions are within range of market data. The estimated values have taken into consideration the impact of COVID-19 pandemic based on currently available market data and prevailing market conditions.

INDEPENDENT AUDITORS' REPORT

Key audit matters (cont'd)

Valuation of development properties ($1,799,066,000) **(Refer to Note 11 to the financial statements)**	
The key audit matter	***How the matter was addressed in our audit***
As at 31 March 2020, 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, and costs to complete the development. 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 valuation and offer from interested buyer. 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, 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 where independent external valuers were engaged, we assessed the qualifications and competence of the external valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work. We understand the valuation method and basis of valuation by comparing them with methodologies applied by other valuers. Where applicable, we evaluated the reasonableness of the estimated selling prices implied in valuation reports by comparing them with recent transacted prices of comparable properties in the vicinity. We held discussions with the external valuer to understand the approach adopted in estimating the future selling prices of the development properties and how they have considered COVID-19 pandemic implications and market uncertainty in their estimate. 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. For property with development plan and offer from interested buyer, we have reviewed the latest correspondences between management and the interested buyer, and performed enquiries with management on their plan for the property. We have also evaluated the reasonableness of the offer price by corroborating with external sources and the property market situation in the vicinity. ***Our findings*** We found that the Group's assessment of the estimated selling prices including the offer from interested buyer, development costs of the development properties and allowance for diminution in value to be balanced. The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies are in line with generally accepted market practices and the estimated values have taken into consideration currently available market data and prevailing market conditions.

INDEPENDENT AUDITORS' REPORT

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.

INDEPENDENT AUDITORS' REPORT

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.

INDEPENDENT AUDITORS' REPORT

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
23 June 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Non-current assets					
Property, plant and equipment	4	3,162	1,639	1,223	555
Investment properties	5	63,581	87,221	–	–
Subsidiaries	6	–	–	181,710	183,960
Associates and joint ventures	7	200,567	158,777	–	–
Amounts due from subsidiaries	8	–	–	313,695	293,611
Financial assets at fair value through other comprehensive income	9	42,034	74,720	42,034	74,720
Deferred tax assets	10	7,147	–	–	–
		316,491	322,357	538,662	552,846
Current assets					
Development properties	11	1,799,066	1,389,355	–	–
Contract costs	12	9,097	–	–	–
Contract assets	13	–	2,170	–	99
Trade and other receivables	14	14,321	9,973	3,619	2,418
Amounts due from subsidiaries	8	–	–	73,875	31,780
Financial assets at fair value through profit or loss	15	–	29,293	–	29,293
Cash and cash equivalents	16	29,005	101,030	341	70,596
		1,851,489	1,531,821	77,835	134,186
Total assets		2,167,980	1,854,178	616,497	687,032
Non-current liabilities					
Loans and borrowings	17	1,095,065	874,599	–	–
Loan from non-controlling interests	18	277,058	193,400	–	–
Loan from a related party	19	22,290	–	–	–
Lease liabilities	4	573	–	205	–
Derivative liabilities	20	7,327	–	–	–
Deferred tax liabilities	10	4,238	4,074	–	–
		1,406,551	1,072,073	205	–
Current liabilities					
Trade and other payables	21	32,375	13,505	4,462	3,006
Contract liabilities	13	66,742	1	–	–
Loans and borrowings	17	47,207	77,889	27,131	77,588
Loan from a related party	19	–	21,316	–	–
Lease liabilities	4	1,242	–	710	–
Current tax payable		2,647	2,627	250	250
		150,213	115,338	32,553	80,844
Total liabilities		1,556,764	1,187,411	32,758	80,844
Equity attributable to owners of the Company					
Share capital	22	520,430	522,939	520,430	522,939
Retained earnings		124,085	135,000	75,741	73,567
Reserves	22	(12,394)	7,885	(12,432)	9,682
		632,121	665,824	583,739	606,188
Non-controlling interests	23	(20,905)	943	–	–
Total equity		611,216	666,767	583,739	606,188
Total equity and liabilities		2,167,980	1,854,178	616,497	687,032

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2020

	Note	2020 $'000	2019 $'000
Revenue	25	57,169	75,909
Cost of sales		(42,418)	(54,276)
Gross profit		14,751	21,633
Other income	26	2,979	11,630
Selling and marketing expenses		(14,308)	(5,002)
Administrative expenses		(10,581)	(11,527)
Other operating expenses		(28,125)	(16,417)
Results from operating activities		(35,284)	317
Finance income	27	6,293	9,741
Finance costs	28	(39,279)	(13,620)
Net finance costs		(32,986)	(3,879)
Share of results of equity-accounted investees, net of tax		36,736	25,151
(Loss)/Profit before tax		(31,534)	21,589
Tax credit/(expense)	29	6,044	(3,342)
(Loss)/Profit for the year	30	(25,490)	18,247
(Loss)/Profit attributable to:			
Owners of the Company		(7,826)	22,646
Non-controlling interests	23	(17,664)	(4,399)
(Loss)/Profit for the year		(25,490)	18,247
Earnings per share			
Basic and diluted earnings per share (cents)	32	(0.186)	0.530

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2020

	2020 $'000	2019 $'000
(Loss)/Profit for the year	(25,490)	18,247
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss		
Share of currency translation differences of equity-accounted investees	(314)	(1,058)
Currency translation differences relating to foreign operations	5,812	6,786
Effective portion of changes in fair value of cash flow hedges	(7,327)	–
	(1,829)	5,728
Item that will not be reclassified to profit or loss		
Changes in fair value of financial assets at fair value through other comprehensive income	(20,601)	2,601
Other comprehensive income for the year, net of income tax	(22,430)	8,329
Total comprehensive income for the year	(47,920)	26,576
Total comprehensive income attributable to:		
Owners of the Company	(26,592)	30,975
Non-controlling interests	(21,328)	(4,399)
Total comprehensive income for the year	(47,920)	26,576

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2020

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2020

		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)	2.5	–	–	–	–	–	(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	22	–	(503)	–	–	–	–	(503)	–	(503)
Cancellation of treasury shares	22	(2,509)	2,509	–	–	–	–	–	–	–
Dividends declared	22	–	–	–	–	–	(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 CASH FLOWS

Year ended 31 March 2020

	2020 $'000	2019 $'000
Cash flows from operating activities		
(Loss)/Profit before tax	(31,534)	21,589
Adjustments for:		
Changes in fair value of financial assets at fair value through profit or loss	(447)	1,149
Changes in fair value of investment properties	25,639	15,430
Depreciation of property, plant and equipment	1,471	318
Gain on disposal of property, plant and equipment	(8)	–
Interest and dividend income	(5,846)	(9,741)
Interest expense	39,279	12,471
Loss/(Gain) on disposal of financial assets at fair value through profit and loss	1,567	(394)
Net unrealised foreign exchange gain	(3,558)	(1,407)
Share of profits of equity-accounted investees, net of tax	(36,736)	(25,151)
Write back of allowance for diminution in value of development properties	–	(1,183)
	(10,173)	13,081
Changes in:		
Contract costs	(9,098)	41
Contract assets	2,170	40,038
Contract liabilities	66,906	(16,980)
Development properties	(403,639)	(1,113,673)
Trade and other receivables	(4,349)	56,434
Trade and other payables	18,868	(2,273)
Cash used in operations	(339,315)	(1,023,332)
Tax paid	(955)	(13,249)
Net cash used in operating activities	(340,270)	(1,036,581)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(456)	(107)
Amount due from a joint venture	(8,050)	(11,221)
Capital expenditure on investment properties	(544)	(644)
Interest and dividend income received	8,528	13,255
Investment in financial asset at fair value through other comprehensive income	–	(9,108)
Net proceeds from disposal of investment in financial assets at fair value through other comprehensive income	12,085	–
Net proceeds from disposal of investment in financial assets at fair value through profit or loss	28,369	28,766
Proceed from disposal of property, plant and equipment	50	–
Net cash generated from investing activities	39,982	20,941

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2020

	Note	2020 $'000	2019 $'000
Cash flows from financing activities			
Acquisition of treasury shares		(503)	(7,397)
Capital reduction from non-controlling interests		–	(185)
Dividends paid to non-controlling interests		(520)	(7,546)
Dividends paid to owners of the Company		(6,329)	(12,854)
Interest paid		(38,342)	(12,471)
Payment of lease liabilities		(1,199)	–
Payment of transaction costs in relation to rights issue		–	(22)
Proceeds from bank loans (net of transaction costs)		281,905	835,515
Proceeds of loan from a related party		–	2,008
Proceeds from loan from non-controlling interests		83,658	153,455
Repayment of bank loans		(90,080)	(13,342)
Repayment of loan from a related party		–	(14,952)
Net cash generated from financing activities		228,590	922,209
Net decrease in cash and cash equivalents		(71,698)	(93,431)
Cash and cash equivalents at beginning of the year		101,030	194,029
Effect of exchange rate fluctuations on cash held		(327)	432
Cash and cash equivalents at end of the year	16	29,005	101,030

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 June 2020.

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 2020 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)).

This is the first set of the Group's annual financial statements in which SFRS(I) 16 Leases has been applied. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

2 BASIS OF PREPARATION (cont'd)

2.4 Use of estimates and judgements (cont'd)

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

- Note 5 Determination of the fair values of investment properties
- Note 6 Measurement of recoverable amounts of investments in and amounts due from subsidiaries
- Note 11 Measurement of net realisable value of development properties
- Note 3.13 Utilisation of tax losses
- Note 29 Estimation of current and deferred tax

Measurement of fair values

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

- Note 5 Investment properties
- Note 9 Financial assets at fair value through other comprehensive income
- Note 15 Financial assets at fair value through profit or loss
- Note 35 Financial instruments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

2 BASIS OF PREPARATION (cont'd)

2.5 Changes in accounting policies

New standards and amendments

The Group has adopted/early adopted the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 April 2019:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Amendments* to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest rate benchmark reform (early adopted)

Other than SFRS(I) 16, the application of these SFRS(I)s, amendments to standards and interpretations did not have a material effect on the financial statements.

SFRS(I) 16 *Leases*

The Group and the Company applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group and the Company determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*. The Group and the Company now assess whether a contract is or contains a lease based on the definition of a lease, as explained in SFRS(I) 16.

On transition to SFRS(I) 16, the Group and the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group and the Company applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 April 2019.

2 BASIS OF PREPARATION (cont'd)

2.5 Changes in accounting policies (cont'd)

The Group and the Company as lessees

The Group and the Company lease office premise and industrial premise. The Group and the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group and the Company. Under SFRS(I) 16, the Group and the Company recognise right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under SFRS(I) 1-17

Previously, the Group and the Company classified property leases as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities incremental borrowing rates applicable to the leases as at 1 April 2019. Right-of-use assets are measured at either:

- their carrying amount as if SFRS(I) 16 had been applied since the commencement date, discounted using the applicable incremental borrowing rate at the date of initial application: the Group and the Company applied this approach to its largest property lease; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group and the Company applied this approach to all other leases.

The Group and the Company have tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group and the Company used a number of practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17. In particular, the Group and the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Leases classified as finance leases under SFRS(I) 1-17

The Group and the Company lease motor vehicles. These leases were classified as finance leases under SFRS(I) 1-17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 April 2019 were determined at the carrying amount of the lease asset and lease liability under SFRS(I) 1-17 immediately before that date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

2 BASIS OF PREPARATION (cont'd)

2.5 Changes in accounting policies (cont'd)

The Group as a lessor

The Group leases out its investment properties and has classified these leases as operating leases.

The Group is not required to make any adjustments on transition to SFRS(I) 16 for leases in which it acts as a lessor.

Impact on financial statements

Impact on transition*

On transition to SFRS(I) 16, the Group and the Company recognise additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

	1 April 2019	
	Group $'000	Company $'000
Right-of-use assets – property, plant and equipment	2,612	1,362
Lease liabilities	2,891	1,612
Retained earnings	(279)	(250)

* For the impact of SFRS(I) 16 on profit or loss for the period, see note 33. For the details of accounting policies under SFRS(I) 16 and SFRS(I) 1-17, see note 3.9.

When measuring lease liabilities for leases that were classified as operating leases, the Group and the Company discounted lease payments using applicable incremental borrowing rate at 1 April 2019. The incremental borrowing rates applied for the Group and the Company range from 2.32% to 5.68%.

	1 April 2019	
	Group $'000	Company $'000
Operating lease commitments at 31 March 2019 as disclosed under SFRS(I) 1-17 in the Group's financial statements	2,981	1,653
Discounted using the incremental borrowing rate at 1 April 2019	2,891	1,612
Finance lease liabilities recognised as at 31 March 2019	9	9
Lease liabilities recognised at 1 April 2019	2,900	1,621

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at fair value through other comprehensive income ("FVOCI") (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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

Financial liabilities

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

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

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 2019 for hedges directly affected by interbank offer rates (IBOR) reform

A fundamental reform of major interest rate benchmarks is being undertaken globally to replace or reform IBOR with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposure to interbank offered rates (IBORs) on its financial instruments that will be replaced or reformed as part of this market-wide initiative. There is significant uncertainty over the timing and the methods of transition across the jurisdictions that the Group operates in.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Financial guarantees in the separate financial statements

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

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

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

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Property, plant and equipment (cont'd)

Depreciation (cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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 contract liabilities

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

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

The Group has applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under SFRS(I) 1-17 and SFRS(I) INT 4. The details of accounting policies under SFRS(I) 1-17 and SFRS(I) INT 4 are disclosed separately.

Policy applicable from 1 April 2019

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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

This policy is applied to contracts entered into, on or after 1 April 2019.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Leases (cont'd)

Policy applicable from 1 April 2019 (cont'd)

(i) As a lessee (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Leases (cont'd)

Policy applicable from 1 April 2019 (cont'd)

(ii) As a lessor (cont'd)

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'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16.

Leases – Policy applicable before 1 April 2019

For contracts entered into before 1 April 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(i) As a lessee

In the comparative period, as a lessee, the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals were charged to profit or loss in the accounting period in which they are incurred.

(ii) As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Impairment

Non-derivative financial assets and contract assets

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

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

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

Simplified approach

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

General approach

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

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

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

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Impairment (cont'd)

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the 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, contract assets, 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Impairment (cont'd)

Non-financial assets (cont'd)

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

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

3.11 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 Revenue recognition (cont'd)

Sale of development properties (cont'd)

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.19 Segment reporting

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

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

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

3.20 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning on or after 1 April 2019:

- *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)
- SFRS(I) 17 *Insurance Contracts*
- *Classification of liabilities as current or non-current* (Amendments to SFRS(I) 1-1)

The Group is in the process of assessing the impact of the new SFRS(I)s, interpretations and amendments to SFRS(I)s on its financial statements.

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leased land $'000	Leased buildings $'000	Leasehold improvements $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Cost								
At 1 April 2018	–	–	1,782	258	472	135	550	3,197
Additions	–	–	1	23	5	74	4	107
Translation differences	–	–	31	3	17	1	5	57
At 31 March 2019	–	–	1,814	284	494	210	559	3,361
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)
Translation differences	–	–	(26)	(4)	(18)	(2)	(6)	(56)
At 31 March 2020	899	2,734	1,803	287	476	383	600	7,182
Accumulated depreciation								
At 1 April 2018	–	–	740	155	50	103	343	1,391
Depreciation charge for the year	–	–	188	29	15	20	66	318
Translation differences	–	–	6	1	1	1	4	13
At 31 March 2019	–	–	934	185	66	124	413	1,722
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)
Translation differences	–	–	(13)	(2)	(2)	(1)	(6)	(24)
At 31 March 2020	375	1,737	1,127	218	80	161	322	4,020
Carrying amounts								
At 1 April 2018	–	–	1,042	103	422	32	207	1,806
At 31 March 2019	–	–	880	99	428	86	146	1,639
At 31 March 2020	524	997	676	69	396	222	278	3,162

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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 2018	–	524	111	29	105	390	1,159
Additions	–	1	7	5	65	–	78
At 31 March 2019	–	525	118	34	170	390	1,237
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
Accumulated depreciation							
At 1 April 2018	–	68	31	10	75	241	425
Depreciation charge for the year	–	175	19	6	18	39	257
At 31 March 2019	–	243	50	16	93	280	682
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
Carrying amounts							
At 1 April 2018	–	456	80	19	30	149	734
At 31 March 2019	–	282	68	18	77	110	555
At 31 March 2020	775	119	53	13	217	46	1,223

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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
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

(i) Land leased 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 is valid for a period of 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 4 years.

(iii) Motor vehicle

At 31 March 2020, motor vehicles of the Group and the Company with carrying amounts of $220,000 (2019: $Nil) and $Nil (2019: $110,000) respectively are held under finance lease.

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.

Lease liabilities

The potential exposure to these future lease payments for the Group and the Company as at reporting date is summarised below.

	Group $'000	Company $'000
Lease liabilities		
– Non-current	573	205
– Current	1,242	710
	1,815	915

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 33 and 35, respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

5 INVESTMENT PROPERTIES

	Group 2020 $'000	Group 2019 $'000
Investment properties at fair value	63,581	87,221

The details of the Group's investment properties as at 31 March 2020 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

The investment properties comprise a shopping mall, several office and factory units that are leased to non-related parties under operating leases. Generally, the leases contain an initial non-cancellable period of 1 to 10 years. Subsequent renewals are negotiated with the lessee. During the year, contingent rents, representing income based on certain sales achieved by tenants, recognised in profit or loss amounted to $637,000 (2019: $1,161,000).

Security

At 31 March 2020, investment properties of the Group with carrying amounts of $29,745,000 (2019: $11,240,000) are pledged as security to secure credit facilities (note 17).

Measurement of fair value

(i) Fair value hierarchy

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

5 INVESTMENT PROPERTIES (cont'd)

Measurement of fair value (cont'd)

(ii) Level 3 fair value

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

	Group	
	2020	**2019**
	$'000	**$'000**
At beginning of the year	87,221	99,157
Capital expenditure on investment properties	544	644
Changes in fair value	(25,639)	(15,430)
Currency translation differences	1,455	2,850
At end of the year	63,581	87,221

Valuation technique and significant unobservable inputs

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

The COVID-19 has created uncertainty in the real estate market which could impact the valuation. The valuers have taken into consideration the impact of COVID-19 in their valuation 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.

Valuation techniques	Unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows approach	Rent growth rate	2.3% to 4.7% (2019: 2.7% to 6.5%)	Increase in rent growth rate and price per square foot would result in higher fair value measurement. Conversely, increase in both discount and terminal capitalisation rates in isolation would result in lower fair value measurement.
	Discount rate	18.0% (2019: 13.5%)	
	Terminal capitalisation rate	17.5% (2019: 13.0%)	
Market comparable approach	Price per square foot	$551 to $2,590 (2019: $546 to $2,549)	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

6 SUBSIDIARIES

	Company 2020 $'000	Company 2019 $'000
Equity investment, at cost	148,502	148,562
Less: Allowance for impairment loss of investments	(1,000)	(1,000)
	147,502	147,562
Amount due from a subsidiary	34,208	36,398
	181,710	183,960

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 classified as non-current.

Impairment of investment in subsidiaries

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

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

Details of material subsidiaries are as follows:

Company name	Principal activities	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
Corporate Residence Pte Ltd	Real estate development	Singapore	100	100
Ocean Landing LLC	Real estate development	USA	100	100
Sing-Haiyi Gold Pte Ltd	Real estate development	Singapore	50	50
SingHaiyi Huajiang Amber Pte Ltd	Real estate development	Singapore	50	50
SingHaiyi Huajiang Sun Pte Ltd	Real estate development	Singapore	50	50
SingXpress Kaylim Pte Ltd	Real estate development	Singapore	80	80
Vietnam Town Property LLC	Real estate development	USA	100	100
Angel Investment Management Pte Ltd	Properties investment	Singapore	100	100
SXL Model Productions Pte Ltd	Properties investment	Singapore	100	100
SingHaiyi Capital Pte Ltd	Properties investment	Singapore	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
Golden Gulf Enterprises Limited	Investment holding	British Virgin Islands	100	100
Phoenix 99 Pte Ltd	Investment holding	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

6 SUBSIDIARIES (cont'd)

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 2020 $'000	Group 2019 $'000
Interests in associates	50,072	47,276
Interests in joint ventures	150,495	111,501
	200,567	158,777

(a) *Associates*

The Group has one (2019: one) associate that is material and one (2019: one) associate that is immaterial to the Group. All are equity accounted. The following is the material associate:

Name	Principal activities	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
ARA Harmony Fund III [1]	Real estate investment	Cayman Islands	25	25

[1] Audited by KPMG LLP

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 2020 $'000	ARA Harmony Fund III 2019 $'000
Revenue	46,320	45,330
Profit/(Loss) for the year and total comprehensive income	21,386	(3,767)
Non-current assets	596,194	87,542
Current assets	13,182	512,424
Non-current liabilities	(398,495)	(412,537)
Current liabilities	(12,094)	–
Net assets	198,787	187,429
Group's interests in net assets of investee at beginning of the year	46,857	51,050
Dividends received during the year	(2,192)	(2,194)
Group's share		
– profit/(loss) and total comprehensive income for the year	5,347	(941)
– currency translation differences	(314)	(1,058)
Carrying amount of interests in investee at end of the year	49,698	46,857

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

7 ASSOCIATES AND JOINT VENTURES (cont'd)

(a) *Associates* (cont'd)

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:

	2020 $'000	2019 $'000
Carrying amount of interests in immaterial associate	374	419
Dividends received during the year	–	(900)
Group's share		
– (loss)/profit and total comprehensive income for the year	(45)	40

(b) *Joint ventures*

	Group	
	2020 $'000	2019 $'000
Unquoted shares in joint ventures, at cost	17,500	17,500
Share of post-acquisition reserve	60,474	29,530
	77,974	47,030
Amount due from a joint venture	72,521	64,471
	150,495	111,501

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 classified as non-current.

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Ownership interest 2020 %	2019 %
ARA Fund Management (Harmony III) Limited ("AFM")*	Cayman Island	35	35
Park Mall Investment Limited ("PMIL")* (wholly own Park Mall Pte. Ltd., a company incorporated in Singapore and with its principal activity of property investment and redevelopment)	British Virgin Islands	35	35

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

7 ASSOCIATES AND JOINT VENTURES (cont'd)

(b) *Joint ventures* (cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

7 ASSOCIATES AND JOINT VENTURES (cont'd)

(b) *Joint ventures* (cont'd)

In accordance with the agreement under which PMIL was established, the Group agreed to make additional contributions in proportion to their interests for the purpose of redevelopment of the property acquired, up to a maximum amount of $44,341,000 (2019: $52,391,000). This is inclusive of the Group's share of PMIL's commitment. The commitment has not been recognised in the Group's consolidated financial statements.

There were no contingent liabilities as at 31 March 2020.

8 AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2020	**2019**
	$'000	**$'000**
Non-current		
Loans to subsidiaries	313,695	293,611
Current		
Loans to subsidiaries	85,602	43,671
Less: Allowance for impairment loss of loans	(11,727)	(11,891)
	73,875	31,780

Non-current amounts due from subsidiaries are unsecured and bear interests ranging from 5.25% – 6.5% (2019: 5.25% – 6.50%) per annum. The amounts are not expected to be repaid within the next 12 months.

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

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

	Company	
	2020	**2019**
	$'000	**$'000**
At beginning of the year	11,891	11,891
Reversal of impairment losses	(164)	–
At end of the year	11,727	11,891

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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 2020 $'000	Dividend income recognised during 2020 $'000	Fair value at 31 March 2019 $'000	Dividend income recognised during 2019 $'000
Equity investments	42,034	4,501	74,720	4,884

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:

	Balance at beginning of the year $'000	Currency translation difference $'000	Recognised in profit or loss (note 29) $'000	Balance at end of the year $'000
Group				
2020				
Investment properties	(4,074)	(164)	–	(4,238)
Tax losses	–	–	7,147	7,147
	(4,074)	(164)	7,147	2,909
2019				
Investment properties	(6,147)	(250)	2,323	(4,074)

Presented as follows:

	Group	
	2020 $'000	2019 $'000
Deferred tax assets	7,147	–
Deferred tax liabilities	(4,238)	(4,074)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

10 DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

Unrecognised deferred tax assets and liabilities

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

	Asset		Liabilities	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Tax losses	37,300	31,453	–	–

Tax losses do not expire under current tax legislation. Deferred tax assets have 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 accumulated earnings in foreign subsidiaries amounting to $6,902,000 (2019: $5,549,000) 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	
	2020	**2019**
	$'000	**$'000**
(a) *Properties under development, for which revenue is to be recognised at a point in time*		
Land and land related cost	54,857	52,716
Development costs	17,767	11,547
	72,624	64,263
Properties under development, for which revenue is recognised over time		
Land and land related cost	1,612,034	1,237,257
Development costs	39,289	7,803
	1,651,323	1,245,060
Properties under development	1,723,947	1,309,323
(b) *Completed development properties, at cost*	75,878	80,791
Allowance for diminution in value	(759)	(759)
Completed development properties	75,119	80,032
Total development properties	1,799,066	1,389,355

(i) *Allowance for diminution in value*

Movement in allowance for diminution in value was as follows:

	Group	
	2020	**2019**
	$'000	**$'000**
At 1 April	759	1,942
Allowance written back	–	(1,183)
At 31 March	759	759

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

11 DEVELOPMENT PROPERTIES (cont'd)

(i) *Allowance for diminution in value* (cont'd)

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.

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. The recent outbreak of COVID-19 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 $38,202,000 (2019: $50,310,000) for the year.

(iii) As at 31 March 2020, development properties of the Group with carrying amounts of $1,651,323,000 (2019: $1,245,060,000) are pledged as security to secure credit facilities (note 17).

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

Location	Tenure	Land area (Sq. ft)	Gross floor area (Sq. ft)	Percentage of completion	Interest held by the Group
Completed projects					
235 Balestier Road, Singapore	Freehold	11,384	31,875	100%	100%
Pasir Ris Central/ Pasir Ris Drive 1, Singapore	99 year leasehold	176,400	441,000	100%	80%
Story Road, Santa Clara County, California, USA (Phase 2)	Freehold	442,736	223,990	100%	100%
Projects under development					
5 Thomas Mellon Circle, San Francisco, California, USA	Freehold	204,300	–	Planned development	100%
The Lilium, How Sun Road, Singapore	Freehold	54,942	84,604	40%	50%
The Gazania, How Sun Drive, Singapore	Freehold	146,046	224,912	21%	50%
Parc Clematis, Jalan Lempeng, Singapore	99 year leasehold	633,639	1,330,642	7%	50%

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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, $901,000 (2019: $41,000) was amortised. There was no impairment loss in relation to such costs capitalised.

	Group	
	2020	2019
	$'000	$'000
At beginning of the year	–	41
Addition	9,998	–
Amortised to profit or loss	(901)	(41)
At end of the year	9,097	–

13 CONTRACT ASSETS/(LIABILITIES)

		Group		Company	
	Note	2020	2019	2020	2019
		$'000	$'000	$'000	$'000
Contract assets	(i)	–	2,170	–	99
Contract liabilities	(ii)	(66,742)	(1)	–	–

(i) Contract assets

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

The change in contract assets during 2020 and 2019 is due to the timing differences between the agreed payment schedule and the progress of the construction work.

(ii) Contract liabilities

Contract liabilities primarily 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	
	2020	2019
	$'000	$'000
Contract liabilities at the beginning of the year recognised as revenue during the year	1	16,980
Increases due to cash received, excluding amounts recognised as revenue during the year	(66,742)	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

14 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Trade receivables	8,788	700	2,111	115
Less: impairment loss	–	(33)	–	–
	8,788	667	2,111	115
Government grant receivable	324	–	324	–
Other receivables	1,830	2,220	964	1,976
Deposits	329	1,786	181	299
	11,271	4,673	3,580	2,390
Tax recoverable	1,324	2,150	–	–
Prepaid expenses	1,726	3,150	39	28
	14,321	9,973	3,619	2,418

Included in prepaid expenses of the Group as at 31 March 2020 was prepaid banking facility fees of $1,680,000 (2019: $2,386,000).

The government grant receivable relates to job support scheme from government.

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

16 CASH AND CASH EQUIVALENTS

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Amount held under "Project Account Rules – 1997 Ed" withdrawals from which are restricted to payments for expenditure incurred on projects	20,490	5,334	–	–
Short term bank deposits	45	68,977	45	68,977
Cash at banks and in hand	8,470	26,719	296	1,619
	29,005	101,030	341	70,596

The Group's and the Company's short term deposits bear interest at rates ranging from 0.45% to 1.73% (2019: 0.93% to 1.84%) per annum during the year. Interest rates are repriced at intervals of between one week to one month.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

17 LOANS AND BORROWINGS

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Secured				
Bank loans	1,142,272	952,479	27,131	77,579
Finance lease liabilities	–	9	–	9
	1,142,272	952,488	–	77,588
Repayable:				
Within 1 year	47,207	77,889	27,131	77,588
After 1 year but within 5 years	1,094,607	872,473	–	–
After 5 years	458	2,126	–	–
	1,095,065	874,599	–	–
	1,142,272	952,488	27,131	77,588

The bank loans are secured by:

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

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

(c) corporate guarantees by the Company;

(d) a charge over financial assets at fair value through profit or loss with an amount of $Nil (2019: $29,293,000); and

(e) a charge over financial asset at fair value through other comprehensive income with an amount of $42,034,000 (2019: $74,720,000).

The effective interest rates of the bank loans for the Group and the Company are 2.28% (2019: 2.91%) and 1.59% (2019: 2.32%) per annum respectively.

17 LOANS AND BORROWINGS (cont'd)

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

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

17 LOANS AND BORROWINGS (cont'd)

Reconciliation of movements of 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
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)/Profit 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)	2,061,974

* see note 2.5

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

18 LOAN FROM NON-CONTROLLING INTERESTS

Loan from non-controlling interests is unsecured, interest-free and has no fixed terms of repayment. The non-controlling interests have no plan to request for the repayment of the loan in the foreseeable future and hence the loan is classified as non-current.

19 LOAN FROM A RELATED PARTY

The loan from a related party is unsecured with an effective interest rate of 7.25% (2019: 7.44%) per annum. The loan is due on 11 July 2021.

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.

20 DERIVATIVE LIABILITIES

	Group	
	2020	**2019**
	$'000	**$'000**
Interest rate swaps used for hedging	7,327	–

The Group had entered into interest rate swaps contracts with a notional amount of $450,000,000 (2019: $Nil) to hedge the Group's interest rate exposure. The fair value loss of these interest rate swaps as at reporting date is $7,327,000 (2019: $Nil).

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Trade payables	25,824	8,963	107	545
Other payables	333	557	95	29
Deferred income	592	268	324	–
Accrued expenses	5,390	3,717	558	833
Accrued real estate taxes	236	–	–	–
	32,375	13,505	1,084	1,407
Amounts due to subsidiaries	–	–	3,378	1,599
	32,375	13,505	4,462	3,006

Amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

22 SHARE CAPITAL AND RESERVES

Ordinary shares

	2020		2019	
	No. of shares '000	$'000	No. of shares '000	$'000
Company				
At beginning of the year	4,266,136	522,939	4,306,136	526,433
Cancellation of treasury shares	(30,000)	(2,509)	(40,000)	(3,494)
At end of the year	4,236,136	520,430	4,266,136	522,939

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 2020 (31 March 2019: 47,083,600 treasury shares). On 17 March 2020, 30,000,000 (2019: 40,000,000) treasury shares were cancelled.

Dividends

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

	Group/Company	
	2020	2019
	$'000	$'000
For the year ended 31 March		
Paid by the Company to owners of the Company $0.0015 per qualifying ordinary share (2019: $0.003)	6,329	12,854
Paid by subsidiaries to non-controlling interests $3.25 per qualifying ordinary share (2019: $18.89)	520	7,546

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

22 SHARE CAPITAL AND RESERVES (cont'd)

Dividends (cont'd)

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

	Group/Company	
	2020	**2019**
	$'000	**$'000**
$Nil per qualifying ordinary share (2019: $0.0015)	–	6,329

Reserves

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Capital reserve	2,755	749	3,197	1,191
Translation reserve	4,142	(1,356)	–	–
Hedging reserve	(3,663)	–	–	–
Fair value reserve	(15,628)	8,492	(15,629)	8,491
At 31 March	(12,394)	7,885	(12,432)	9,682

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

22 SHARE CAPITAL AND RESERVES (cont'd)

Capital management (cont'd)

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

	Group	
	2020	**2019**
	$'000	**$'000**
Gross borrowings	1,441,620	1,167,204
Cash and cash equivalents	(29,005)	(101,030)
Net debts	1,412,615	1,066,174

The Group's gross borrowings consist of loans and borrowings, loan from non-controlling interests and loan from a related party.

	Group	
	2020	**2019**
	$'000	**$'000**
Total capital employed	611,216	666,767
Net debts equity ratio	2.31	1.60

No changes were made to the above objectives, policies and processes during the years ended 31 March 2020 and 2019.

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.

23 NON-CONTROLLING INTERESTS ("NCI")

The following subsidiaries have material NCI:

Name	**Principal place of business/ Country of incorporation**	**Ownership interests held by NCI 2020 %**	**2019 %**
Anchorvale Residences Pte Ltd	Singapore	20	20
SingXpress Kaylim Pte Ltd	Singapore	20	20
SingHaiyi Huajiang Sun Pte Ltd	Singapore	50	50
Sing-Haiyi Gold Pte Ltd	Singapore	50	50
SingHaiyi Huajiang Amber Pte Ltd	Singapore	50	50

23 NON-CONTROLLING INTERESTS ("NCI") (cont'd)

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

	Anchorvale Residences Pte Ltd $'000	SingXpress Kaylim Pte Ltd $'000	SingHaiyi Huajiang Sun Pte Ltd $'000	Sing-Haiyi Gold Pte Ltd $'000	SingHaiyi Huajiang Amber Pte Ltd $'000	Other individually immaterial subsidiaries $'000	Total $'000
2020							
Revenue	–	1,194	7,993	27,748	614	–	
Profit/(Loss)	141	55	(6,838)	(25,766)	(2,799)	(8)	
Other comprehensive income	–	–	–	(7,327)	–	–	
Total comprehensive income	141	55	(6,838)	(33,093)	(2,799)	(8)	
Attributable to NCI:							
– Profit/(Loss)	29	11	(3,419)	(12,883)	(1,399)	(3)	(17,664)
– Other comprehensive income	–	–	–	(3,664)	–	–	(3,664)
– **Total comprehensive income**	29	11	(3,419)	(16,547)	(1,399)	(3)	(21,328)
Non-current assets	–	–	1,564	5,775	554	–	
Current assets	1,727	6,749	299,372	1,289,809	108,049	33	
Non-current liabilities	(13)	–	(303,742)	(1,234,425)	(106,981)	–	
Current liabilities	–	(3,524)	(6,807)	(92,629)	(4,272)	(68)	
Net assets	1,714	3,225	(9,613)	(31,470)	(2,650)	(35)	
Net assets attributable to NCI	342	645	(4,807)	(15,735)	(1,325)	(25)	(20,905)
Cash flows from operating activities	210	1,418	(13,247)	(308,932)	(10,766)	–	
Cash flows from investing activities	–	–	–	–	–	–	
Cash flows from financing activities (dividends to NCI: $520,000)	(1,300)	(1,300)	13,113	318,848	11,080	–	
Net (decrease)/increase in cash and cash equivalents	(1,090)	118	(134)	9,916	314	–	
2019							
Revenue	9,956	4,792	–	–	–	–	
Profit/(Loss) and total comprehensive income	2,673	286	(5,758)	(2,360)	(1,848)	(40)	
Profit/(Loss) and total comprehensive income attributable to NCI	535	57	(2,879)	(1,180)	(924)	(8)	(4,399)
Non-current assets	–	–	–	–	–	–	
Current assets	2,790	7,647	286,660	880,115	95,387	303	
Non-current liabilities	–	–	(287,640)	(876,113)	(93,978)	(28)	
Current liabilities	(340)	(3,178)	(1,781)	(2,362)	(1,260)	(55)	
Net assets	2,450	4,469	(2,761)	1,640	149	220	
Net assets attributable to NCI	490	894	(1,380)	820	75	44	943
Cash flows from operating activities	–	4,859	(246,771)	(833,492)	(8,972)	–	
Cash flows from investing activities	33,285	–	–	–	–	–	
Cash flows from financing activities (dividends to NCI: $7,546,000)	(39,793)	(6,700)	250,253	840,917	10,431	–	
Net increase/(decrease) in cash and cash equivalents	(6,508)	(1,841)	3,482	7,425	1,459	–	

24 OPERATING SEGMENTS

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

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

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

	Property development		Property and property related investment		Others		Segment total		Unallocated items		Total	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Group												
External revenue	51,321	68,469	5,848	7,440	–	–	57,169	75,909	–	–	57,169	75,909
(Loss)/Profit from operating activities	(3,974)	19,310	(26,672)	(14,772)	(934)	(103)	(31,580)	4,435	(3,704)	(4,118)	(35,284)	317
Share of results of equity-accounted investees, net of tax	(45)	40	36,781	25,111	–	–	36,736	25,151	–	–	36,736	25,151
Interest income	2	8	4,501	4,884	1,790	4,849	6,293	9,741	–	–	6,293	9,741
Interest expense	(37,477)	(10,457)	(1,718)	(1,929)	(84)	(1,234)	(39,279)	(13,620)	–	–	(39,279)	(13,620)
Reportable segment (loss)/ profit before tax	(41,494)	8,901	12,892	13,294	772	3,512	(27,830)	25,707	(3,704)	(4,118)	(31,534)	21,589
Depreciation of property, plant and equipment	504	–	99	59	868	257	1,471	316	–	2	1,471	318
Other material items:												
Change in fair value of investment properties	–	–	25,639	15,430	–	–	25,639	15,430	–	–	25,639	15,430
Interests in associates	374	419	49,698	46,857	–	–	50,072	47,276	–	–	50,072	47,276
Interests in joint ventures	–	–	150,495	111,501	–	–	150,495	111,501	–	–	150,495	111,501
Capital expenditure*	–	–	544	644	–	–	544	644	456	107	1,000	751
Reportable segment assets	1,855,980	1,409,808	308,196	343,290	3,059	32,857	2,167,235	1,785,955	745	68,223	2,167,980	1,854,178
Reportable segment liabilities	1,493,329	1,095,921	61,200	80,456	1,882	10,499	1,556,411	1,186,876	353	535	1,556,764	1,187,411

* Capital expenditure comprises property, plant and equipment of $456,000 (2019: $107,000) and investment properties of $544,000 (2019: $644,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

24 OPERATING SEGMENTS (cont'd)

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

	Group	
	2020	2019
	$'000	$'000
Profit or loss		
Total (loss)/profit for reportable segments	(27,830)	25,707
Unallocated items:		
– Net unrealised foreign exchange gains/(losses)	327	(432)
– Corporate expenses	(4,031)	(3,686)
Consolidated (loss)/profit before tax	(31,534)	21,589
Assets		
Total assets for reportable segments	2,167,235	1,785,955
Unallocated items:		
– Property, plant and equipment	674	570
– Cash and cash equivalents	71	67,653
Consolidated total assets	2,167,980	1,854,178
Liabilities		
Total liabilities for reportable segments	1,556,411	1,186,876
Unallocated items:		
– Trade and other payables	353	535
Consolidated total liabilities	1,556,764	1,187,411

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	
	2020	2019	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Revenue	39,861	38,713	17,308	37,196	–	–	–	–
Current assets	1,706,580	1,383,067	144,909	148,754	–	–	–	–
Non-current assets#	189,599	141,894	34,795	58,695	50,063	47,048	42,034	74,720

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

Major customer

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

25 REVENUE

In the following table, revenue is disaggregated by primary geographical market, major product and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with Group's reportable segments (see note 24).

	Property development		Property and property related investment		Total	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**	**2020 $'000**	**2019 $'000**
Primary geographical markets						
Singapore	38,846	37,873	1,015	840	39,861	38,713
United States	12,475	30,596	4,833	6,600	17,308	37,196
	51,321	68,469	5,848	7,440	57,169	75,909
Major products and service lines						
Property development income	50,024	66,817	–	–	50,024	66,817
Rental income	–	–	5,848	7,440	5,848	7,440
Management fee income	1,297	1,652	–	–	1,297	1,652
	51,321	68,469	5,848	7,440	57,169	75,909
Timing of revenue recognition						
Products transferred at a point in time	13,668	45,342	–	–	13,668	45,342
Products and services transferred over time	37,653	23,127	5,848	7,440	43,501	30,567
	51,321	68,469	5,848	7,440	57,169	75,909

As at 31 March 2020, the Group has property development income of $380,341,000 (2019: $Nil), 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

26 OTHER INCOME

	Group 2020 $'000	Group 2019 $'000
Forfeiture of non-refundable deposit	–	9,917
Gain on disposal of financial assets at fair value through profit or loss	–	394
Gain on disposal of plant and equipment	8	–
Write back of allowance for diminution in value of development properties	–	1,183
Net foreign exchange gain	2,663	–
Others	308	136
	2,979	11,630

27 FINANCE INCOME

	Group 2020 $'000	Group 2019 $'000
Dividend income:		
– Equity investments – at fair value through other comprehensive income	4,501	4,884
– Equity investments – at fair value through profit or loss	1,010	2,363
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	335	2,494
	6,293	9,741

28 FINANCE COSTS

	Group 2020 $'000	Group 2019 $'000
Interest expense on:		
– bank loans	36,877	10,489
– loan from a related party	1,547	1,981
– lease liabilities	66	1
Amortisation of banking facility fee	789	–
Interest expense on financial liabilities measured at amortised costs	39,279	12,471
Fair value loss on financial assets at fair value through profit or loss	–	1,149
	39,279	13,620

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

29 TAX (CREDIT)/EXPENSE

	Note	Group 2020 $'000	Group 2019 $'000
Current tax expense			
Current year		1,318	5,502
(Over)/Under provision in prior year		(796)	118
Withholding tax		581	45
		1,103	5,665
Deferred tax credit			
Origination and reversal of temporary differences	10	(7,147)	(2,323)
		(6,044)	3,342

Reconciliation of effective tax rate

	Group 2020 $'000	Group 2019 $'000
(Loss)/Profit before tax	(31,534)	21,589
Tax using Singapore tax rate of 17% (2019: 17%)	(5,361)	3,670
Income not subject to tax	(300)	(584)
Non-deductible expenses	5,712	1,186
Effect of tax rates in foreign jurisdictions	(653)	200
Effect of unrecognised deferred tax assets	994	2,920
Tax effect of losses not allowed to be set off against future taxable profits	24	63
Effect of results of equity-accounted investees presented net of tax	(6,245)	(4,276)
(Over)/Under provision in prior year	(796)	118
Withholding tax	581	45
	(6,044)	3,342

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

30 (LOSS)/PROFIT FOR THE YEAR

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

	Group	
	2020	**2019**
	$'000	**$'000**
Audit fees payable to:		
– Auditors of the Company	242	259
– Other auditors	57	28
Non-audit fees payable to:		
– Auditors of the Company	78	83
Changes in fair value of investment properties	25,639	15,430
Depreciation of property, plant and equipment	1,471	318
Net foreign exchange loss	–	726
Employee benefits expenses		
– Salaries and wages	4,798	5,023
– Defined contribution benefits	380	383
– Other short-term benefits	27	37
– Directors' remuneration	821	700
	6,026	6,143

31 SHARE-BASED PAYMENT ARRANGEMENTS

Share option scheme

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

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

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

There were neither share options outstanding nor unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

32 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 31 March 2020 was based on loss attributable to ordinary shareholders of $7,826,000 (2019: $22,646,000) and weighted average number of ordinary shares outstanding of 4,218,607,221 (2019: 4,269,380,745), calculated as follows:

(i) Profit attributable to ordinary shareholders

	Group	
	2020 $'000	2019 $'000
(Loss)/Profit attributable to ordinary shareholders	(7,826)	22,646

(ii) Weighted average number of ordinary shares

	Group	
	2020 $'000	2019 $'000
Issued ordinary shares at beginning of the year	4,269,381	4,306,136
Effect of own shares held	(50,774)	(36,755)
Weighted average number of ordinary shares during the year	4,218,607	4,269,381

33 LEASES

Leases as lessees (SFRS(I) 16)

The Group and the Company lease office premise and industrial premise, which were classified as operating leases under SFRS(I) 1-17.

Information about leases for which the Group and the Company are lessees are presented below.

Amounts recognised in profit or loss

	$'000
2020 – Leases under SFRS(I) 16	
Depreciation charge of right-of-use assets	1,111
Interest on lease liabilities	66
2019 – Operating leases under SFRS(I) 1-17	
Operating lease expense	2,981

Amounts recognised in statement of cash flows

	2020 $'000
Total cash outflow for leases	1,199

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

33 LEASES (cont'd)

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.

2020 – Operating leases under SFRS(I) 16

	$'000
Within one year	2,965
One to two years	1,805
Two to three years	1,540
Three to four years	1,485
Four to five years	1,434
More than 5 years	2,968
	12,197

2019 – Operating leases under SFRS(I) 1-17

	$'000
Within 1 year	3,404
After 1 year but within 5 years	7,956
After 5 years	4,670
	16,030

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, $5,848,000 (2019: $7,440,000) was recognised as rental income in profit or loss by the Group. Repairs and maintenance expenses, included in administration expenses, were as follows:

	Group	
	2020	**2019**
	$'000	**$'000**
Utilities	1,399	1,412
Real estate taxes	1,810	1,395
Repair and maintenance	531	730
Other	1,516	1,118
	5,256	4,655

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

34 COMMITMENTS

The Group has the following commitments at the reporting date:

	Group	
	2020	**2019**
	$'000	**$'000**
Estimated development expenditure contracted but not provided for	220,258	60,705

35 FINANCIAL INSTRUMENTS

Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

35 FINANCIAL INSTRUMENTS (cont'd)

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 2020 and 2019.

Trade receivables and contract assets

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets. The Group does not have trade receivables and contract assets for which no allowance is recognised because of collaterals.

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for trade receivables and contract assets by geographical region was as follows.

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Singapore	8,149	2,367	2,111	214
United States	639	470	–	–
	8,788	2,837	2,111	214

The maximum exposure to credit risk for trade receivables and contract assets at the reporting date by business segment is set out below:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Rental properties	401	299	–	–
Property development	8,174	2,373	–	–
Others	213	165	2,111	214
	8,788	2,837	2,111	214

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

35 FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Expected credit loss assessment for customers

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers and contract assets, which comprise a large number of small balances.

The allowance matrix is based on loss rates determined based on actual credit loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, recoverables and the Group's view of economic conditions over the expected lives of the receivables. The exposure to credit risk and ECL for trade receivables and contract assets as at 31 March 2019 is insignificant.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March:

	Group		Company	
	Gross carrying amount $'000	Impairment loss allowance $'000	Gross carrying amount $'000	Impairment loss allowance $'000
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	–
2019				
Not past due	2,829	–	214	–
Past due 1 to 30 days	–	–	–	–
Past due 31 to 60 days	–	–	–	–
Past due 61 to 90 days	–	–	–	–
Past due over 90 days	41	(33)	–	–
	2,870	(33)	214	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

35 FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Movements in allowance for impairment in respect of trade receivables and contract assets

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	33	33	–	–
Amount written off	(33)	–	–	–
Balance at 31 March	–	33	–	–

There is no impairment loss on contract assets.

There is no significant changes in the gross carrying amounts of trade receivables and contract assets contributed to the changes in the impairment loss allowance during 2020.

Non-trade amounts due from subsidiaries and other receivables

The Company held non-trade receivables from its subsidiaries which were lent to subsidiaries to meet their funding requirements. The Group and the Company held other receivables. Impairment on these balances has been measured on the 12- months expected loss basis which reflects the low credit risk of exposures. The amount of the allowance on non-trade amounts due from subsidiaries is set out in note 8 and the amount of the allowance on other receivables was negligible.

Derivatives

Derivatives are entered into bank with sound credit ratings.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $29,005,000 and $341,000 respectively at 31 March 2020 (2019: $101,030,000 and $70,596,000 respectively). The cash and cash equivalents are held with banks, which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

35 FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk

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

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

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

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group					
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)	(119,217)	(1,496,518)	(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)	(119,217)	(1,503,845)	(535)
2019					
Non-derivative financial liabilities					
Bank loans	952,479	(990,104)	(80,077)	(907,471)	(2,556)
Finance lease liabilities	9	(9)	(9)	–	–
Trade and other payables*	13,237	(13,237)	(13,237)	–	–
Loan from a related party	21,316	(22,627)	(22,627)	–	–
Loan from non-controlling interests	193,400	(193,400)	–	(193,400)	–
Recognised financial liabilities	1,180,441	(1,219,377)	(115,950)	(1,100,871)	(2,556)
Financial guarantees	–	(1,187)	–	(1,187)	–
	1,180,441	(1,220,564)	(115,950)	(1,102,058)	(2,556)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

35 FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Company					
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)
2019					
Non-derivative financial liabilities					
Bank loans	77,579	(77,579)	(77,579)	–	–
Lease liabilities	9	(9)	(9)	–	–
Trade and other payables*	3,006	(3,006)	(3,006)	–	–
Recognised financial liabilities	80,594	(80,594)	(80,594)	–	–
Financial guarantees	–	(522,658)	–	(495,944)	(26,714)
	80,594	(603,252)	(80,594)	(495,944)	(26,714)

* Excludes deferred income of $592,000 (2019: $268,000) and $324,000 (2019: Nil) 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 $511,671,000 and $1,187,000 (2019: $521,471,000 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	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Within 1 year	–	–	19,714	–
After 1 year but within 5 years	1,187	1,187	491,944	495,944
After 5 years	–	–	1,200	26,714
	1,187	1,187	512,858	522,658

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

35 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 (2019: $Nil) whereby it receives variable rate equal to SOR 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	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	–	–	6,987	16,202
Effect of interest rate swaps	(450,000)	–	–	–
	(450,000)	–	6,987	16,202
Variable rate instruments				
Financial assets	45	68,977	45	68,977
Financial liabilities	(1,164,562)	(973,804)	(27,131)	(77,588)
Effect of interest rate swaps	450,000	–	–	–
	(714,517)	(904,827)	(27,086)	(8,611)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

35 FINANCIAL INSTRUMENTS (cont'd)

Market risk (cont'd)

Interest rate risk (cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, 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.

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 2019.

	Profit or loss		Equity	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
Group				
2020				
Variable rate instruments	(7,145)	7,145	–	–
Interest rate swaps	–	–	(4,500)	4,500
Cash flow sensitivity (net)	(7,145)	7,145	(4,500)	4,500

	Profit or loss	
	100 bp increase $'000	100 bp decrease $'000
Group		
2019		
Variable rate instruments	(9,048)	9,048
Company		
2020		
Variable rate instruments	(271)	271
2019		
Variable rate instruments	(86)	86

35 FINANCIAL INSTRUMENTS (cont'd)

Market risk (cont'd)

Foreign currency risk

The Group is exposed to currency risk on trade and other receivable, financial assets at fair value through profit or loss, cash and cash equivalent and loans and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Australian Dollar ("AUD").

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

Exposure to foreign currency risk

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

	USD		AUD		CHF	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group and Company						
Trade and other receivables	–	–	818	1,163	–	–
Financial assets at fair value through profit or loss	–	5,197	–	–	–	–
Cash and cash equivalents	22	1,759	–	44,056	–	–
Loans and borrowings	–	–	(12,137)	(63,769)	(14,994)	(13,810)
	22	6,956	(11,319)	(18,550)	(14,994)	(13,810)

Sensitivity analysis

A 10% strengthening of the following major currencies against the functional currency of each of the Group entities at the reporting date held by the Group would increase/(decrease) profit 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.

	Profit or loss	
	10% strengthening	**10% weakening**
	$'000	**$'000**
2020		
USD	2	(2)
AUD	(1,132)	1,132
CHF	(1,499)	1,499
2019		
USD	696	(696)
AUD	(1,855)	1,855
CHF	(1,381)	1,381

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

35 FINANCIAL INSTRUMENTS (cont'd)

Market risk (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	
	Amortised cost $'000	FVOCI – equity instruments $'000	FVTPL $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000
Group							
2020							
Financial assets measured at fair value							
Financial assets at fair value through other comprehensive income	–	42,034	–	–	42,034	42,034	–
Financial assets not measured at fair value							
Trade and other receivables*	11,271	–	–	–	11,271		
Cash and cash equivalents	29,005	–	–	–	29,005		
	40,276	–	–	–	40,276		
Financial liabilities measured at fair value							
Derivative liabilities	–	–	–	7,327	–	–	7,327
Financial liabilities not measured at fair value							
Loans and borrowings	–	–	–	1,142,272	1,142,272		
Loan from a related party	–	–	–	22,290	22,290		
Lease liabilities	–	–	–	1,815	1,815		
Loan from non-controlling interests	–	–	–	277,058	277,058		
Trade and other payables#	–	–	–	31,783	31,783		
	–	–	–	1,475,218	1,475,218		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

35 FINANCIAL INSTRUMENTS (cont'd)

Market risk (cont'd)

Accounting classifications and fair values (cont'd)

	Carrying amount					Fair value
	Amortised cost $'000	**FVOCI – equity instruments $'000**	**FVTPL $'000**	**Other financial liabilities $'000**	**Total carrying amount $'000**	**Level 1 $'000**
Group						
2019						
Financial assets measured at fair value						
Financial assets at fair value through other comprehensive income	–	74,720	–	–	74,720	74,720
Financial assets at fair value through profit or loss	–	–	29,293	–	29,293	29,293
	–	74,720	29,293	–	104,013	
Financial assets not measured at fair value						
Trade and other receivables*	4,673	–	–	–	4,673	
Cash and cash equivalents	101,030	–	–	–	101,030	
	105,703	–	–	–	105,703	
Financial liabilities not measured at fair value						
Loans and borrowings	–	–	–	952,488	952,488	
Loan from a related party	–	–	–	21,316	21,316	
Loan from non-controlling interests	–	–	–	193,400	193,400	
Trade and other payables#	–	–	–	13,237	13,237	
	–	–	–	1,180,441	1,180,441	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

35 FINANCIAL INSTRUMENTS (cont'd)

Market risk (cont'd)

Accounting classifications and fair values (cont'd)

	Carrying amount					Fair value
	Amortised cost $'000	FVOCI – equity instruments $'000	FVTPL $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000
Company						
2020						
Financial assets measured at fair value						
Financial assets at fair value through other comprehensive income	–	42,034	–	–	42,034	42,034
Financial assets not measured at fair value						
Amounts due from subsidiaries	384,192	–	–	–	384,192	
Trade and other receivables*	3,580	–	–	–	3,580	
Cash and cash equivalents	341	–	–	–	341	
	388,113	–	–	–	388,113	
Financial liabilities not measured at fair value						
Loans and borrowings	–	–	–	27,131	27,131	
Trade and other payables#	–	–	–	4,138	4,138	
	–	–	–	31,269	31,269	
2019						
Financial assets measured at fair value						
Financial assets at fair value through other comprehensive income	–	74,720	–	–	74,720	74,720
Financial assets at fair value through profit or loss	–	–	29,293	–	29,293	29,293
	–	74,720	29,293	–	104,013	
Financial assets not measured at fair value						
Amounts due from subsidiaries	325,391	–	–	–	325,391	
Trade and other receivables*	2,390	–	–	–	2,390	
Cash and cash equivalents	70,596	–	–	–	70,596	
	398,377	–	–	–	398,377	
Financial liabilities not measured at fair value						
Loans and borrowings	–	–	–	77,588	77,588	
Trade and other payables#	–	–	–	3,006	3,006	
	–	–	–	80,594	80,594	

* Excludes prepaid expenses of $1,726,000 (2019: $3,150,000) and $39,000 (2019: $28,000) for the Group and the Company, respectively. It also excludes tax recoverable of $1,324,000 (2019: $2,150,000) for the Group.

\# Excludes deferred income of $592,000 (2019: $268,000) and $324,000 (2019: Nil) for the Group and the Company, respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

35 FINANCIAL INSTRUMENTS (cont'd)

Market risk (cont'd)

Accounting classifications and fair values (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.

36 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

Key management personnel compensation

	Group	
	2020	**2019**
	$'000	**$'000**
Short-term employee benefits	1,976	2,108
Contributions to defined contribution plans	59	58
	2,035	2,166

Other related party transactions

	Transaction value for the year ended 31 March	
	2020	**2019**
	$'000	**$'000**
Property consultancy fees payable to American Pacific International Capital, Inc ("APIC") [1]	495	685
Interest paid/payable to APIC	1,547	1,981
Rental income received/receivable from OKH Holdings Pte. Ltd. ("OKH") [2]	(126)	(111)

[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 44.3% held by Haiyi, the controlling shareholder of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

37 SUBSEQUENT EVENT

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. The outbreak has created a high level of uncertainty to the near-term global economic prospects.

The outbreak has resulted weak property market sentiments and economy slowdown. All sales galleries set up by developers to market and sell their properties are requested to close until further notice. During this period, the Group has implemented integrated marketing strategy to promote its development include providing virtual show flat tours and online sales presentations to potential buyers. The Group's residential projects in Singapore continued to register sales during the outbreak.

The outbreak has negatively affected the performance of the Group's retail mall. Rental income subsequent to year end is expected to be lower.

The impact to the Group's financial position and financial performance subsequent to year end is contingent on the length and intensity of the economic downturn and the speed of the subsequent economic recovery. The Group will continue to monitor market conditions closely, particularly the effects of the pandemic on the property sector.

STATISTICS OF SHAREHOLDINGS

As at 3 July 2020

Class of Shares	:	Ordinary
Number of Shares	:	4,236,135,775
Number of Shares (excluding Treasury Shares)	:	4,212,025,475
Number / Percentage of Treasury Shares held	:	24,110,300 / 0.57%
Number of subsidiary holdings held	:	Nil
Voting rights	:	One vote per share (excluding treasury shares)

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares (excluding treasury shares)	%
1 – 99	20	0.61	978	0.00
100 – 1,000	362	11.02	143,459	0.00
1,001 – 10,000	675	20.55	4,326,235	0.10
10,001 – 1,000,000	2,174	66.18	223,978,755	5.32
1,000,001 and above	54	1.64	3,983,576,048	94.58
	3,285	100.00	4,212,025,475	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%*
1	Citibank Nominees Singapore Pte Ltd	2,829,864,546	67.19
2	Phillip Securities Pte Ltd	363,840,521	8.64
3	Acquire Wealth Limited	220,000,000	5.22
4	DBS Nominees Pte Ltd	176,677,215	4.20
5	Maybank Kim Eng Securities Pte Ltd	54,031,506	1.28
6	Goi Seng Hui	42,166,550	1.00
7	HSBC (Singapore) Nominees Pte Ltd	41,520,000	0.99
8	Raffles Nominees (Pte) Ltd	37,933,365	0.90
9	Goh Bee Lan	36,430,000	0.87
10	United Overseas Bank Nominees Pte Ltd	33,720,750	0.80
11	UOB Kay Hian Pte Ltd	23,309,800	0.55
12	DBS Vickers Securities (S) Pte Ltd	10,915,800	0.26
13	Ong Kian Kok	9,448,400	0.22
14	Fong Kim Chit	6,810,600	0.16
15	Chean Sock Hoon	6,755,100	0.16
16	OCBC Nominees Singapore Pte Ltd	4,829,245	0.11
17	Tan Tong Chee	4,300,000	0.10
18	Mao Jinshan	4,075,600	0.10
19	Tan Chong Meng	4,017,300	0.10
20	RHB Securities Singapore Pte Ltd	3,856,000	0.09
		3,914,502,298	92.94

* The percentage of issued ordinary shares is calculated based on the total number of issued ordinary shares of the Company, excluding 24,110,300 treasury shares as at 3 July 2020.

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF PUBLIC

23.73% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

STATISTICS OF SHAREHOLDINGS

As at 3 July 2020

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 3 July 2020)

	Direct Interest		Deemed Interest	
	No. of Shares	% [1]	No. of Shares	% [1]
Haiyi Holdings Pte. Ltd.	2,660,713,367	63.17	–	–
Gordon Tang [2]	–	–	2,880,713,367	68.39
Celine Tang [3]	–	–	2,660,713,367	63.17
Acquire Wealth Limited	220,000,000	5.22	–	–
New Palace Developments Limited [4]	–	–	220,000,000	5.22
Neil Bush [5]	–	–	220,000,000	5.22

Notes:

(1) Calculated as a percentage of the total number of issued ordinary shares, excluding 24,110,300 treasury shares.

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

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

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

(5) Mr. Neil Bush and his spouse are ultimate shareholders of NPDL. It is assumed that NPDL is, or its directors are accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of Mr. Neil Bush. Accordingly, Mr. Neil Bush is deemed to have an interest in the shares which NPDL is interested in by virtue of Section 7 of the Companies Act.

NOTICE OF ANNUAL GENERAL MEETING

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

This Notice has been made available on the home page of the Company's corporate website (www.singhaiyi.com), SGXNET and the following URL: sg.conveneagm.com/singhaiyi. A printed copy of this Notice will not be despatched to members of the Company.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of SingHaiyi Group Ltd. (the "**Company**") will be held by way of electronic means on Thursday, 6 August 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolutions as set out below:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2020 together with the Auditors' Report thereon. **(Resolution 1)**

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

   Mr. Neil Bush **(Resolution 2)**

   Mr. Gn Hiang Meng **(Resolution 3)**

   Ms. Yang Manlin **(Resolution 4)**

   Note:

   Mr. Neil Bush will, upon re-election as a Director of the Company, remain as Non-Executive Chairman and Non-Independent Director.

   Mr. Gn Hiang Meng will, upon re-election as a Director of the Company, remain as Non-Executive and Lead Independent Director, Chairman of the Audit Committee and members of Nominating and Remuneration Committees respectively and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

   Ms. Yang Manlin will, upon re-election as a Director of the Company, remain as Non-Executive and Independent Director.

3. To approve the payment of Directors' fees of S$301,000.00 for the financial year ending 31 March 2021, to be paid quarterly in arrears. **(Resolution 5)**

4. To re-appoint KPMG LLP as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

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

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

6. **Authority to allot and issue new shares**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

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

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

(b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution provided the options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution of the Company for the time being in force; and

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

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

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

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

(Resolution 8)

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

That:

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

(i) on-market purchase(s) (each a "**On-Market Purchase**") on the Mainboard ("**SGX-Mainboard**") of the SGX-ST; and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected pursuant to an equal access scheme as defined in Section 76C of the Act ("**Equal Access Scheme**") as may be determined or formulated by the Directors as they consider fit, which Off-Market Purchase on an Equal Access Scheme shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Share Buy-Back Mandate, the Constitution, the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

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

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

(ii) the date on which the purchases or acquisitions of Shares by the Company are carried out to the full extent mandated; or

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

(the "**Relevant Period**")

NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

"**Maximum Limit**" means ten per cent (10%) of the total number of Shares (excluding any treasury shares and subsidiary holdings, if any) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the said reductions of share capital (excluding any treasury shares and subsidiary holdings, if any, that may be held by the Company as at that date. Any Shares which are held as treasury shares will be disregarded for purposes of computing the ten per cent (10%) limit;

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

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

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

where:

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

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

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

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.
[See Explanatory Note (iii)]

(Resolution 9)

By Order of the Board

Kevin Cho
Company Secretary

Singapore, 15 July 2020

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) The Ordinary Resolution 7 in item 6 above, if passed, will empower the Directors of the Company, effective until the earlier of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held. The aggregate number of Shares to be issued pursuant to Resolution 7 (including Shares to be issued pursuance of Instruments made or granted) is subject to a limit of 50% of the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis, calculated as described in Resolution 7.

(ii) The Ordinary Resolution 8 in item 7 above, if passed will empower the Directors of the Company, from the date of this Meeting (as defined below) until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) 15% of the total number of issued shares excluding treasury shares and subsidiary holdings, if any in the capital of the Company from time to time, and the aggregate number of ordinary shares which may be issued pursuant to the Scheme and any other share based schemes (if applicable) shall not exceed 15% of the total issued share capital of the Company (excluding treasury shares and subsidiary holdings, if any) from time to time.

(iii) The Ordinary Resolution 9 in item 8 above, if passed, will empower the Directors of the Company, effective until the earlier of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, to repurchase or otherwise acquire Shares in accordance with the terms and conditions set out in the Appendix dated 15 July 2020.

Notes:

<u>General</u>

1. In line with the provisions under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, members of the Company will **<u>NOT</u>** be allowed to attend the AGM in person. The AGM will be held by way of electronic means.

2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Company's announcement dated 15 July 2020 titled "General Meetings to be held on 6 August 2020" which has been uploaded together with this Notice of Annual General Meeting on SGXNet on the same day. Members of the Company can participate in the AGM by:

    a. watching or listening to the AGM proceedings via a Live Webcast (as defined below). Shareholders who wish to participate as such will have to pre-register in the manner outlined in Note 3 below;

    b. submitting questions ahead of the AGM. Please refer to Notes 6 to 8 below for further details; and

    c. voting by proxy at the AGM. Please refer to Notes 9 to 15 below for further details.

<u>Participation in AGM proceedings via "live webcast"</u>

3. A member will be able to watch the proceedings of the AGM through a "live" webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed ("**Live Webcast**"). In order to do so, a member who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.30 a.m. on 3 August 2020 ("**Registration Deadline**"), at the followings URL: <u>sg.conveneagm.com/singhaiyi</u>, to create an account.

4. Following authentication of his/her/its status as member, such member will receive email instructions on how to access the Live Webcast using the account created or "live" audio feed.

5. Members who have pre-registered by Registration Deadline but do not receive the aforementioned email by 10.30 a.m. on 5 August 2020 should contact the Company at the email address: <u>ir@singhaiyi.com</u>, with the following details included: (1) the member's full name; and (2) his/her/its identification/registration number.

NOTICE OF ANNUAL GENERAL MEETING

Submission of questions prior to the AGM

6. A member of the Company may also submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations. The Company will endeavour to address questions which are substantial and relevant.

7. To do so, all questions must be submitted no later than the Registration Deadline through any one of the following means:

   (a) by email to ir@singhaiyi.com; or

   (b) by depositing the physical copy at the Company's registered office at 6 Shenton Way, #45-01 OUE Downtown 1, Singapore 068809; or

   (c) via the URL: sg.conveneagm.com/singhaiyi.

8. If the questions are deposited in physical copy at the Company's registered office or sent via email, and in either case not accompanied by the completed and executed Proxy Form (as defined below), the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

Voting by proxy

9. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**"), failing which the appointment will be treated as invalid.

10. The Chairman of the Meeting, as proxy, need not be a member of the Company.

11. The Proxy Form, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must be submitted through any one of the following means not less than 48 hours before the time appointed for the meeting:

   (a) by sending a scanned PDF copy by email to ir@singhaiyi.com; or

   (b) by depositing a physical copy at the Company's registered office at 6 Shenton Way, #45-01 OUE Downtown 1, Singapore 068809; or

   (c) via the URL: sg.conveneagm.com/singhaiyi.

12. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

13. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (such as in the case where the appointor submits more than one Proxy Form).

14. In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

NOTICE OF ANNUAL GENERAL MEETING

15. A member of the Company who holds his/her shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Approved Bank) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

    * A Relevant Intermediary is:

    (a) a banking corporation licensed under the Banking Act, Chapter 19 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

    (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act, Chapter 289 and who holds shares in that capacity; or

    (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By pre-registering for the Live Webcast, submitting the Proxy Form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Mr. Neil Bush, Mr. Gn Heng Meng and Ms Yang Manlin are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 6 August 2020 at 10.00 a.m. ("**AGM**") (collectively, the "**Retiring Directors**") and each a "**Retiring Director**").

Pursuant to Rule 720(6) and Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the following additional information on Mr. Neil Bush, Mr. Gn Hiang Meng and Ms. Yang Manlin, all of whom are seeking re-election as Directors at AGM is set out below:

Name of Director	Mr. Neil Bush	Mr. Gn Hiang Meng	Ms. Yang Manlin
Date of Appointment	22 April 2013	1 December 2013	1 October 2016
Date of Last Re-Appointment	27 July 2017	27 July 2017	27 July 2017
Age	65	72	29
Country of Principal Residence	United States	Singapore	Hong Kong
The Board's comments on the re-appointment	The Board has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr. Bush's performance, contribution and experience and recommended his reappointment.	The Board has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr. Gn's performance, contribution and experience and recommended his reappointment.	The Board has accepted the Nominating Committee's recommendation, which has reviewed and considered Ms. Yang's performance, contribution and experience and recommended her reappointment.
Whether the appointment is executive, and if so the area of responsibility	No	No	No
Job Title	Chairman, Non-Executive & Non-Independent Director	Non-Executive & Lead Independent Director, Chairman of the Audit Committee and members of Nominating and Remuneration Committees	Non-Executive & Independent Director
Professional Qualifications	Bachelor's Degree in International Economics and from the Tulane University Freeman School of Business with a Master's Degree in Business Administration	Bachelor's Degree of Business Administration (Honours) from the National University of Singapore	Diploma in Accounting and Business (Association of Chartered Certified Accountants)

NOTICE OF ANNUAL GENERAL MEETING

Name of Director	Mr. Neil Bush	Mr. Gn Hiang Meng	Ms. Yang Manlin
Working Experience and occupation(s) in the past 10 years	Mr. Neil Bush was first appointed as Non-Executive Chairman on 22 April 2013. Mr. Bush is a director of American Pacific International Capital, Inc. ("APIC") and a business partner of Mr. Gordon Tang (a former Non-Executive Director) through the Company. Mr. Bush has been involved in energy and international business development for over three decades beginning in 1980 where he worked with Amoco Production Company (now known as BP plc) in Denver, Colorado. During the 1980s, Mr. Bush formed two independent oil companies that explored for oil in various states in the United States including Wyoming, Colorado, California and Michigan, as well as in Argentina. For the past 30 years, Mr. Bush has engaged in various international business development activities in China and the Middle East. He has travelled to at least 34 cities in China and has worked with numerous entities on a variety of projects including real estate development, education, healthcare and manufacturing business.	Mr. Gn has more than 30 years of investment banking and hospitality industry experience. He was a senior banker with the United Overseas Bank Group for 28 years and was the Deputy President of UOL Group prior to his retirement in 2007.	Ms. Yang was first appointed as Alternate Director to Mr. Yang Dehe, who was an Independent Non-Executive Director of SingHaiyi, on 1 August 2014, and subsequently appointed as Independent Non-Executive Director of the Company on 1 October 2016. Ms. Yang has several years of experience in the accounting field. She also serves as a Director of Hai Run Pte Ltd, a shareholder of the Company.
Shareholding interest in the listed issuer and its subsidiaries	Deemed Interest: 220,000,000	Direct Interest: 750,000	Deemed Interest: 207,000,000
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes	Yes

NOTICE OF ANNUAL GENERAL MEETING

Name of Director	Mr. Neil Bush	Mr. Gn Hiang Meng	Ms. Yang Manlin
Other Principal Commitments Including Directorships			
Past (for the last 5 years)	• Luoil, LLC • TX Oil, LLC • Great Texas Regional Center • Escalara Resources (ESCR) • Nexus Energy Corporation	• Treasure Resort Private Limited	None
Present	• American Pacific International Capital, Inc • Hong Kong Finance Investment Holding Group • Neil Bush Global Advisers • Greffex Inc.	• Centurion Corporation Limited • Haw Par Corporation Limited • Koh Brothers Group Limited • Tee International Limited	• Hai Run Pte Ltd • Guangzhou Wan Xing Real Estate Exploitation Co., Ltd
Information required pursuant to Listing Rule 704(7)			
a Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
c Whether there is any unsatisfied judgment against him?	No	No	No

NOTICE OF ANNUAL GENERAL MEETING

Name of Director	Mr. Neil Bush	Mr. Gn Hiang Meng	Ms. Yang Manlin
Information required pursuant to Listing Rule 704(7)			
d Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

NOTICE OF ANNUAL GENERAL MEETING

Name of Director	Mr. Neil Bush	Mr. Gn Hiang Meng	Ms. Yang Manlin
Information required pursuant to Listing Rule 704(7)			
i Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	Mr. Gn is an independent non-executive director of TEE International Limited ("TEEI"). TEEI had, on 4 March 2020, received an order under section 20 of the Criminal Procedure Code (Cap. 68) of Singapore ("CPC") to produce various categories of documents to the Commercial Affairs Department ("CAD") to assist with an investigation into an offence under the Penal Code (Chapter 224) of Singapore pursuant to the provisions of the CPC. TEEI had also received a notice to provide assistance to gain access to the computers containing any corporate email accounts and instant messages/chat accounts assigned to (i) the Company's former Group Chief Executive (ii) Group Chief Financial Officer and (iii) the Financial Controller. On 4 March 2020, the CAD took certain documents and items from the premises of TEEI.	No

NOTICE OF ANNUAL GENERAL MEETING

Name of Director	Mr. Neil Bush	Mr. Gn Hiang Meng	Ms. Yang Manlin
Information required pursuant to Listing Rule 704(7)			
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	Mr. Gn was a Non-Executive Director of UOB Asia Limited which in November 2000 was served with 2 charges under section 97 and 2 charges under section 99 of Singapore's Securities Industry Act ("SIA") in respect of its handling of the initial public offering of shares by e. World of Sports.com Limited and Hua Kok International Limited. UOB Asia Limited (wholly owned subsidiary of United Oversea Bank Limited) pleaded guilty to the 2 charges under section 99 of the SIA and was fined $400,000. The other 2 charges under section 97 of the SIA were not proceeded with but were taken into consideration for the purpose of sentencing.	No
k Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

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

IMPORTANT:
1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting are set out in the Company's announcement dated 15 July 2020 titled "General Meetings to be held on 6 August 2020" which has been uploaded together with the Notice of Annual General Meeting ("**AGM**") dated 15 July 2020 on SGXNet on the same day. The same may also be accessed at home page of the Company's corporate website (www.singhaiyi.com)
2. A member will not be able to attend the AGM in person.
3. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them
4. A printed copy of this Proxy Form will **not** be despatched to members of the Company.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We*, ______________________________

NRIC/Passport/Registration No. ______________________________

of ______________________________

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

The Chairman of the Meeting

as my/our proxy/proxies* to vote for me/us* on my/our* behalf at the Annual General Meeting ("**AGM**") of the Company to be held by way of electronic means on Thursday, 6 August 2020 at 10.00 a.m. and at any adjournment thereof.

No.	Resolutions relating to:	No. of Votes For [(1)]	No. of Votes Against [(1)]	No. of Votes Abstain [(1)]
1.	Adoption of the Directors' Statement and Audited Financial Statements for the Company for the financial year ended 31 March 2020 together with the Auditors' Report thereon.			
2.	Re-election of Mr. Neil Bush as a Director.			
3.	Re-election of Mr. Gn Hiang Meng as a Director.			
4.	Re-election of Ms. Yang Manlin as a Director.			
5.	Approval of the payment of Directors' fees of S$301,000.00 for the financial year ending 31 March 2021, to be paid quarterly in arrears.			
6.	Re-appointment of KPMG LLP as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration.			
7.	Authority to allot and issue new shares.			
8.	Authority to allot and issue shares under the SingHaiyi Share Option Scheme 2013.			
9.	Renewal of Share Buy-Back Mandate.			

[(1)] Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the AGM, please indicate with a "✓" in the space provided under "**For**" or "**Against**". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the AGM, please indicate with a "✓" in the space provided under "**Abstain**". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "**For**" or "**Against**" or "**Abstain**". In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.

Dated this __________ day of ____________________ 2020

____
Signature of Member(s)
or, Common Seal of Corporate Shareholder

Total number of Shares in:	
(a) CDP Register	
(b) Register of Members	

* Delete where inapplicable

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the Shares held by you.

2. In line with the provisions under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Alternative Arrangements Order**"), the AGM will be held by way of electronic means and members of the Company will **NOT** be allowed to attend the AGM in person.

3. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. This Proxy Form must be submitted through any one of the following means not less than 48 hours before the time appointed for the Meeting:

   (a) by sending a scanned PDF copy by email to ir@singhaiyi.com; or

   (b) by depositing a physical copy at the Company's registered office at 6 Shenton Way, #45-01 OUE Downtown 1, Singapore 068809; or

   (c) via the following URL: sg.conveneagm.com/singhaiyi in the electronic format.

6. In the case of submission of this Proxy Form other than via the URL: sg.conveneagm.com/singhaiyi, this Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.

7. A member of the Company who holds his/her shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Approved Bank) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

   * A Relevant Intermediary is:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore.

Personal Data Privacy:

By submitting this Proxy Form appointing the Chairman of the meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 July 2020.

General:

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

SINGHAIYI
GROUP

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