

ANNUAL REPORT 2014

CRAFTING SUCCESS CREATING VALUE



SINGHAIYI
GROUP

CRAFTING SUCCESS, CREATING VALUE

It takes creativity, dedication, and skillful hands to be able to turn a rough stone into a precious gem. And only a mind of vision can see value beneath a jagged piece of matter. As a premier property developer and investor, SingHaiyi has crafted its growth through the same process. It recognises potential, builds it, refines it, and makes it shine; thereby creating value that reinforces growth – a craftsmanship of success.

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This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this annual report. This annual report has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Mr Ong Hwee Li (Telephone: 65-6221 5590) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

VISION

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

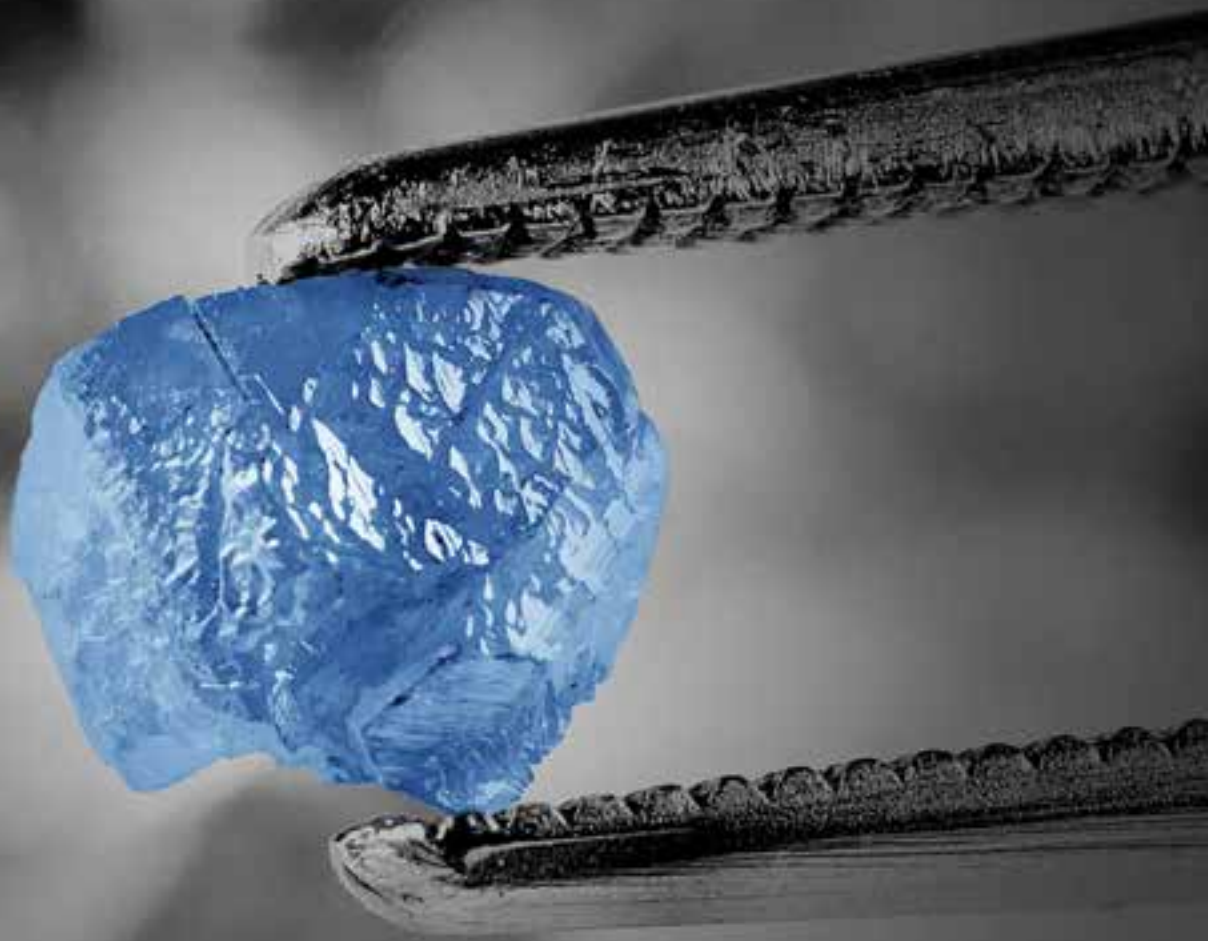
MISSION

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

CORPORATE PROFILE

SingHaiyi Group Ltd. specialises in property development, real estate investment and property management in Singapore and the US. With strong parentage and strategic support from its major shareholders, the Group is backed by a Board and Management team with deep insights and strong connections on which the Group is able to tap for unique and rare opportunities.

The Group's exposure to various segments of the real estate sector in Singapore and the US stands as a testament to its calculated diversification strategy, which is designed not only to mitigate systemic and sovereign risks but also to provide stability and visibility to earnings so as to ensure accountability and deliver value to shareholders.



POTENTIAL



What others see as ordinary, we envision what can be. As we see a promising venture, we direct our steps towards its realisation. Our portfolio is a testament to how we are able to recognise potential and draw from our experience to generate something of value and excellence.

OUR BUSINESS

A GROWING AND DIVERSIFIED REAL ESTATE COMPANY

Operationally focused in the US and Singapore, SingHaiyi Group Ltd. develops and invests in residential, office, retail and hospitality properties. Backed by an experienced management team, the Group is dedicated to achieving sustainable growth through yield-accretive acquisitions, quality property developments, innovative asset enhancement strategies and proactive property management.

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

SingHaiyi's operations in the US is supported by a skilled team on the ground as well as American Pacific International Capital Inc. ("APIC"), the Group's sister firm whose extensive network and resources provides it with niche opportunities across the country. The Group's mandate to expand geographically was approved by shareholders in June 2013 and since then, SingHaiyi has made three acquisitions across two US states which have already started contributing to the earnings of the Group. The deep-value nature of one such purchase, Tri-County Mall in Cincinnati, Ohio, also provided the Group with a S\$16.6 million boost to FY2014 earnings based on gain on bargain purchase. Plans to either develop, re-develop or enhance these properties are underway and these, along with further potential acquisitions, are expected to contribute even more meaningfully to earnings over the next three to five years.

In Singapore, SingHaiyi's expertise lies predominantly in the development of public and private residential property, through which the Group tirelessly finds new ways to break new ground. The Group will be delivering new homes to the owners of Charlton Residences ahead of schedule in 2014 and will concentrate on the development of its remaining four residential projects thereafter. In the past year, the Group has also ventured into the office and retail spaces in Singapore with its investment into TripleOne Somerset, a mixed development along the prime shopping belt in Orchard Road. Having recently secured its new executive condominium project in Anchorvale Crescent, the Group will continue to capitalise on opportunities to expand the breadth of its offering and expertise, while building up competence in property management.

U.S		SINGAPORE	
Development Properties	Investment Properties	Development Properties	Investment Properties
Commercial Condominium	Retail, Senior's living	Public & private housing segments	Retail, Office segments

CHAIRMAN'S MESSAGE

主席致辞

Dear Shareholders,

A TRANSFORMATIONAL YEAR

On behalf of the Board of Directors, I am pleased to report an outstanding financial year ended 31 March 2014 ("FY2014") for SingHaiyi Group Ltd.

Since the entry of the Group's controlling shareholder, Haiyi Holdings Pte Ltd – which is owned by our Non-Executive Director Gordon Tang and Group Managing Director Serena Chen – the Group has seen a remarkable transformation in its portfolio mix and size, as well as financial performance.

Thanks to a favourable right-of-first-refusal agreement with American Pacific International Capital Inc. ("APIC"), a US-based property investment firm owned by Gordon and Serena, SingHaiyi has been able to reach and access niche pockets of real estate investment opportunities across the US.

Backed by this strong parentage and strategic support from its controlling shareholders, the Group's new management team has, over the course of a year, successfully strengthened and diversified the business in terms of both geographical and asset mix.

With your support, the Group raised S\$226.0 million via a rights issue and placement exercise in June last year to fund its new strategic expansion into the US real estate market. Within a span of less than six months, the Group made three investments in the US, two of which – Vietnam Town and Tri-County Mall – contributed to FY2014's earnings. In February 2014, the Group made its third US investment into 5 Thomas Mellon Circle, intended for development into a unique high-end residential community project for senior citizens in San Francisco, California.

Closer to home, the Group leveraged on its strong relationships with strategic partners and forayed into the retail and commercial sector with a 20% equity investment in TripleOne Somerset in January this year. The Group also successfully tendered for an executive condominium housing development project in Anchorvale Crescent in February 2014.

The combination of the management team's expertise, foresight and business acumen resulted in SingHaiyi recording a significant improvement in both top- and bottom-line growth in FY2014. Reaping the benefits of its US strategy, the Group reported a three-fold increase in revenue from S\$17.0 million in FY2013 to S\$57.0 million in FY2014, and a 13-fold hike in profit after tax and minority interests to S\$23.2 million in FY2014 from S\$1.7 million a year ago.

各位股东,

转型的一年

本人谨代表董事会, 我很高兴向大家呈现新海逸截至2014年3月31日财年(“2014财年”)的优秀表现。

自从集团的控股股东——海逸控股投入股本集团, 一家由我们的非执行董事唐逸刚和集团董事经理陈怀丹所拥有的公司, 集团的投资组合配搭与规模, 加上财务表现, 都出现了显著的转变。


得益于美国太平洋国际资本有限公司(简称“APIC”), 这家由唐逸刚和陈怀丹所拥有的美国房地产投资公司, 所给予集团的优先购买权, 新海逸因此获得美国独特的房地产投资机遇。

通过控股股东的强大背景和战略支持, 在过去的一年, 集团新的管理团队已成功将集团的业务多元化的组合。

在各位的支持下, 集团在去年6月通过配售及增发新股融资2亿2600万新元, 以作为我们进军美国房地产市场新策略的资金。在不到六个月期间, 集团在美国进行了三项投资, 其中两项——Vietnam Town和Tri-County Mall, 为集团2014财年的盈利做出了贡献。2014年2月, 集团进行了在美国的第三项投资, 在加州三藩市买下了5 Thomas Mellon Circle, 有意将它开发为一个独特的高端乐龄住宅社区。

在新加坡方面, 今年一月份, 集团与战略合作伙伴联手进军零售与商业房地产领域, 买下111索美赛(TripleOne Somerset), 集团占20%股权。集团也在2014年2月成功标下安谷弯(Anchorvale Crescent)的一块执行共管公寓(Executive Condominium)住宅开发地段。

管理团队的专业能力、远见和商业眼光, 让新海逸能够在2014财年创下显著的营业额与盈利增长。加上美国投资带来的收益, 集团的营业额从2013财年的1700万新元, 在2014财年增加三倍达到了5700万新元。除税及少数股东权益后盈利增加了十三倍, 从一年前的170万新元增加13倍到2014财年的2320万新元。

A professional portrait of Neil Bush, a middle-aged man with short brown hair, wearing a dark suit, white shirt, and a red and blue striped tie. He is standing against a dark blue background. The lighting is soft, highlighting his face and suit.

“The combination of the management team’s expertise, foresight and business acumen resulted in SingHaiyi recording a significant improvement in both top- and bottom-line growth in FY2014.”

Neil Bush
Non-Executive Chairman

CHAIRMAN'S MESSAGE

主席致辞

POISED FOR GROWTH

Our track record and achievements have placed SingHaiyi in a strong position to exploit opportunities for further growth in Singapore and the US.

Over the next 12 months, we expect to see more contribution from our Singapore public housing project, Pasir Ris One. In the US, we also anticipate selling additional units at our Vietnam Town project and enjoy full-year rental contribution from Tri-County Mall.

Together with our partners, we are currently developing four residential property projects in Singapore and one commercial property project in US with a combined gross development value of approximately S\$1.4 billion. The strong upside growth of our projects, coupled with a rising stable recurring income, undoubtedly puts the Group in good stead in the next three to five years.

To date, we have a war chest of about S\$93.4 million from funds raised through the rights issue and placement exercise in June 2013, for future investments in the US. Most recently in June this year, the Group established a S\$500-million Multicurrency Debt Issuance Programme which will provide the Group with further funding for its growth plans, as and when required.

While we have gained some success in executing our growth strategy, we are mindful of not resting on our laurels. The Group will continue to work hard to leverage on its deep transnational industry expertise, and actively build up a portfolio of diversified and value-accretive assets.

FOCUSED ON SHAREHOLDER VALUE

Our fundamental strategy for building shareholder value is to pursue sustainable long-term growth in our business. SingHaiyi is a fast-growing company and we trust that as we expand our capital base and deliver on our growth strategy, retail and institutional investors alike will come to recognise our investment merits.

On this note, I am pleased to highlight that SingHaiyi has been admitted into the MSCI Singapore Small Cap Index in November 2013, which underscores our improvements in the ratios used by the investment community. As part of the Group's efforts to improve its investment viability among institutional investors, as well as increase market interest of its shares, the Group undertook a 10-to-1 share consolidation exercise in January 2014 which was completed in March 2014.

蓄势待发

我们的良好纪录与成绩，让新海逸处于一个有利位置，能够充分利用新加坡和美国的机会获得进一步的增长。

在接下来的12个月，预计我们的新加坡组屋项目Pasir Ris One将为集团做出更多贡献。在美国，我们也将卖出更多Vietnam Town项目的单位，并继续享有Tri-County Mall所带来的全年租金收益。

我们目前正在与合作伙伴开发四个位于新加坡的住宅房地产项目和一个位于美国的商业房地产项目，总开发价值14亿新元。这些项目的增值，加上持续和稳定的收入，无疑使集团在未来三到五年的前景光明。

至今，我们的美国项目融资余额是9340万新元。在今年6月，集团设立了一个5亿新元的多货币债券发行计划，将让集团在需要时为增值计划提供资金。

虽然我们的增长策略已取得了一些成功，集团将继续努力，善用我们的跨国投资优势，积极建立一个多元化和增值型的资产组合。

专注于股东价值

稳定增长和可持续发展是集团的股东价值策略。新海逸是一家快速增长的企业。我们相信，随着集团的资本扩充并实现我们的增长策略，投资者将逐渐认识到我们的优势。

新海逸已经在2013年11月被纳入了摩根士丹利新加坡小型股指数，可见投资界已经提升对集团的关注。为了吸引机构投资者，集团在2014年1月进行了10合1并股计划，并在2014年3月完成。

A NOTE OF APPRECIATION

At this juncture, I would like to take the opportunity to congratulate Serena who was re-designated as Group Managing Director on 1 December 2013. I would also like to welcome the new directors who bring to the Board a wealth of experience and diverse insights, namely Lead Independent Director Mr. Gn Hiang Meng, Independent Director Mr. David Hwang, Independent Director Mr. Jason Lim, and Independent Director Mr. Yang Dehe.

We would not be where we are today, without the support of you, our shareholders, as well as our business partners, customers and employees. On behalf of the Board, we look forward to your continued support as we seek to grow SingHaiyi to a bigger, better company.

Neil Bush

Non-Executive Chairman

鸣谢

我想借此机会祝贺在2013年12月1日被任命为集团董事经理的陈怀丹女士。我也在此欢迎为董事会带来丰富经验和多元化见解的新董事，分别是首席独立董事Gn Hiang Meng先生、独立董事David Hwang先生、独立董事Jason Lim先生，以及独立董事Yang Dehe先生。

我们今天的成绩离不开各位股东、商业伙伴、客户以及全体员工的支持。谨代表董事会，我们期盼您一如既往的支持，让新海逸明天更美好！

尼尔布什

非执行主席

GROUP MANAGING DIRECTOR'S MESSAGE

集团董事长致辞

Dear Shareholders,

CRAFTING SUCCESS, CREATING VALUE

FY2014 was a year of diversified growth for the SingHaiyi Group. Not only did we expand our operational focus to include investments into the office and retail segments in Singapore, we also ventured into the US real estate market and made three deep value acquisitions within a span of six months.

Our strong set of results this year clearly demonstrates how our new course of direction has, and will continue to benefit the Group. We view the past year's achievement as a clear testament to our teams' capabilities as well as the value the Group is able to extract from its relationship with APIC.

For the financial year under review, the Group reported a 235.3% growth in revenue from S\$17.0 million in FY2013 to S\$57.0 million in FY2014, while profit after tax and minority interests jumped from S\$1.7 million last year to S\$23.2 million in FY2014. It is notable that revenue contributions from the US accounted for 20.8% of overall revenue this year. This is despite the fact that we did not enjoy a full year of contributions from our US projects. All three of our US acquisitions are performing, out of which two contributed to our FY2014 results.

CAPITALISING ON UNIQUE OPPORTUNITIES IN THE US

Tapping on APIC's resources, the Group was able to enter into its niche investments in the US at significant discounts. Tri-County Mall, for instance, was purchased at a 77% discount to its unaudited net book value as at 30 June 2013. As the property will remain as a yield-generative investment asset, the Group was able to recognise a S\$16.6 million day-one gain resulting from the purchase of this asset in FY2014.

We believe that the value SingHaiyi is able to extract from APIC's network and ground knowledge in the US is evident through these acquisitions, which were made in relatively quick succession. Not only are we able to share resources, but APIC's capabilities and physical presence in the US affords us unique opportunities, which cannot easily be replicated. The Right-of-First-Refusal agreement undertaken by APIC, endorsed by Shareholders, which ensures that all US projects encountered by APIC must first be offered to SingHaiyi at the same cost incurred by APIC, has to-date, served as a good launch pad for SingHaiyi to kick start its expansion into the US. Procedures have been established to ensure transactions with APIC are adhered and reviewed by our lawyers and Sponsor to ensure the interested person transactions are properly identified and disclosed where necessary.

各位股东

打造成功，创造价值

2014财年是新海逸集团向多元化发展的转折点。我们不仅将业务拓展至新加坡的商业领域，同时进军美国房地产市场，并在六个月内做出了三项深有价值 and 潜能的收购。

今年卓越业绩证明了我们团队的能力，也体现多元化策略有利于集团的发展，同时也显示了集团从美国太平洋国际资本有限公司（简称“APIC”）的关系中所获得的优势。

在过去的这一财年，集团的营业额从2013财年的1700万新元增长了235.3%到5700万新元，而除去税及少数股东权益后盈利从去年170万新元升至2014财年的2320万新元。值得一提的是，美国在不到一年内的营业额就已占据了今年整体营业额的20.8%。我们三个美国收购项目都表现良好，其中两个已为我们的2014财年业绩做出了贡献。

把握美国市场的独特商机

这财年，集团充分利用APIC的资源以低成本进入美国市场。例如Tri-County Mall，是以比它2013年6月30日的未经审核账面净值的77%折扣价格所购买的。由于该物业是有稳定收益的资产，使集团在买下该物业后，能在2014财年获得1660万新元的首日收益。

这些高效的收购，让我们相信APIC的能力和在美国的网络为我们提供了难以复制的优势。由于APIC应承了股东所赞同的优先购买权，APIC所选中的美国项目必须以成本价优先提供给新海逸。显然，APIC已成为新海逸进军美国的一个良好跳板。为了确保利益相关者交易的合理和透明，集团设立程序保证所有和APIC的交易都必须经过律师和保荐机构的审查。

With an initial portfolio of US assets in place, our US project teams are busy working on the various development plans for the respective properties. For Tri-County Mall, we are now reviewing asset enhancement plans to raise net leasable area and occupancy. We are also expecting demand for units for Vietnam Town to increase and working on further developing the site. As for 5 Thomas Mellon Circle, our teams are hard at work in drawing up plans to redevelop the existing office tower into a high-end Continuing Care Retirement Community, which when completed is also expected to be a yield-generative asset.

Moving forward, we will continue to actively search for unique investment opportunities in the US, including exceptional deals priced below market. We envisage that in the long run, the Group's recurring earnings contribution from the US will likely exceed that of Singapore.

STRENGTHENING OUR PRESENCE IN SINGAPORE

Although the residential property market has softened, Singapore continues to be a strategic focus. We believe demand-supply dynamics and sustained economic growth will continue to support healthy demand in the residential sector. However, as we see firmer demand for completed units, which facilitates immediate occupancy, we have moved all active sales and marketing plans for Cosmoloft to 2015, after completion of the project.

In FY2014, we completed the construction of our first private residential project, Charlton Residences, ahead of schedule and are in the midst of progressively delivering units to their new owners. Construction for Pasir Ris One, CityLife@Tampines and CosmoLoft are ongoing and they are all on time and on target for their respective completions in 2015.

We are also proud to share that during the year, we had successfully bid for our third public residential development project in Singapore. The project, situated in Anchorvale Crescent, is an executive condominium project, for which we have accumulated experience from developing CityLife@Tampines. The project is expected to be launched in the first half of 2015.

Another noteworthy milestone in FY2014 was our foray into the commercial segment. We strategically partnered Perennial Real Estate Holdings to acquire a 20% stake in TripleOne Somerset, a prime asset situated in Orchard Road. The consortium has plans to enhance the asset and tenant mix to further boost the returns of this development.

目前，我们的美国团队正在完善投资组合的各项发展计划。在Tri-County Mall，我们修订资产增值计划以提高可出租面积和出租率。同时，团队也正进一步开发Vietnam Town地段以适应需求的增长。另外，我们加快5 Thomas Mellon Circle的发展的计划，将现有办公大楼改建为一个高端的乐龄社区，建成后将为集团带来长期收益。

展望未来，我们将继续在美国寻找投资机会。预计集团来自美国的盈利将会超越新加坡项目。

巩固我们在新加坡的地位

虽然新加坡整体的住宅房地产市场已经趋软，新加坡依然是新海逸的一个战略重点。市场需求和经济增长会继续支撑住宅领域。我们相信市场目前对已完成单位拥有更稳健的需求，因此我们将Cosmoloft的销售计划推迟到2015年。

在2014财年，我们提前完成首个私人住宅项目Charlton Residences，交付到新业主手中。Pasir Ris One，CityLife@Tampines与CosmoLoft的建筑工程仍在进行中，各项目的进度都符合2015年的目标。

我们也很高兴地与大家分享，我们在去年成功标下在新加坡的第三个公共住宅项目，位于安谷弯（Anchorvale Crescent）。这是一个执行共管公寓（Executive Condominium）项目。我们在开发CityLife@Tampines时，已累积了相关的经验。这个项目预计会在2015年上半年推出市场。

2014财年里的另一个里程碑是我们进军商业地产领域。我们与鹏瑞利房地产控股建立了战略伙伴关系，收购了乌节路111索美塞（TripleOne Somerset）20%的股权。财团将对该资产进行整改和提升，以进一步提高该项目的回报。

GROUP MANAGING DIRECTOR'S MESSAGE

集团董事经理致辞

Based on our existing projects, we have good earnings visibility in the Singapore market until FY2018. Given the long-term stability of the Singapore property market, the Group will continue to build on its property development successes in Singapore, selectively and prudently.

A STRONG FOUNDATION FOR THE FUTURE

Our mission is to work towards achieving sustainable growth and creating shareholder value through yield-accretive acquisitions, quality property developments, innovative asset enhancement strategies and proactive property management. Hence, we choose to reinvest our profits during this period of high growth, in order to lay a solid foundation for the long-term development of SingHaiyi.

SPECIAL THANKS

I would like to extend our appreciation to our Board of Directors and Sponsor for their strategic guidance and insights, and to our stakeholders, partners, customers and suppliers for their continued support. We have an excellent team with integrity, professionalism and passion, whom I would like to thank for their hard work and dedication.

Serena Chen Huaidan
Group Managing Director

根据现有的项目，在未来四年里，我们在新加坡市场将有稳健和良好的表现。集团将继续在新加坡谨慎地拓展房地产开发业务。

为未来打造稳定基础

我们的使命是通过高效益的收购、优质的房地产开发、创新的增值策略和优秀的物业管理，以实现可持续发展的股东价值。为此，我们选择将盈利继续投资。同时，利用这个高增长时期的势头，我们的团队全力以赴，为新海逸的长远发展奠定坚实的基础。

特别鸣谢

我想感谢新海逸董事会给予的战略指导和深入见解，感谢保荐人对我们的指导和帮助，以及广大股东、合作伙伴、客户和供应商的鼎力支持。我们拥有一个以诚信、专业和热情为宗旨的优秀团队。衷心感谢所有员工为新海逸所付出的辛勤劳动和无私奉献。

陈怀丹
集团董事经理

FY2014 WAS A YEAR OF DIVERSIFIED GROWTH FOR THE SINGHAIYI GROUP. NOT ONLY DID WE EXPAND OUR OPERATIONAL FOCUS TO INCLUDE INVESTMENTS INTO THE OFFICE AND RETAIL SEGMENTS IN SINGAPORE, WE ALSO VENTURED INTO THE US REAL ESTATE MARKET AND MADE THREE DEEP VALUE ACQUISITIONS WITHIN A SPAN OF SIX MONTHS.

GROWTH IN REVENUE

235.3%

FY: 2013

S\$17.0M

FY: 2014

S\$57.0M



BOARD OF DIRECTORS



Neil Bush
Non-Executive Chairman

Mr. Neil Bush was appointed as Non-Executive Chairman on 22 April 2013 and was last re-elected as a Director on 29 July 2013. He is also a director of American Pacific International Capital, Inc. (APIC). He is a business partner of Mr Gordon Tang through APIC and also serves as the Chairman of Points of Light, Chairman of the Barbara Bush Houston Literacy Foundation, and on the boards of the Houston Salvation Army and the Bush School of Government and Public Service. Mr Bush also serves as Deputy Chairman on the Board of Hoifu Energy Group Ltd, a company listed on the Stock Exchange of Hong Kong and as a director of US-based Escalera Resources Co.

Mr. Bush has been involved in energy and international business development for three decades beginning in 1980 where he worked with Amoco Production Company (now BP) in Denver, Colorado. During the 1980s, he formed two independent oil companies that explored for oil in various states in the United States including Wyoming, Colorado, California and Michigan, as well as in Argentina.

For the past fifteen years, Mr Bush was engaged in various international business development activities with a focus on China and the Middle East. He has travelled to at least twenty cities in China and has worked with numerous entities on a variety of projects including real estate development and manufacturing business.

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



Chen Huaidan
Group Managing Director

Mdm Chen Huaidan was appointed as Non-Executive Director on 14 January 2013 and re-designated as Executive Director on 1 February 2013 and subsequently Group Managing Director on 1 December 2013. Mdm Chen was last re-elected as a Director on 29 July 2013. She has served as the Managing Director of Haiyi Holdings Pte Ltd ("Haiyi") since 2003 and is in charge of its daily operations and decision-making. She has been a Director of APIC since 2001 and an Executive Director of Tang Dynasty Pte Ltd since 1995.

From 1990 to 1994, Mdm Chen was the Assistant Judicial Officer of Shantou Longhu District Court, China and was also the General Manager of Centaur International LLC, US from 2001 to 2003. In addition to her extensive management experience, she is a keen supporter of youth education. She has been a member of the Advisory Committee of West Spring Secondary School since 2003 and has provided donor support to the school's activities.

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

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

BOARD OF DIRECTORS



Mao Jinshan
Managing Director,
US Operations

Mr. Mao Jinshan was appointed as Managing Director on 22 April 2013 and last re-elected as a Director on 29 July 2013. He has been the Vice President of APIC since 2012. Mr Mao oversees all aspects of the development process of complex urban development projects in APIC, which have included the development of two medium-sized apartment properties and two large-sized shopping center projects.

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

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

Gordon Tang
Non-Executive Director

Mr. Gordon Tang was appointed as Non-Executive Director on 14 January 2013 and last re-elected as a Director on 29 July 2013. He has also been the Chairman of APIC since 2003.

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

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

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

Mr. Tang is the spouse of Mdm Chen Huaidan, who is the Group Managing Director of the Company.

Yang Dehe
Independent Non-Executive
Director

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

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

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

BOARD OF DIRECTORS



Gn Hiang Meng
Lead Independent
Non-Executive Director

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

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

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

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



David Hwang Soo Chin
Independent Non-Executive
Director

Mr. David Hwang was appointed as Independent Non-Executive Director and Chairman of the Remuneration Committee on 29 July 2013. He also serves as independent non-executive director on the board of SGX-ST Mainboard-listed Longcheer Holdings Ltd. Mr. Hwang brings with him more than 40 years of management experience, with 25 years in the property, hotel and retail industries across the Asia-Pacific.

Prior to joining the Group, Mr. Hwang was the Senior Advisor to the Chief Executive Officer (China) of Sunway Group of Malaysia. He also assisted the property development operations in China. During his stint as Deputy Chairman and Non-Independent Director of Frasers Property China Ltd. from 2008 to 2011, Mr. Hwang was responsible for the management of the company's property development operations in China with a portfolio of residential, retail and industrial development projects. As CEO and Managing Director of SGX-ST listed Tuan Sing Holdings Ltd. from 1994 to 2000, he pioneered property development operations in Shanghai and acquired a listed hotel property trust in Australia, expanding it into a 26-hotel group via merger and acquisition activities.

Mr. Hwang graduated from the Queensland University in Australia with a Bachelor's Degree in Engineering (Chemical) and a Post-graduate Diploma in Computer Science. Mr. Hwang is also a Fellow of the Singapore Institute of Directors.



Jason Lim Cheong Tiong
Independent Non-Executive
Director

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

Prior to joining the Group, Mr. Jason Lim was the Executive Chairman of Zenecon Pte Ltd. ("Zenecon").

Under Mr. Lim's leadership as Group Executive Vice Chairman, Zenecon has ascended to become one of the imminent licensed/bonded warehouses in Singapore. The company successfully underwent novation to become SembCorp Zenecon Pte Ltd. in 2001 (later expanded and renamed as Toll Zenecon Pte Ltd. in 2007), which has provided Zenecon with a larger footprint in the industry. In addition, he also served as the independent non-executive director of Pacific Can Investment Holdings Ltd. from 1993 to 1997.

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

EXECUTIVE MANAGEMENT

Ng Kheng Choo, Nicole Chief Financial Officer

Ms. Nicole Ng has close to 20 years of experience in the fields of auditing, accounting, corporate finance, mergers and acquisitions and investment. She was appointed in July 2013 as Chief Financial Officer (CFO) of the Company and is responsible for the financial and management reporting functions.

Ms. Ng also oversees corporate finance activities (including debt and equity financing); assists in strategic planning to formulate the Group's growth strategy; and is involved in the evaluation and execution of the Group's investment and acquisition. In addition, Ms Ng oversees the corporate secretarial and investors relation matters of the Company.

Ms. Ng currently sits on the board of SGX-listed ISO Team Ltd. as an Independent non-executive director.

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

Chang Soy Lee, Catherine General Manager (Project Management)

Ms. Catherine Chang has close to 20 years of property development experience, and has been involved in the development of hotel, residential and commercial properties. She is also experienced in project feasibility studies and the assessment of development potential of specific sites.

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

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

Ang Hay Kim, Aileen General Manager (Corporate Services)

Ms. Aileen Ang has over 20 years of experience in finance, legal, human resources and office administration. She manages the corporate secretarial work for the Company's subsidiaries and statutory compliance work.

Ms. Ang liaises with legal and regulatory professionals for the Group's property investments and developments and coordinates with financial institutions for financing. She is in charge of project administration, liaising with statutory boards and the administrative and conveyancing aspects of project development work.

Ms. Ang holds a Cert-in-CEHA and is the Key Executive Officer of SingXpress Realtors Pte Ltd., an associate company of the Group, where she handles its portfolio of investment properties, property agency work including handling of acquisition, sale and tenancy matters in Singapore.

Tan Tong Chee Senior Manager (Project Management)

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

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

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

Michael D. Lyons General Manager, Tri-County Mall

Mr. Michael Lyons has more than 14 years of experience in shopping center management, primarily in regional enclosed malls, with additional experience managing as much as 3.5 million square feet of retail properties that include community center locations around the country.

Mr. Lyons has worked both for property owners, such as General Growth Properties, Thor Equities, and Developers Diversified Realty, as well as third-party management groups such as Urban Retail Properties.

Mr. Lyons has a Bachelor of Science degree in Management from the University of Phoenix, a Real Estate Sales License for Ohio, and holds the ICSC designation of Certified Shopping Center Manager.

CORPORATE MILESTONES

Listed on SGX Sesdaq as Futuristic Image Builder Ltd.

Launch of Pasir Ris One, a Design, Build and Sell Scheme (DBSS) project in Singapore

Haiyi becoming the controlling shareholder through conversion of CCPS into ordinary shares

Appointment of Chen Huaidan (Serena) as Executive Director

- Appointment of Neil Bush as Non-Executive Chairman
- Appointment of Mao Jinshan (Jason) as Executive Director

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

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

- Re-designation of Chen Huaidan (Serena) as Group Managing Director
- Awarded BCA Green Mark Award (Gold*) for CityLife@Tampines
- Successfully tendered for land site at Anchorvale Crescent, an EC project in Singapore (SingHaiyi Group Ltd. emerged as the highest bidder with approximately 1% higher than the next highest bidder)
- Acquisition of 5 Thomas Mellon Circle, with plans to re-develop into a high-end Continuing Care Retirement Community (CCRC) for seniors in San Francisco, California

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

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

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

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

Change of corporate identity to SingHaiyi Group Ltd.

Launch of Cosmoloft, a freehold private residential project in Singapore

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

- SingHaiyi Group Ltd. was included in the listing of the MSCI Singapore Small Cap Index
- Acquisition of Vietnam Town, a commercial condominium project in San Jose, California

Acquisition of 20% stake in TripleOne Somerset, a retail and commercial property in Singapore

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

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



TRANSFORMATION

Combining our expertise and passion, we give our ideas form and colour. We turn spaces and structures into success drivers and we transform investments into income channels. A dynamic progression that continuously enhances our strengths and direction as a company.

TRI-COUNTY MALL

U.S. PROJECTS



SingHaiyi’s acquisition of Tri-County Mall marks its maiden real estate foray into the U.S market. It acquired a 100% stake in this project at US\$45 million in September 2013, free of debt and encumbrances. Located in the northern suburbs of greater Cincinnati and sitting on a total land area of approximately 3.3 million sq ft boasting a total of 7,118 parking lots, Tri-County Mall is one of the most popular shopping destinations in Cincinnati, Ohio. It is one of the largest shopping malls in the region with a total lettable retail area of about 1.26 million sq ft. There are several anchor tenants such as Macy’s, which owns 227,072 square feet, as well as large retailers like Dillard’s and Sears.

Marketed as a lifestyle mall offering and having one of the greatest specialty retailing opportunities in the area in the form of kiosks, retail merchandising units and in-line spaces, Tri-County Mall benefits from high demographics and patron traffic.

The Group is actively seeking to increase the occupancy rate and foot traffic at the mall and is currently in discussions with several national anchor tenants, retail shops and upscale restaurants.

Other initiatives underway include identifying opportunities to further engage its patrons and the wider community, an asset enhancement programme which includes investments to allow for outward-facing retail shops and streetscape improvements.

Type	Investment - Retail
Location	Cincinnati, Ohio
Acquisition Cost	US\$45 million
SingHaiyi’s Stake	100%
Total Land Area	~ 3,314,916 square feet
Net Leasable Area	~ 1,261,502 square feet*
Tenure	Freehold
Occupancy Rate	84%

*Macy’s owns 227,072 square feet.

VIETNAM TOWN

U.S. PROJECTS

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

Of the planned 256 condominium units of about 1,000 sq ft each, 115 units were built in the first phase, of which 64 have been sold. SingHaiyi's acquisition comprised 51 completed and unsold commercial condominium units, of which 10 units have been sold to-date. Selling price for this project has been increasing steadily and has risen to US\$600 per sq ft. SingHaiyi will capitalise on the rising price trend and plans to sell off the remaining unsold 41 completed units over the next 24 months to maximise returns. The sales proceeds from these 51 units will be sufficient to fund the construction of the remaining 141 units. Once the title of the undeveloped land is obtained, SingHaiyi targets to complete and sell the 141 units within the next three to five years.

Strategically located in a mixed-use neighbourhood, Vietnam Town consists of nine blocks, including a parking structure, and is conveniently located close to transportation networks, retail and commercial facilities. Based on the average selling price of US\$550 per sq ft, the estimated gross development value ("GDV") of the 51 completed units is approximately US\$28.1 million.

Type	Development – Commercial Condominium
Location	San Jose, California
Acquisition Cost	US\$33.1 million
SingHaiyi's Stake	100%
Total Land Area	~853,502 square feet
Gross Development Value (approx.)	US\$105.6 million*
Tenure	Freehold
Completion	TBA

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



5 THOMAS MELLON CIRCLE

U.S. PROJECTS



Type	Investment - CCRC
Location	San Francisco, California
Acquisition Cost	US\$24.4 million
SingHaiyi's Stake	100%
Total Land Area	~204,300 square feet
Gross Development Value (approx.)	US\$600 million
Tenure	Freehold
Completion	2017 (Phase 1)

5 Thomas Mellon Circle is SingHaiyi's third real estate project within the U.S. market, with a 100%-stake acquired at US\$24.4 million in February 2014 from APIC through the exercise of the right-of-first-refusal. Located at the prestigious Candlestick Point, along San Francisco Bay, California, the area is a prime retail, entertainment and residential neighbourhood. This development consists of a parcel of waterfront land with a total area of 204,300 sq ft, which includes an existing office building that is approximately 50% occupied.

SingHaiyi has plans to demolish the existing office building to develop a 528-unit high-end Continuing Care Retirement Community (CCRC) offering attractive bayside living for senior residents.

5 Thomas Mellon Circle will be fully equipped with quality healthcare facilities and highly skilled professionals, as well as state-of-the-art amenities such as a library, rooftop gardens, community rooms, guest suites, wellness and fitness centres, a pool and whirlpool.

Alternatively, the 5 Thomas Mellon Circle can be redeveloped into a fully zoned multi-family general condominium development of 500 residential units which prior approval was obtained on 18 July 2011.

PASIR RIS ONE

SINGAPORE PROJECTS

PUBLIC HOUSING DEVELOPMENT



Type	Development – Design, Build and Sell Scheme
Location	Pasir Ris, Singapore
SingHaiyi's Stake	80%
Tenure	Leasehold – 99 years
Units	447
Sales Progress	80%
Launch Date	April 2012
Expected Completion Year	2015
Gross Development Value	~ S\$280 million
Permissible Gross Floor Area	~ 441,002 square feet

Pasir Ris One is a condominium-styled public residential development under the Singapore Housing and Development Board's Design, Build and Sell Scheme ("DBSS").

The 176,400-sq ft site is located in the heart of the Pasir Ris town centre, in the vicinity of various shopping centres such as White Sands Shopping Centre, and prestigious primary and secondary schools like Hai Sing Catholic School, Meridian Junior College and Tampines Junior College. Adjacent to Pasir Ris MRT station, which is a one-minute walk away, the development is easily accessible via public transport.

The development consists of 447 units of 3-, 4- and 5-room apartments, located across four 13/14-storey blocks. Stylishly designed, it is nestled in surrounding lush greenery within a family-friendly enclave with various amenities such as a child care centre, car park, and ancillary facilities located conveniently within the estate.

The neighbourhood provides easy connectivity not only through the Pasir Ris MRT station, but also the Pasir Ris Bus Interchange, and major expressways like the TPE and PIE. *Pasir Ris One* is ideal for tranquil, peaceful living, while providing its residents with the comforts of a city lifestyle.

CITYLIFE @TAMPINES

SINGAPORE PROJECTS

EXECUTIVE CONDOMINIUM HOUSING DEVELOPMENT



Type	Development – Executive Condominium
Location	Tampines, Singapore
SingHaiyi's Stake	24.5%
Tenure	Leasehold – 99 years
Units	514
Sales Progress	100%
Launch Date	Dec 2012
Expected Completion Year	2015
Gross Development Value	~ S\$528 million
Permissible Gross Floor Area	~ 625,398 square feet

Singapore's first luxury-hotel style Executive Condominium ("EC") project, *CityLife@Tampines* provides residents with a unique concept of hotel-inspired facilities along with the comfort of home dwelling. Launched in December 2012, this project recorded the highest number of e-applications for an EC development. By March 2013, the development was completely sold out, with 90% of the 514 units sold within the first two days of its launch.

Awarded the Green Mark Gold Plus award by the Building Construction Authority in 2013 for its sustainability effort, this project offers uniquely designed 2/3/4/5-bedroom, dual-key, Sky Suite and penthouse units, its own Home Concierge Service, 100-metre Infinity Pool and fully-equipped Function Suite. Its range of units also include a 4,000 sq ft residential Presidential Penthouse Suite.

The property sits on a 223,357-sq ft site located in District 18 and is situated close to Tampines Mall, Tampines One, Century Square, educational institutions such as St. Hilda's, Gongshang, and Poi Ching Primary Schools. Residents seeking to enjoy outdoor activities can visit nearby Tampines Eco Park, Sun Plaza Park, Bedok Reservoir Park, and the upcoming Tampines Town Hub. Construction of this project is progressing well and due for completion in 2015.

ANCHORVALE CRESCENT

SINGAPORE PROJECTS

EXECUTIVE CONDOMINIUM HOUSING DEVELOPMENT

Type	Development – Executive Condominium
Location	Sengkang, Singapore
SingHaiyi's Stake	80%
Tenure	Leasehold – 99 years
Units	500 (Estimated)
Sales Progress	N/A
Launch Date	1H2015 (Expected)
Expected Completion Year	2018
Gross Development Value	~ S\$450 million*

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

Anchorvale Crescent Executive Condominium (“EC”) is SingHaiyi’s second EC property development project and fifth residential property project in Singapore. SingHaiyi successfully tendered for the 175,236 sq ft site in February 2014 at a price of S\$192.9 million, which was approximately 1% higher than the next highest bidder.

Located at Sengkang New Town and adjacent to expressways, Cheng Lim Light Rapid Transit (“LRT”) station, Sengkang Mass Rapid Transit (“MRT”) station and a bus interchange, Anchorvale Crescent EC is easily accessible by public transport. This is further complemented by the close vicinity to malls, like Compass Point Shopping Centre and Rivervale Mall, and well-known schools, such as Nan Chiau Primary School and CHIJ St. Joseph’s Convent.

With a permissible gross floor area of approximately 525,709 sq ft, an estimated 500 units will be developed. Planning is underway and the project is due for completion in 2018.



CHARLTON RESIDENCES

SINGAPORE PROJECTS

PRIVATE RESIDENTIAL



Type	Development – Private Cluster Housing
Location	Kovan, Singapore
SingHaiyi's Stake	80%
Tenure	Freehold
Units	21
Sales Progress	100%
Launch Date	November 2011
Expected Completion Year	Completed
Gross Development Value	~ S\$60 million
Permissible Gross Floor Area	~ 62,054 square feet

The Group's maiden project launched in November 2011, *Charlton Residences* is a 21-unit freehold landed cluster-housing development project in the Kovan precinct at the site of the former Foh Pin Mansions. The development is enviably situated on 1 Charlton Road, amid the leafy, natural surroundings of the Kovan precinct on a 34,154 sq ft site in District 19.

Charlton Residences provides an aesthetically pleasing design that is stylish and yet highly functional, providing its residents with ample space and efficient unit layouts in a private, convenient and comfortable setting. All units are complemented with chic designer fittings and is ideal for family living offering a lap pool, clubhouse and gym within the development.

Accessible via the CTE and KPE, *Charlton Residences* is a stone's throw away from Kovan MRT station and NEX megamall, and only a 15-minute drive to the Orchard shopping belt and Central Business District. Residents can immerse themselves in the neighbourhood's rich cultural heritage with the development of the Upper Serangoon Heritage Trail close by – encompassing the shops at Lim Tua Tow Road, the Hougang Dow Mu temple and a community of Catholic churches and schools.

Construction of the project has completed and the development received its TOP in May 2014.

COSMOLOFT

SINGAPORE PROJECTS

PRIVATE RESIDENTIAL



Type	Development – Private Apartments
Location	Balestier, Singapore
SingHaiyi's Stake	90%
Tenure	Freehold
Units	56
Sales Progress	10%
Launch Date	May 2013
Expected Completion Year	2015
Gross Development Value	~ S\$53 million
Permissible Gross Floor Area	~ 31,875 square feet

CosmoLoft, a new benchmark for city living, was launched in May 2013. Located at 235 Balestier Road, the 11,384 sq ft site is that of the prestigious location of the former Waldorf Mansions. The redevelopment project will feature a modern 17-storey tower of new freehold loft-style homes with high ceilings, complete with full-height glass windows.

All 56 designer freehold apartments boast breathtaking panoramic city skyline views and are well-equipped with fully-fitted open kitchens and bathrooms fittings with designer appliances, providing a city home that is ready for immediate occupation. The development provides modern sophistication throughout, including premium facilities such as the Sky Pool and an open-air Sky Gym within the heart of the city.

CosmoLoft residents will enjoy easy access to Novena MRT station and the CTE and PIE, as well as being ideally and conveniently situated within close proximity to Singapore's three major commercial hubs of Raffles Place, Suntec City/Marina Bay and Orchard Road.

Surrounded by excellent accessibility infrastructure and urban amenities, it is a prime rental area and residential haven with nearby shopping centres, supermarkets, food and entertainment establishments as well as prestigious schools. With the upcoming Thomson MRT Line and expanding Novena Medical Hub expected to boost infrastructure in the Balestier area, the neighbourhood looks set to flourish further.

This unique freehold development is scheduled for completion in 2015.

TRIPLEONE SOMERSET

SINGAPORE PROJECTS

SINGAPORE RETAIL



TripleOne Somerset, a 17-storey commercial building comprising two office towers, two floors of retail space and over 400 parking lots, is SingHaiyi's first commercial property investment in Singapore. In a consortium led by Perennial Real Estate Holdings which purchased *TripleOne Somerset* for S\$970 million, SingHaiyi completed the acquisition of a 20%-stake at S\$65 million in March 2014 and is the second largest shareholder.

Adjacent to Somerset MRT Station in Singapore's prime Orchard Road shopping district, *TripleOne Somerset* is situated in an excellent location with good connectivity and has a total gross floor area of about 766,550 sq ft, of which approximately 648,610 sq ft is for office use and 117,940 sq ft is dedicated to retail use. The office-cum-mall focuses on premium retail concepts, including innovative new-to-market brands and niche international and local labels.

Together with the consortium, SingHaiyi aims to enhance the value of *TripleOne Somerset* by further improving the retail offerings and providing an optimum retail experience.

Type	Investment – Mixed commercial/retail
Location	Orchard, Singapore
Acquisition Cost	S\$970 million
SingHaiyi's Stake	20% (for S\$65 million)
Gross Floor Area	~ 766,550 square feet (648,610 square feet – Office / 117,940 square feet – Retail)
Tenure	Leasehold – 61 years remaining
Occupancy Rate	>90%



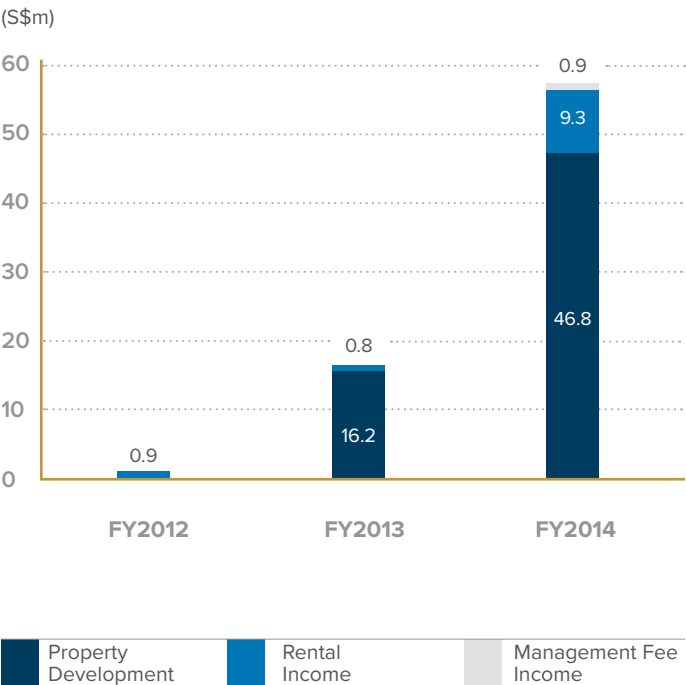
BRILLIANCE



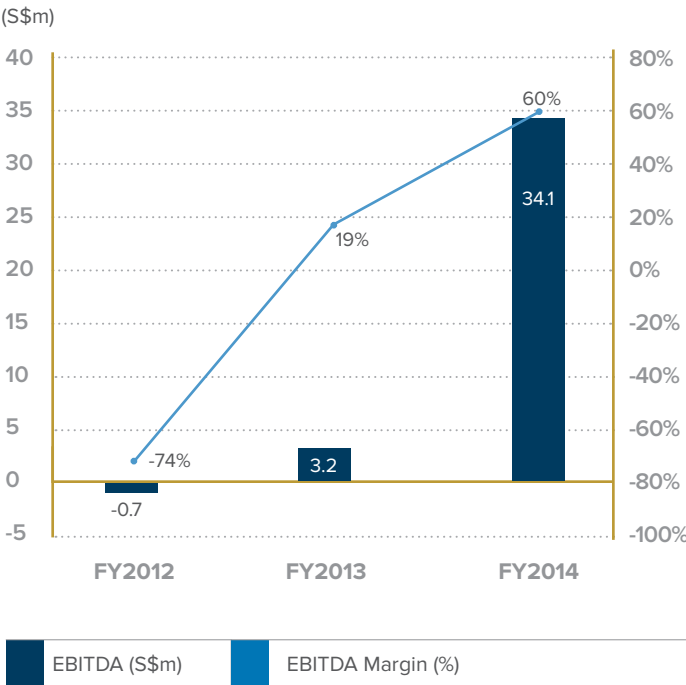
Revealing nothing but fineness as we go forward. In every development project that we undertake, the SingHaiyi brand of distinction always shines through, getting brighter as we skillfully manage our portfolio and expand our reach from Singapore to the United States.

FINANCIAL HIGHLIGHTS

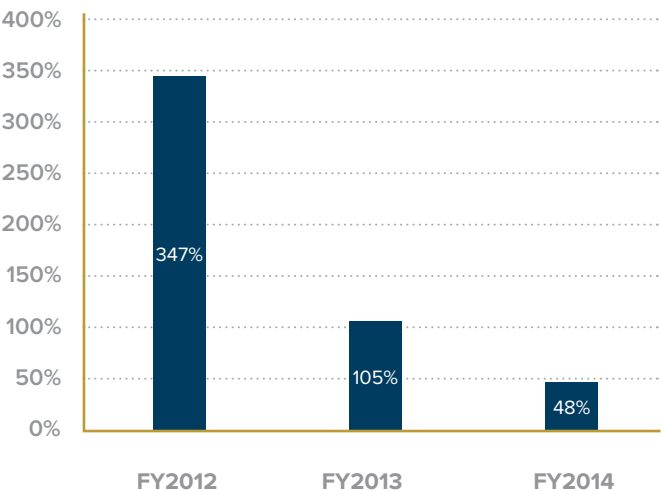
REVENUE BY BUSINESS SEGMENT



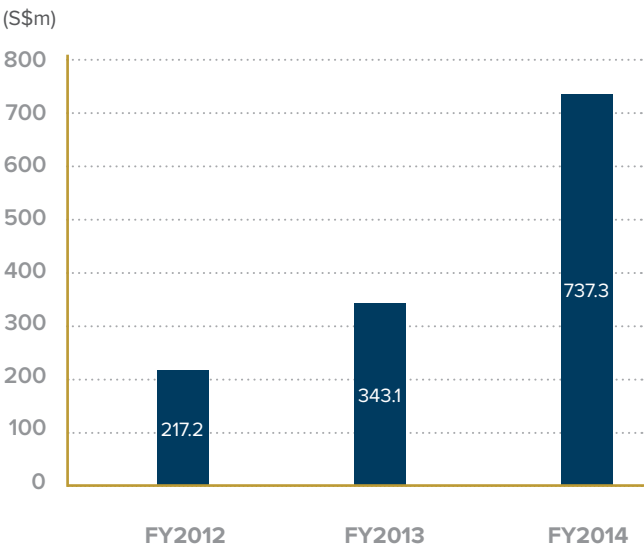
EBITDA



TOTAL DEBT/TOTAL EQUITY



TOTAL ASSETS



OPERATIONAL & FINANCIAL REVIEW

A YEAR OF GROWTH AND DIVERSIFICATION

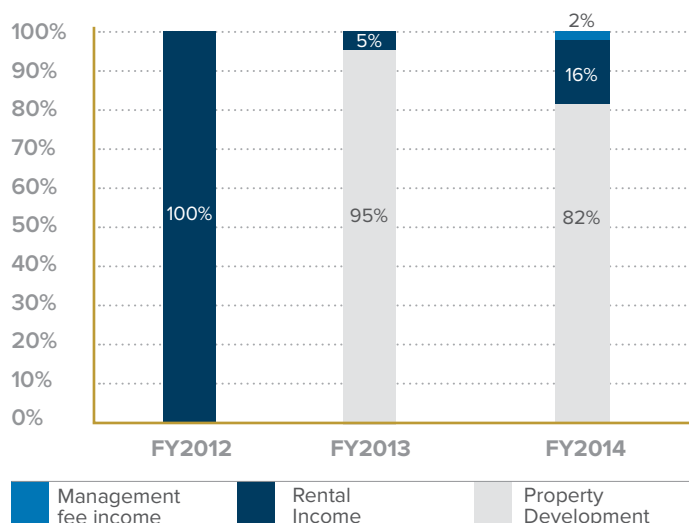
FY2014 was a year of new directions for SingHaiyi Group as it moved away from focusing solely on residential developments in Singapore. After securing shareholders' approval to expand the Group's operational focus to the US and the successful rights issue and strategic placement through which the Group raised S\$226.0 million in June 2013, the Group made its first investment into Tri-County Mall, a retail property asset in Cincinnati, Ohio, in September 2013. In the last six months of FY2014, the Group made further investments into the US with Vietnam Town, a commercial property development project in San Jose, California, as well as 5 Thomas Mellon Circle, a yield-bearing commercial property that is slated for redevelopment into a high-end Continuing Care Retirement Community (CCRC) for senior citizens in San Francisco, California. Alternatively, the 5 Thomas Mellon Circle can be redeveloped into a fully zoned multi-family general condominium development of 500 residential units which prior approval was obtained on 18 July 2011.

In Singapore, the Group made significant headway in diversifying its exposure to the Singapore property market by taking a 20% stake in TripleOne Somerset, a mixed commercial and retail asset along the prime shopping belt in Orchard Road with yield enhancement potential.

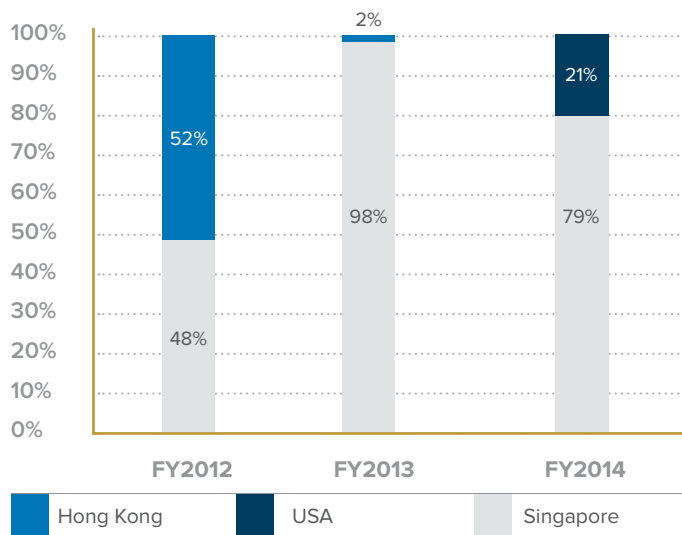
NEW ACQUISITIONS AND PROJECTS IN FY2014

ASSET LOCATION	TYPE	DATE ACQUIRED OR WON	REVENUE CONTRIBUTION	PLANS
US				
Tri-County Mall Cincinnati, Ohio	Retail mall	September 2013	Immediate; Rental	Asset Enhancement Initiatives to raise Net Lettable Area and occupancy
Vietnam Town San Jose, California	Condominium project	November 2013	Immediate; Sales of completed units	Continued sales and development
5 Thomas Mellon Circle San Francisco, California	Office tower	February 2014	Immediate; Rental	Redevelopment into Continuing Care Retirement Community
Singapore				
TripleOne Somerset (20% participation) Orchard Road	Mixed commercial/retail	January 2014	Immediate; Equity accounted	Asset Enhancement Initiatives to raise Net Lettable Area of retail
Anchorvale Crescent (80% participation) Sengkang	Executive condominium	February 2014	FY2018	To be launched in 1H FY2015

SEGMENTAL COMPOSITION OF REVENUE



GEOGRAPHICAL COMPOSITION OF REVENUE



OPERATIONAL & FINANCIAL REVIEW

Group revenue came in at S\$57.0 million in FY2014. This was S\$40.0 million or 235.3% higher than revenue recorded in FY2013. The increase was due mainly to higher property development income, which grew 188.9% year-on-year to S\$46.8 million, on account of the contributions from Charlton Residences in Singapore as well as the sale of completed units in Vietnam Town in the US. Rental income, which leapt from S\$0.8 million in FY2013 to S\$9.3 million in FY2014, was mainly attributed to maiden contributions from Tri-County Mall. The Group also recorded S\$0.9 million in management fee income in FY2014, where there was none in FY2013.

As all of the Group's new US acquisitions are revenue-generating assets, contributions from the US properties amounted to 20.8% of the Group's revenue in FY2014, notwithstanding the assets were acquired during the financial year.

Tapping on its strong parentage and strategic support from controlling shareholders, the Group was able to acquire Tri-County Mall at a 77% discount to its unaudited net book value (as at 30 June 2013). Corollary to this, the Group recognised a gain on bargain purchase amounting to S\$16.6 million.

On profitability, the Group managed to achieve a 2.8 percentage point increase in gross profit margin to 39.3% in FY2014, helping boost gross profit to S\$22.4 million from S\$6.2 million in FY2013. Due largely to the gain arising from the purchase of Tri-County Mall and the positive change in fair value of investment properties, operating profit margin also improved to 59.1% from 17.6% in the previous year. Operating profit for the year increased from S\$3.0 million in FY2013 to S\$33.7 million in FY2014.

Net profit after tax and minority interests for the year ended 31 March 2014 was S\$23.2 million, an increase of S\$21.5 million over FY2013. Basic earnings per share for the year came in at SGD 0.997 cents, a 324.3% year-on-year increase over FY2013, which amounted to SGD 0.235 cents.

FUNDING AND SHARE CONSOLIDATION

In June 2013, the Group launched a rights issue and strategic placement raising S\$226.0 million for the Group's expansion into the US, which saw the entry of Mr. Neil Bush as a strategic investor and subsequently, appointed as Non-Executive Chairman of the Company.

On 25 March 2014, the Group completed a share consolidation of 10 existing issued shares into 1 ordinary share to enhance its investment appeal and to reduce the magnitude of volatility in its share price.

FINANCIAL POSITION

As at 31 March 2014, the Group's holdings in cash and cash equivalents increased by S\$56.8 million to S\$142.7 million. The increase was mainly the result of proceeds raised from a rights issue and the placement of new shares of approximately S\$226.0 million. The proceeds raised were subsequently utilised for, amongst others, the US acquisitions.

Investment properties held by the Group amounted to S\$161.3 million, which reflected an increase of S\$135.5 million year-on-year. This increase was due mainly to the acquisitions of Tri-County Mall and 5 Thomas Mellon Circle, for which year-end fair values amounted to S\$92.1 million and S\$44.0 million, respectively.

The Group's 20% equity investment in TripleOne Somerset is reflected as investment in associates and other investments, which aggregated approximately to S\$65.0 million.

Development properties increased by S\$80.7 million to S\$279.2 million as at 31 March 2014. The increase was due mainly to the acquisition of Vietnam Town, partial payments of land costs and associated costs relating to the Anchorvale Crescent Executive Condominium project as well as cumulative project costs for the existing development projects. This included an allowance for diminution in value relating to The Cosmoloft of approximately S\$10.5 million made during the financial year.

Trade and other receivables increased by S\$55.7 million to S\$56.1 million as at 31 March 2014. The increase comprised mainly of amounts due from buyers of Charlton Residences and Vietnam Town, two of the Group's development projects. The amount also includes a deposit of S\$24.7 million for the undeveloped land parcel (equivalent to US\$19.7 million) relating to Vietnam Town. Please refer to page 90 of the Annual Report for details.

The increase in short and long term borrowings by S\$27.8 million to S\$173.7 million was due mainly to a drawdown of short-term working capital loan of S\$50.0 million, which was partially offset by repayment of bank loans in relation to Charlton Residences project.

Trade and other payables (including amounts due to related companies) increased by S\$69.6 million to S\$100.1 million as at 31 March 2014. This was due mainly to outstanding payments to APIC for the acquisition of 5 Thomas Mellon Circle, and was augmented by project claims and progress billings made for the Group's DBSS project, Pasir Ris One.

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE RESPONSIBILITY

At SingHaiyi, corporate responsibility is part of the normal course of our business. We believe that all our actions and decisions have potential ripple effects on the wider society and that operating under this sense of social awareness demonstrates the respect we hold for all our counterparts and stakeholders, be they our customers, staff or shareholders.

OUR CUSTOMERS

As property developers, we have the privilege of leaving a positive and lasting mark on the environment. We take pride in this honour and are committed to incorporating environmental sustainability to our projects as far as is feasible and economically viable for end users. The BCA Green Mark Award awarded to our project, Citylife@Tampines is a prime demonstration of how we endeavour to incorporate green ideals that have practical and tangible benefits for owners into our buildings. Designed to minimise energy consumption, the project's features, which extends from the use of gas heaters and the choice of energy-efficient lighting for common areas to the use of sustainable products during construction, are expected to culminate in expected energy savings of more than 5 million kWh and close to 43,000 m³ of water per year.

Through Tri County Mall, we have also, where appropriate, rallied our customers behind our causes. We believe our reach to the general public through our malls is a good platform to give back to the society. Activities we have organised include sponsoring performances where proceeds from ticket sales are donated to charity organisations. On top of direct monetary contributions, we will be conducting an event in July 2014, where we will match the public's donations dollar-for-dollar to maximise our philanthropic efforts.

OUR STAFF

Each individual staff member at SingHaiyi is a key to the Group's success. We understand that looking after the well-being of our people benefits the Group and holds the potential to also benefit the community at large. This is why we actively engage staff members to understand their long term aspirations and provide suitable professional development opportunities to help them towards attaining their goals. Apart from connecting with our team through formal platforms in the office, we also reach out to them under informal settings with team bonding activities. An additional benefit that has resulted from our team bonding activities is the dissolution of potential communication barriers among our diverse team, who individually possess highly complementary skill sets.

OUR SHAREHOLDERS

We understand that the equity market is not always a level playing field. In our capacity, we endeavour to balance this by being the key and most dependable source of information for news and updates relating to SingHaiyi. Current and potential investors in SingHaiyi can access basic information, key developments and the latest updates relating to the Group on our website, where one would also be able to access historical information, past announcements and annual reports in the dedicated Investor Relations section. As part of our shareholders communications programme, we also keep the investor community up to date on corporate developments through regular briefings with analysts. As a result of the developments on both the operational as well as investor relations fronts, SingHaiyi now forms part of UOB Kay Hian's research coverage list. UOB Kay Hian initiated coverage on the stock in April 2014.

In November 2013, SingHaiyi was included as an index stock to the MSCI Singapore Small Cap Index. Based on MSCI's index construction methodology, we view our inclusion into the index as a positive reflection on the stock's liquidity and investability.

To further improve the investment appeal of the stock, we undertook a 10-to-1 share consolidation exercise that was completed in March 2014. We believe that this will help reduce the magnitude of the volatility in SingHaiyi's stock price and increase its draw for a more diverse pool of potential investors.

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

SingHaiyi Group Ltd.

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

Kreab Gavin Anderson

Contact : Chin May Nah / Stella Tan
Tel : 65-6339 9110
Email : SingHaiyi@kreab.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive

Chen Huaidan (Group Managing Director)

Mao Jinshan (Managing Director, US Operations)

Non-Executive

Neil Bush (Chairman)

Tang Yigang @ Gordon Tang

Gn Hiang Meng (Lead Independent)

David Hwang Soo Chin (Independent)

Jason Lim Cheong Tiong (Independent)

Yang Dehe (Independent)

AUDIT COMMITTEE

Gn Hiang Meng (Chairman)

David Hwang Soo Chin

Jason Lim Cheong Tiong

NOMINATING COMMITTEE

Jason Lim Cheong Tiong (Chairman)

Gn Hiang Meng

David Hwang Soo Chin

REMUNERATION COMMITTEE

David Hwang Soo Chin (Chairman)

Gn Hiang Meng

Jason Lim Cheong Tiong

Tang Yigang @ Gordon Tang

COMPANY SECRETARY

Cho Form Po

REGISTERED OFFICE

81 Ubi Avenue 4

#02-20 UB.One

Singapore 408830

Tel: 65-6533 9023

Fax: 65-6532 7602

Website: www.singhaiyi.com

AUDITORS

KPMG LLP

Public Accountants and Chartered Accountants

16 Raffles Quay

#22-00 Hong Leong Building

Singapore 048581

AUDIT PARTNER IN CHARGE

Adrian Tan Khai-Chung

Date of Appointment:

Since financial year ended 31 March 2014

PRINCIPAL BANKERS

United Overseas Bank Limited

DBS Bank Limited

Hong Leong Finance Limited

Malayan Banking Berhad

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

81 Ubi Avenue 4

#02-20 UB.One

Singapore 408830

SHARE REGISTRAR

M & C Services Private Limited

112 Robinson Road, #05-01

Singapore 068902

CONTINUING SPONSOR

SAC Capital Private Limited

1 Robinson Road

#21-02 AIA Tower

Singapore 048542

INVESTOR RELATIONS

Kreab Gavin Anderson

Chin May Nah / Stella Tan

Tel: 65-6339 9110

Email: SingHaiyi@kreab.com

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CORPORATE GOVERNANCE REPORT

SingHaiyi Group Ltd. (the “Company” and together with its subsidiaries, the “Group”) is committed to maintaining a high standard of corporate governance. Good corporate governance establishes and maintains an ethical environment and enhances the interests of all shareholders. This report describes the Company’s corporate governance practices during the financial year ended 31 March 2014 (“FY2014”) with specific reference to the principles of the Code of Corporate Governance 2012 (the “Code”). The Company is pleased to report that it has complied in all material aspects with the principles and guidelines set out in the Code. Deviations from the Code, if any, are explained under the respective sections.

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

A. BOARD MATTERS

Principle 1: Board's Conduct of Affairs

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

The principal roles and responsibilities of the Board include:

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

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

The Board conducts meetings at least on a bi-yearly basis. *Ad hoc* meetings are also convened when circumstances warrant. For the financial year ended 31 March 2014 (“FY2014”), the Board met two times. The report on the Directors’ attendance for Board and Board Committees meetings is set out on hereunder. Directors who are unable to attend Board or Board Committees meetings may convey their views to the Chairman or the Company Secretary. The Company’s Articles of Association provide for participation in meetings via telephone and/or video

CORPORATE GOVERNANCE REPORT

conference where Directors are unable to be physically present at such meetings. During FY2014, certain Directors participated in Board and Board Committees meetings via telephone conference. Where required, Directors may raise questions and seek clarification through discussion forums with Management in respect of significant matters passed via circular resolutions.

Directors' Attendance for Board and Board Committees Meetings

Name of Director	Number of meetings attended in FY2014			
	Board	AC	NC	RC
Mr. Neil Bush	1	-	-	-
Mr. Tang Yigang @ Gordan Tang	-	-	-	-
Mdm Chen Huaidan @ Celine Tang	2	-	-	-
Mr. Yang Dehe ⁽¹⁾	1	-	-	-
Mr. Mao Jinshan	1	-	-	-
Mr. Gn Hiang Meng ⁽²⁾	-	-	-	-
Mr. David Hwang Soo Chin ⁽³⁾	1	2	1	1
Mr. Jason Lim Cheong Tiong ⁽⁴⁾	1	2	1	1
Resigned :				
Mr. Yeo Wee Kiong ⁽⁵⁾	1	1	1	1
Mr. Chan Heng Fai ⁽⁶⁾	1	-	-	-
Mr. Chan Tong Wan ⁽⁷⁾	1	-	-	-
Mr. Tan Tai Soon ⁽⁸⁾	1	1	1	1
Mr. Wong Tat Keung ⁽⁹⁾	1	1	1	1
Mr. Chan Tung Moe ⁽¹⁰⁾	2	-	-	-
Number of meetings held in FY2014	2	3	2	2

Notes:

- ⁽¹⁾ Appointed as director on 6 September 2013
- ⁽²⁾ Appointed as director, Chairman of AC, member of NC & RC on 1 December 2013
- ⁽³⁾ Appointed as director, Chairman of RC, member of AC & NC on 29 July 2013
- ⁽⁴⁾ Appointed as director, Chairman of AC and members of NC & RC on 29 July 2013. Following the recomposition of AC, NC and RC on 1 December 2013, Mr. Jason Lim was redesignated as the chairman of NC and members of AC
- ⁽⁵⁾ Resigned as Chairman, member of AC, NC, RC with effect from 31 October 2013
- ⁽⁶⁾ Resigned as director with effect from 6 September 2013
- ⁽⁷⁾ Resigned as director with effect from 6 September 2013
- ⁽⁸⁾ Resigned as director, member of AC, NC, RC with effect from 29 July 2013
- ⁽⁹⁾ Resigned as director, member of AC, NC, RC with effect from 29 July 2013
- ⁽¹⁰⁾ Resigned as director with effect from 28 February 2014

Board Orientation and Training

The Company conducts an orientation programme for newly appointed directors to familiarise them with the businesses, operations and financial performance of the Group. They are also briefed on the governance practices, including board processes, policies on disclosure of

CORPORATE GOVERNANCE REPORT

interests in securities, prohibitions in dealing with the Company's securities and restrictions on disclosure of price-sensitive information. Directors are at liberty to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business issues from Management.

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

During the year, the Board was briefed and updated on directors' duties and responsibilities and corporate governance matters, so as to enable them to discharge their duties effectively as Board and where applicable, as Board Committee members. The Directors may also attend other appropriate courses, conferences and seminars, at the Company's expense. These include programmes run by the Singapore Institute of Directors.

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

Principle 2: Board Composition and Guidance

During the year, the changes to the Board of Directors took into account the appropriateness of the board size and composition as a result of change of nature and scope of business of the Group's operations. The Board presently comprises of eight (8) directors. All members of the Board, except for the Group Managing Director and Managing Director, are non-executive Directors. Four (4) of the Directors are independent non-executive Directors.

The independence of each of the Directors has been assessed by the Board (after taking into account the NC's views) in accordance with the requirements of the Code for assessing independence. Under the Code, an independent director is one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

The integrity and professionalism of the Directors have enabled and facilitated them to discharge their responsibilities with due care and diligence. Through active participation during Board meetings, the Directors constructively and judiciously challenge the proposals and assumptions of Management.

The composition of the Board is reviewed annually. The Board is also taking steps to ensure that the Board has sufficient independent Directors to comply with the recommendations of the Code. The Board is of the opinion that its current size is appropriate, taking into account the nature and scope of the Company's businesses, for effective decision making. The Board comprises Directors who as a group have the core competencies, such as accounting or finance, business or management experience, industry knowledge, corporate actions and strategic planning experience required for the Board to be effective in all aspects of its roles. The objective judgement of the Independent and non-executive Directors on corporate affairs and their collective experience and contributions are invaluable to the Company.

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

Mr. Neil Bush	-	Non-Executive Chairman
Mr. Tang Yigang @ Gordon Tang	-	Non-Executive Director
Mdm Chen Huaidan @ Celine Tang	-	Group Managing Director
Mr. Mao Jinshan	-	Managing Director of U.S. Operations
Mr. Gn Hiang Meng	-	Lead Independent Non-Executive Director

CORPORATE GOVERNANCE REPORT

Mr. Yang Dehe	-	Independent Non-Executive Director
Mr. David Hwang Soo Chin	-	Independent Non-Executive Director
Mr. Jason Lim Cheong Tiong	-	Independent Non-Executive Director

Key information on the Directors' particulars and background can be found on pages 12 to 14 of the Annual Report.

Principle 3: Chairman and Group Managing Director

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

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

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

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

The Board has appointed Mr. Gn Hiang Meng as Lead Independent Director ("Lead ID") with effect from 1 June 2014 to serve as a sounding board for the Chairman and also as an intermediary between the Non-Executive Directors and the Chairman. Due to the seniority and extensive experience of Mr. Gn, the Board is of the view that he is qualified to perform the role of the Lead ID. The Lead ID is available to the shareholders of the Company should they have concerns which cannot be resolved through the normal channel of the Non-executive Chairman, the GMD or the Chief Financial Officer or for which such contact is inappropriate.

Principle 6: Access to Information

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

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

CORPORATE GOVERNANCE REPORT

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

The Company Secretary attends all formal Board meetings to discuss and review the announcements of the half-year and full-year results for release to SGX-ST 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. 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.

B. BOARD COMMITTEES

Nominating Committee

Principle 4: Board Membership

Principle 5: Board Performance

The NC currently comprises three Independent Non-Executive Directors, namely Mr. Jason Lim Cheong Tiong (Chairman), Mr. David Hwang Soo Chin and Mr. Gn Hiang Meng. The NC met twice (2) in FY2014.

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

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

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

In its search and selection process, the NC reviews the composition of the Board including the mix of expertise, skills and attributes of existing Directors, so as to identify needed and/or desired competencies to supplement the Board's existing attributes. In doing so, where necessary or appropriate, the NC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates.

The NC 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;

CORPORATE GOVERNANCE REPORT

- 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; and
- 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.

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

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

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

Remuneration Committee

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

The RC comprises four members, namely Mr. David Hwang Soo Chin (Chairman), Mr. Jason Lim Cheong Tiong, Mr. Gn Hiang Meng (all of whom are independent) and Mr. Tang Yigang @ Gordan Tang. The RC met twice (2) in FY2014.

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

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

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

Fees payable to the Directors are proposed as a lump sum. The lump sum, subject to the approval of shareholders of the Company at its forthcoming Annual General Meeting, will be divided among the Directors, as the Board deems appropriate. The amount for each Director will take into account the level of responsibilities held. The compensation framework is made up of fixed pay and incentives. The Company links executive remuneration to corporate and individual performance. The remuneration of non-executive Directors takes into account their level of contribution and respective responsibilities, including attendance, time and effort at Board meetings and Board Committees meetings.

CORPORATE GOVERNANCE REPORT

A breakdown (in percentage terms) showing the level and mix of each Director's remuneration payable for FY2014 is shown below.

Disclosure on Directors' Remuneration for FY2014

Name of Director	Appointed	Salary %	Bonus %	Directors' Fee ⁽¹⁾ %	Others %	Total Remuneration %
Below S\$250,000						
Mr. Neil Bush	22/04/13	-	-	100%	-	100%
Mr. Tang Yigang @ Gordan Tang		-	-	35%	65%	100%
Mdm Chen Huaidan @ Celine Tang		84%	10%	-	6%	100%
Mr. Yang Dehe	06/09/13	-	-	100%	-	100%
Mr. Gn Hiang Meng	01/12/13	-	-	100%	-	100%
Mr. David Hwang Soo Chin	29/07/13	-	-	100%	-	100%
Mr. Jason Lim Cheong Tiong	29/07/13	-	-	100%	-	100%
S\$250,000 to S\$499,999						
Mr. Mao Jinshan	22/04/13	47%	26%	-	27%	100%
Former Directors	Resigned					
Below S\$250,000						
Mr. Chan Tung Moe ⁽³⁾	28/02/14	84%	8%	-	8%	100%
Mr. Yeo Wee Kiong	31/10/13	-	-	42%	58%	100%
Mr. Wong Tat Keung	29/07/13	-	-	100%	-	100%
Mr. Tan Tai Soon	29/07/13	-	-	100%	-	100%
Mr. Chan Heng Fai ⁽³⁾	06/09/13	96%	-	-	4%	100%
Mr. Chan Tong Wan ^{(2) (3)}	06/09/13	-	-	-	-	-

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

⁽²⁾ Mr. Chan Tong Wan was not remunerated during his period of employment as Director.

⁽³⁾ In addition to the remuneration disclosed in the table as above, 700,000,000 share options (before share consolidation) were granted to Mr. Chan Heng Fai, Mr. Chan Tung Moe and Mr. Chan Tong Wan pursuant to the Shareholders' Approval obtained on 28 June 2013 to reward them for their past contributions to the Company on 19 July 2013. Details of this option award is set out on page 104 to 105.

Note:

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

CORPORATE GOVERNANCE REPORT

Directors and Key Management Personnel's' Remuneration

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

Remuneration Bands ⁽²⁾	Number of Directors	Number of Key Management Personnel (who are not also Directors or the GMD) ⁽¹⁾
Below S\$250,000	13	5
S\$250,000 to S\$499,999	1	2

Notes:

- ⁽¹⁾ The Company takes the view that only five persons (who are not also Directors) have the authority and responsibility for planning, directing and controlling the activities of the Company.
- ⁽²⁾ This table excludes the share options mentioned on page 40 of the Annual Report.

The Code encourages companies to fully disclose the names and remuneration of the top five key management personnel (who are not directors or the GMD). In addition, the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not Directors or the GMD). The Company takes the view that only five persons (who are not also Directors) have the authority and responsibility for planning, directing and controlling the activities of the Company. After careful deliberation, the Company has decided not to disclose the names and remuneration of its top five key management personnel as well as in aggregate the total remuneration paid to its top five key management personnel, as the disadvantages to the Group's business interests would far outweigh the benefits of such disclosure, in view of the confidentiality of and commercial sensitivity attached to executive remuneration matters.

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

No termination, retirement or post-employment benefits were granted to directors, the GMD or key management personnel of the Company during FY2014 except for Mr. Yeo Wee Kiong, who was granted a gratuity payment on resignation.

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

As such, the RC also functions as the Administrative Committee of the SingHaiyi Share Option Scheme 2013 (the "Scheme"), the adoption of which was approved by the shareholders of the Company in the extraordinary general meeting convened on 29 July 2013.

There were no share options granted under the Scheme to the Directors of the Company and employees of the Group during FY2014.

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

Principle 10: Accountability

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

CORPORATE GOVERNANCE REPORT

Principle 12: Audit Committee

The AC consists of three Independent Non-Executive Directors, namely Mr. Gn Hiang Meng (Chairman), Mr. David Hwang Soo Chin and Mr. Jason Lim Cheong Tiong. All members of the AC have many years of experience in senior management positions. The Board is of the view that the AC members are appropriately qualified to discharge their responsibilities. The AC met three (3) times in FY2014.

The principal functions of the AC include:

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

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

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

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

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

The AC has reviewed and is satisfied that the independence and objectivity of the external auditors have not been compromised by the provision of non-audit services. The amount of audit and non-audit fees paid/payable to the external auditors in respect of FY2014 amounted to S\$234,000 and S\$86,000 respectively. Accordingly, the AC has recommended to the Board the nomination of the external auditors, Messrs KPMG LLP, for re-appointment at the forthcoming Annual General Meeting to be held on 25 July 2014. The AC has met with the external auditors and the internal auditors without the presence of Management during FY2014.

CORPORATE GOVERNANCE REPORT

The details of the fee of the auditors of the Company during FY2014 are as follows:

	FY2014 (S\$'000)	FY2013 (S\$'000)
Auditors' fee paid/payable to :		
- Auditors of the Company	234	82
- Other auditors of the Company	31	14
Other fee paid/payable to :		
- Auditors of the Company	86	-
- Other auditors of the Company	38	16

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

Principle 11: Risk Management and Internal Controls

Principle 13: Internal Audit

The Group does not have a Risk Management Committee. The internal audit function of the Company has been outsourced to an independent accounting and auditing firm, Baker Tilly Consultancy (Singapore) Pte Ltd ("Baker"). The internal auditors report to the AC on internal audit matters. In FY2014, the AC commissioned Baker to perform an Enterprise Risk Management exercise to assess the significant business risks, and the strategies and internal controls to mitigate these risks. The internal audit plan was approved by the AC and the results of the audit findings were submitted to the AC for its review in its meeting. The internal auditors conducted an annual review in accordance with their audit plans, the effectiveness of the Company's material internal controls, including financial, operational, compliance, 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 auditors in this respect. The Board and the AC are of the view that the internal audit is adequately resourced and has the appropriate standing within the Group.

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

Based on the internal controls maintained by the Group, works performed by the internal auditors, and statutory audit by the 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 in addressing financial, operational, compliance and IT risks as at 31 March 2014.

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

CORPORATE GOVERNANCE REPORT

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

The AC oversees the administration of the Whistle Blowing Policy. Periodic reports will be submitted to the AC stating the number of 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 Whistle Blowing Policy. Revisions, amendments and alterations to the Whistle Blowing Policy are subject to the approval of the AC and the Board prior to implementation. Changes will be notified in writing to the employees when they are implemented. There were no complaints received during FY2014.

For FY2014, the GMD and Chief Financial Officer have provided written confirmation to the Board that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and (b) the Company's risk management, compliance and internal control systems are effective. This certification covers the Company and subsidiaries which are under the Company's management control. In line with the Catalist Rules, the Board provides a negative assurance statement to shareholders in respect of the interim financial statements, which is supported by a negative assurance statement from the GMD and Chief Financial Officer, and which is in turn supported by a negative assurance confirmation from the various key business and operating/functional heads within the Group that nothing has come to their attention that would render the interim and year-end financial results to be false or misleading.

Further details on the Group's risk management philosophy and approach in respect to the financial and business risks can be found on pages 110 to 119 of this Annual Report.

C. COMMUNICATION WITH SHAREHOLDERS

Principle 14: Shareholders Rights

Principle 16: Conduct of Shareholder Meetings

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

Voting at shareholders' meetings held in FY2014 was conducted by show of hands and by poll voting. At all such shareholders' meetings, the Company had in place the relevant administrative procedures to facilitate poll voting in the event that shareholders demand for resolutions to be voted upon by poll. The power to demand a poll by shareholders is, in any case, conferred under the Company's Articles of Association, which in turn, is consistent with the statutory position under the Companies Act.

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

CORPORATE GOVERNANCE REPORT

Principle 15: Communication with Shareholders

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

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

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

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

D. INTERESTED PERSON TRANSACTIONS POLICY

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 half yearly basis. Any IPTs requiring disclosure are found in the Annual Report. There were no IPTs during FY2014 which, pursuant to the Listing Manual, required immediate announcement or shareholders' approval.

E. DEALINGS IN COMPANY'S SECURITIES

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

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

F. MATERIAL CONTRACTS

Save for the service agreements with the Executive Directors and the Share Options agreements (See note 3 on page 40), there were no material contracts entered into between the Company or any of its subsidiaries with any Director or controlling shareholder in FY2014.

G. NON-SPONSOR FEES

There was S\$52,500 of non-sponsor fees paid to the Company's continuing sponsor, SAC Capital Private Limited for the financial year ended 31 March 2014.

CORPORATE GOVERNANCE REPORT

H. USE OF PROCEEDS

- The Company had on 9 October 2012 completed the issuance of 80 new Cumulative Non-Redeemable Convertible Non-Voting Perpetual Preference Shares ("CCPS") pursuant to a subscription agreement dated 6 August 2012 between the Company and Haiyi Holdings Pte. Ltd. which was approved by Shareholders at an extraordinary general meeting on 27 September 2012. As stated in the circular dated 5 September 2012, it was intended that the net proceeds of S\$94.2 million be utilised in the following manner: (1) approximately S\$10.0 million for four (4) existing property developments projects in Singapore; (2) approximately S\$37.2 million for new property development projects; and (3) approximately S\$47.0 million to enhance the Company's working capital, including repayment of bank borrowings and loans extended by Xpress Credit Limited.
- The Company had on 18 July 2013 completed the issuance of 2,200,000,000 new Shares pursuant to a strategic private placement in July 2013. It was intended that the net proceeds of S\$33.0 million be utilized to pursue property investments in the U.S.A. and/or other strategic investment within or outside Singapore.
- The Company had on 2 August 2013 completed the issuance of 12,867,569,621 new Shares pursuant to a Right Issue in July 2013. It was intended that the net proceeds of S\$193.0 million be utilized to pursue property investments in the U.S.A. and/or other strategic investment within or outside Singapore.

	<u>S\$ million</u>
Proceeds from CCPS	94.40
Use of proceeds in accordance with the intended use stated in circular dated 5 September 2012:	
1) Repayment of Xpress Credit Limited's loan	21.95
2) Deposit and stamp duties paid for Anchorvale Crescent EC project	15.58
3) Partial payment of land cost for Anchorvale Crescent EC project	18.70
4) Deposit paid for the investment in TripleOne Somerset	9.70
5) Repayment of bank loans	9.50
6) Working capital for Cosmoloft project (formerly known as Waldorf Mansions)	8.24
7) Working capital for Tampines EC project	3.63
8) Acquisition of investment properties and renovation	1.82
9) Professional fees and related expenses of the issuance of CCPS	0.20
10) General working capital	5.08
Balance of net proceeds	<u><u>-</u></u>

CORPORATE GOVERNANCE REPORT

	<u>S\$ million</u>
Proceeds from Strategic Placement	33.00
Use of proceeds in accordance with the intended use stated in circular dated 13 June 2013:	
1) Professional fees and related expenses of the strategic placement	0.05
2) Bid price for the acquisition of Vietnam Town ("VT") ("US\$3.25 million")	4.09
3) Repayment of secured debt ("US\$29.8 million") in relation to acquisition of VT	28.86
Balance of net proceeds	<u>-</u>

	<u>S\$ million</u>
Proceeds from Rights Issue	193.01
Use of proceeds in accordance with the intended use stated in circular dated 13 June 2013:	
1) Professional fees and related expenses of the Rights Issue	0.35
2) Payment of bid price ("US\$45.0 million") for acquisition of Tri-County Mall ("TCM")	56.57
3) Payment for acquisition of 5 Thomas Mellon ("5TM") for US\$24.4 million	30.41
4) Repayment of secured debt ("US\$29.8 million") in relation to acquisition of VT	8.59
5) Transaction costs in relation to TCM	1.95
6) Transaction costs in relation to VT	0.99
7) Transaction costs in relation to 5TM	0.57
8) General working capital	0.22
Balance of net proceeds	<u>93.36</u>

DIRECTORS' REPORT

For the financial year ended 31 March 2014

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 2014.

DIRECTORS

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

Mr. Neil Bush	(appointed on 22 April 2013)
Mr. Tang Yigang @ Gordon Tang	
Mdm Chen Huaidan @ Celine Tang	
Mr. Yang Dehe	(appointed on 6 September 2013)
Mr. Mao Jinshan	(appointed on 22 April 2013)
Mr. Gn Hiang Meng	(appointed on 1 December 2013)
Mr. David Hwang Soo Chin	(appointed on 29 July 2013)
Mr. Jason Lim Cheong Tiong	(appointed on 29 July 2013)

DIRECTORS' INTERESTS

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

Name of director and corporation in which interests are held	Holdings at beginning of financial year/date of appointment	Holdings at end of financial year*
Neil Bush ⁽¹⁾		
- ordinary shares		
- deemed interests	–	220,000,000
Tang Yigang @ Gordon Tang ⁽²⁾		
- ordinary shares		
- deemed interests	8,006,957,407	1,821,391,481
Chen Huaidan @ Celine Tang ⁽³⁾		
- ordinary shares		
- deemed interests	8,006,957,407	1,601,391,481
David Hwang Soo Chin		
- ordinary shares		
- interests held	–	500,000

DIRECTORS' REPORT

For the financial year ended 31 March 2014

Name of director and corporation in which interests are held	Holdings at beginning of financial year/date of appointment	Holdings at end of financial year*
Yang Dehe ⁽⁴⁾		
- ordinary shares		
- deemed interests	–	237,000,000
Mao Jinshan		
- ordinary shares		
- interests held	–	4,075,600

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

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

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

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

* On 25 March 2014, the Company completed a shares consolidation of 10 existing issued ordinary shares into one ordinary share.

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2014.

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

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 24 and 30 to the financial statements, since the end of the last financial year, no director has received, or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

DIRECTORS' REPORT

For the financial year ended 31 March 2014

SHARE OPTIONS

The Company had a share option scheme known as the SingXpress Share Option Scheme 2012 (the “2012 Share Option Scheme”) which was adopted by the shareholders on 29 July 2012.

At the Extraordinary General Meeting on 29 July 2013, the shareholders approved the termination of the 2012 Share Option Scheme and the adoption of a new share option scheme known as the SingHaiyi Share Option Scheme 2013 (the “2013 Share Option Scheme”).

Other 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.

No option has been granted by the Company under the 2012 Share Option Scheme and 2013 Share Option Scheme since their adoption.

In addition to the above, the Company also granted the following share options:

- (i) On 10 August 2011, a total of 20,000,000 share options were granted to Mr. Yeo Wee Keong, an ex-director of the Company, following his appointment as business adviser to the Company. The number of share options was adjusted to 7,207,938 (pursuant to the terms and conditions of the share options agreement following the completion of several corporate actions) and the details are as follows:
- (a) 3,603,969 share options are convertible into 3,603,969 new shares at \$0.0836 per share at any time from the date of grant to 9 August 2016;
 - (b) 3,603,969 share options are convertible into 3,603,969 new shares at \$0.0956 per share at any time from the date of grant to 9 August 2016; and
 - (c) The options granted expire 5 years after the date of grant.

At the end of the financial year, the above 7,207,938 share options have not been exercised.

- (ii) On 19 July 2013, share options were granted to the following ex-directors of the Company to reward them for their performance and contributions to the Company:

<u>Ex-director</u>	<u>Number of share options</u>
Mr. Chan Heng Fai	400,000,000
Mr. Chan Tung Moe	200,000,000
Mr. Chan Tong Wan	100,000,000

At the end of the financial year, all the above share options have been exercised.

DIRECTORS' REPORT

For the financial year ended 31 March 2014

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

AUDIT COMMITTEE

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

- Mr. Gn Hiang Meng (Chairman) (appointed on 1 December 2013)
- Mr. David Hwang Soo Chin (appointed on 29 July 2013)
- Mr. Jason Lim Cheong Tiong (appointed on 29 July 2013)
- Mr. Wong Tat Keung (resigned on 29 July 2013)
- Mr. Yeo Wee Kiong (resigned on 31 October 2013)
- Mr. Tan Tai Soon (resigned on 29 July 2013)

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

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

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

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

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

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

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

DIRECTORS' REPORT

For the financial year ended 31 March 2014

AUDITORS

KPMG LLP were appointed as auditors of the Company on 29 July 2013. The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Chen Huaidan @ Celine Tang

Director

Mao Jinshan

Director

30 May 2014

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2014

In our opinion:

- (a) the financial statements set out on pages 55 to 123 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors

Chen Huaidan @ Celine Tang

Director

Mao Jinshan

Director

30 May 2014

INDEPENDENT AUDITORS' REPORT

To the Members of SingHaiyi Group Ltd

Report on the financial statements

We have audited the accompanying financial statements of SingHaiyi Group Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2014, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 55 to 123.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Other matters

The financial statements for the financial year ended 31 March 2013 were audited by another firm of Public Accountants and Chartered Accountants, whose report dated 28 June 2013 expressed an unqualified opinion on those financial statements.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
30 May 2014

STATEMENTS OF FINANCIAL POSITION - GROUP

As at 31 March 2014

	Note	2014 \$'000	Group 2013 \$'000 (Restated)	2012 \$'000 (Restated)
Non-current assets				
Property, plant and equipment	4	6,728	6,914	257
Investment properties	5	161,268	25,774	26,157
Interests in associates	7	19,665	–	–
Other investments	8	45,800	–	–
Amounts due from associates	9	23,573	23,573	–
Deferred tax assets	19	1,071	764	440
		<u>258,105</u>	<u>57,025</u>	<u>26,854</u>
Current assets				
Development properties	11	279,173	198,517	175,912
Trade and other receivables	12	56,052	428	398
Amounts due from associates	9	90	47	–
Amounts due from non-controlling interests	13	1,167	1,167	–
Financial assets at fair value through profit or loss		–	2	2
Cash and cash equivalents	14	142,729	85,873	13,989
		<u>479,211</u>	<u>286,034</u>	<u>190,301</u>
Total assets		<u>737,316</u>	<u>343,059</u>	<u>217,155</u>
Non-current liabilities				
Loans and borrowings	15	119,541	123,682	133,108
Amounts due to non-controlling interests	16	25,623	13,758	10,966
Deferred tax liabilities	19	16,873	570	–
		<u>162,037</u>	<u>138,010</u>	<u>144,074</u>
Current liabilities				
Trade and other payables	17	75,755	30,504	12,577
Loans and borrowings	15	54,165	22,218	804
Amounts due to related companies	18	24,377	–	17,933
Current tax payable		3,397	–	–
		<u>157,694</u>	<u>52,722</u>	<u>31,314</u>
Total liabilities		<u>319,731</u>	<u>190,732</u>	<u>175,388</u>
Equity attributable to owners of the Company				
Share capital	20	382,253	145,974	54,202
Accumulated profits/(losses)		28,296	5,139	(18,418)
Reserves	20	5,791	861	5,917
		<u>416,340</u>	<u>151,974</u>	<u>41,701</u>
Non-controlling interests		1,245	353	66
Total equity		<u>417,585</u>	<u>152,327</u>	<u>41,767</u>
Total equity and liabilities		<u>737,316</u>	<u>343,059</u>	<u>217,155</u>

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

STATEMENTS OF FINANCIAL POSITION - COMPANY

As at 31 March 2014

	Note	2014 \$'000	Company 2013 \$'000 (Restated)	2012 \$'000 (Restated)
Non-current assets				
Property, plant and equipment	4	367	398	189
Interests in subsidiaries	6	17,022	1,801	1,700
Amounts due from subsidiaries	10	265,283	–	–
		282,672	2,199	1,889
Current assets				
Trade and other receivables	12	169	67	61
Amounts due from subsidiaries	10	39,281	74,571	62,611
Amounts due from associates	9	157	113	–
Financial assets at fair value through profit or loss		–	2	2
Cash and cash equivalents	14	119,099	67,233	168
		158,706	141,986	62,842
Total assets		441,378	144,185	64,731
Non-current liabilities				
Loans and borrowings	15	169	252	9,179
		169	252	9,179
Current liabilities				
Trade and other payables	17	474	206	186
Loans and borrowings	15	50,084	44	22
Amounts due to related companies	18	24,377	–	17,933
		74,935	250	18,141
Total liabilities		75,104	502	27,320
Equity attributable to owners of the Company				
Share capital	20	382,253	145,974	54,202
Accumulated losses		(21,495)	(2,780)	(22,346)
Reserves	20	5,516	489	5,555
Total equity		366,274	143,683	37,411
Total equity and liabilities		441,378	144,185	64,731

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

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2014

	Note	2014 \$'000	2013 \$'000 (Restated)
Revenue	21	56,957	17,025
Cost of sales		(34,607)	(10,815)
Gross profit		22,350	6,210
Other income	22	39,281	4,377
Selling and marketing expenses		(4,128)	(3,864)
Administrative expenses		(12,199)	(3,750)
Other operating expenses		(11,585)	–
Results from operating activities		33,719	2,973
Finance income		550	31
Finance costs		(387)	(490)
Share of results of associates, net of tax		474	(300)
Profit before tax		34,356	2,214
Tax expense	23	(10,507)	(246)
Profit for the year	24	23,849	1,968
Profit attributable to:			
Owners of the Company		23,157	1,681
Non-controlling interests		692	287
Profit for the year		23,849	1,968
Earnings per share	26		
Basic earnings per share (cents)		0.997	0.235
Diluted earnings per share (cents)		0.995	0.235

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2014

	2014 \$'000	2013 \$'000 (Restated)
Profit for the year	23,849	1,968
Other comprehensive income:		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Currency translation differences relating to foreign operations	(97)	10
Other comprehensive income for the year, net of income tax	(97)	10
Total comprehensive income for the year	<u>23,752</u>	<u>1,978</u>
Total comprehensive income attributable to:		
Owners of the Company	23,060	1,691
Non-controlling interests	<u>692</u>	<u>287</u>
Total comprehensive income for the year	<u>23,752</u>	<u>1,978</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2014

Note	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Capital reserve	Translation reserve	Accumulated profits/(losses)	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2012, as previously reported	54,202	5,085	362	(16,229)	43,420	496	43,916
Impact of changes in accounting policies	31	–	470	–	(2,189)	(430)	(2,149)
At 1 April 2012, as restated	54,202	5,555	362	(18,418)	41,701	66	41,767
Total comprehensive income for the year							
Profit for the year, as restated	–	–	–	1,681	1,681	287	1,968
Other comprehensive income							
Currency translation differences relating to foreign operations	–	–	10	–	10	–	10
Total other comprehensive income	–	–	10	–	10	–	10
Total comprehensive income for the year	–	–	10	1,681	1,691	287	1,978
Transactions with owners, recognised directly in equity							
Conversion of Cumulative Non-Redeemable Convertible Non-Voting Perpetual Preference Shares ("CCPS")	94,400	–	–	–	94,400	–	94,400
Issuance of new shares pursuant to private placement	5,054	–	–	–	5,054	–	5,054
Capital reduction	(21,876)	–	–	21,876	–	–	–
Conversion of convertible bonds	14,194	(5,066)	–	–	9,128	–	9,128
Total transactions with owners	91,772	(5,066)	–	21,876	108,582	–	108,582
At 31 March 2013, as restated	145,974	489	372	5,139	151,974	353	152,327

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2014

Note	Attributable to owners of the Company					Non-	Total equity
	Share capital	Capital reserve	Translation reserve	Accumulated profits	Total	controlling interests	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2013	145,974	489	372	5,139	151,974	353	152,327
Total comprehensive income for the year							
Profit for the year	–	–	–	23,157	23,157	692	23,849
Other comprehensive income							
Currency translation differences relating to foreign operations	–	–	(97)	–	(97)	–	(97)
Total other comprehensive income	–	–	(97)	–	(97)	–	(97)
Total comprehensive income for the year	–	–	(97)	23,157	23,060	692	23,752
Transactions with owners, recognised directly in equity							
Issuance of new shares pursuant to rights issue	193,013	(351)	–	–	192,662	–	192,662
Issuance of new shares pursuant to private placement	33,000	–	–	–	33,000	–	33,000
Share options exercised	10,500	–	–	–	10,500	–	10,500
Share-based payment transactions	25	–	5,140	–	5,140	–	5,140
Reclassification of share capital	(239)	239	–	–	–	–	–
Conversion of convertible bonds	5	(1)	–	–	4	–	4
Capital contribution from non-controlling interests	–	–	–	–	–	200	200
Total transactions with owners	236,279	5,027	–	–	241,306	200	241,506
At 31 March 2014	382,253	5,516	275	28,296	416,340	1,245	417,585

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2014

	Note	2014 \$'000	2013 \$'000 (Restated)
Cash flows from operating activities			
Profit for the year		34,356	2,214
Adjustments for:			
Allowance for diminution in value of development property	11	10,500	–
Changes in fair value of investment properties	5	(21,459)	(3,657)
Depreciation of property, plant and equipment	4	366	212
Gain on bargain purchase	6	(16,552)	–
Gain on disposal of investment properties		(73)	(711)
Interest expense		387	490
Interest income		(550)	(31)
Loss on sale of financial assets at fair value through profit or loss		1	–
Plant and equipment written off		12	–
Share-based payment expenses	21	5,140	–
Share of (profits)/losses of associates, net of tax		(474)	300
		<u>11,654</u>	<u>(1,183)</u>
Changes in:			
Development properties		(91,156)	(22,605)
Trade and other receivables		(55,624)	(251)
Trade and other payables		<u>45,252</u>	<u>17,927</u>
Cash used in operations		(89,874)	(6,112)
Interest received		<u>550</u>	<u>9</u>
Net cash used in operating activities		<u>(89,324)</u>	<u>(6,103)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(193)	(6,869)
Acquisition of investment properties		(34,918)	–
Acquisition of business	6	(56,705)	–
Deposits pledged		(50,000)	–
Investments in associates		(19,191)	(300)
Proceeds from sale of financial assets at fair value through profit or loss		1	–
Proceeds from sale of investment properties		3,021	4,637
Subscription of unquoted junior bonds		<u>(45,800)</u>	<u>–</u>
Net cash used in investing activities		<u>(203,785)</u>	<u>(2,532)</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2014

	Note	2014 \$'000	2013 \$'000 (Restated)
Cash flows from financing activities			
Advances to associates		(43)	(23,620)
Advances from non-controlling interests		11,865	1,625
Capital contribution from non-controlling interests		200	–
Interest paid		(382)	(146)
Payment of transaction costs in relation to rights issue		(351)	–
Proceeds from issuance of shares under CCPS		–	94,400
Proceeds from issuance of shares under private placement		33,000	5,054
Proceeds from issuance of shares under rights issue		193,013	–
Proceeds from exercise of share options		10,500	–
Proceeds from bank loans		84,556	28,327
Repayment of bank loans		(56,731)	(7,312)
Balances with related companies		24,377	(17,933)
Net cash generated from financing activities		<u>300,004</u>	<u>80,395</u>
Net increase in cash and cash equivalents		6,895	71,760
Cash and cash equivalents at beginning of the year	14	85,873	13,989
Effect of exchange rate fluctuations on cash held		(39)	124
Cash and cash equivalents at end of the year	14	<u>92,729</u>	<u>85,873</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 May 2014.

1 DOMICILE AND ACTIVITIES

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

The financial statements of the Group as at and for the year ended 31 March 2014 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates.

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2 BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements (continued)

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.

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

- Note 5 Fair value determination of investment properties
- Note 11 Estimation of the percentage of completion of the projects, attributable profits and diminution in value of development properties
- Note 23 Utilisation of tax losses

2.5 Changes in accounting policies

Fair value measurement

FRS 113 *Fair Value Measurement* establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other FRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other FRSs, including FRS 107 *Financial Instruments: Disclosures*.

From 1 April 2013, in accordance with the transitional provisions of FRS 113, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities. The additional disclosures necessary as a result of the adoption of this standard has been included in notes 28 and 29.

Presentation of items of other comprehensive income

From 1 April 2013, as a result of the amendments to FRS 1 *Presentation of Financial Statements*, the Group has modified the presentation of items of other comprehensive income in its statement of comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been re-presented accordingly.

The adoption of the amendment to FRS 1 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Business combinations (continued)

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Loss of control

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

Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investment in associates are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and associates by the Company

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

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

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

Foreign operations

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

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Foreign currency (continued)

Foreign operations (continued)

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

3.3 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

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

Loans and receivables

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

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

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, deposits pledged are excluded from cash and cash equivalents.

Financial assets at fair value through profit or loss

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

Non-derivative financial assets (continued)

Financial assets at fair value through profit or loss (continued)

Financial assets classified as held for trading comprise equity securities actively managed by the Group's treasury department to address short-term liquidity needs.

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

Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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

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

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

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

Share capital

Ordinary shares

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

Compound financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

Compound financial instruments (continued)

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

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

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

Intra-group financial guarantees in the separate financial statements

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

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

3.4 Property, plant and equipment

Recognition and measurement

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

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 the 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 determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other operating expenses in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment (continued)

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

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

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

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

3.5 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties also include properties that are being constructed for future use as investment properties. Investment properties are measured at cost on initial recognition and subsequently at fair value, with any changes therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to accumulated profits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Investment properties (continued)

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

Property that is being constructed for future use as investment property is accounted for at fair value. The fair value is determined by management based on an independent professional valuer based on the highest and best use basis at least once every year.

Investment properties are subject to renovations and improvements at regular intervals. The costs of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

3.6 Development properties

Development properties are those properties that are held with the intention of development and sale in the ordinary course of business. They are measured at the lower of cost and net realisable value.

Cost of properties under development comprise specifically identified costs, including land acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities, less any allowance for diminution in value of property considered necessary by management.

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

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

When it is probable that total development costs will exceed total revenue, an allowance is recognised as an expense immediately to profit or loss.

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

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

Other properties under development

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment

Non-derivative financial assets

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

Objective evidence that financial assets (including equity and debt securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity and debt securities, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of the impairment losses to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment (continued)

Non-financial assets (continued)

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

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

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

3.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit in profit or loss in the periods during which 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 share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Tax

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

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

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

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

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. 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 income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Interest expense and similar charges are expensed in profit or loss in the period in which they are incurred using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.11 Revenue recognition

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

Sale of development properties

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

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

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

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

Rental income

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Revenue recognition (continued)

Dividend

Dividend income is recognised in profit or loss when the Group's right to receive payment is established, which in the case of quoted equity securities is the ex-dividend date.

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.

3.12 Inter-company interest-free loans

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

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

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

3.13 Operating leases

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

3.14 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Segment reporting

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

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

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

3.16 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings \$'000	Leasehold improvements \$'000	Furniture and fittings \$'000	Office equipment \$'000	Motor vehicles \$'000	Computers \$'000	Total \$'000
Cost							
At 1 April 2012	–	33	58	15	193	50	349
Additions	6,095	502	54	12	197	41	6,901
Disposals	–	(36)	(4)	–	–	–	(40)
At 31 March 2013	6,095	499	108	27	390	91	7,210
At 1 April 2013	6,095	499	108	27	390	91	7,210
Additions	–	124	21	10	–	38	193
Written off	–	(12)	(7)	(3)	–	(4)	(26)
Currency translation differences	–	(1)	–	–	–	–	(1)
At 31 March 2014	6,095	610	122	34	390	125	7,376
Accumulated depreciation							
At 1 April 2012	–	10	32	12	15	23	92
Depreciation charge for the year	80	67	14	2	32	17	212
Disposals	–	(6)	(2)	–	–	–	(8)
At 31 March 2013	80	71	44	14	47	40	296
At 1 April 2013	80	71	44	14	47	40	296
Depreciation charge for the year	108	183	20	4	39	12	366
Written off	–	(4)	(7)	(2)	–	(1)	(14)
At 31 March 2014	188	250	57	16	86	51	648
Carrying amounts							
At 1 April 2012	–	23	26	3	178	27	257
At 31 March 2013	6,015	428	64	13	343	51	6,914
At 31 March 2014	5,907	360	65	18	304	74	6,728

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

4 PROPERTY, PLANT AND EQUIPMENT (continued)

	Furniture and fittings \$'000	Office equipment \$'000	Motor vehicles \$'000	Computers \$'000	Total \$'000
Company					
Cost					
At 1 April 2012	8	4	193	3	208
Additions	19	–	197	32	248
Disposals	–	–	–	–	–
At 31 March 2013	27	4	390	35	456
At 1 April 2013	27	4	390	35	456
Additions	–	9	–	19	28
Written off	(4)	(3)	–	(4)	(11)
At 31 March 2014	23	10	390	50	473
Accumulated depreciation					
At 1 April 2012	2	1	15	1	19
Depreciation charge for the year	3	1	32	3	39
Disposals	–	–	–	–	–
At 31 March 2013	5	2	47	4	58
At 1 April 2013	5	2	47	4	58
Depreciation charge for the year	5	1	39	9	54
Written off	(3)	(2)	–	(1)	(6)
At 31 March 2014	7	1	86	12	106
Carrying amounts					
At 1 April 2012	6	3	178	2	189
At 31 March 2013	22	2	343	31	398
At 31 March 2014	16	9	304	38	367

Included in property, plant and equipment of the Group are leasehold buildings with a total carrying amount of \$5,907,000 (2013: \$6,015,000) which are mortgaged to certain financial institutions to secure credit facilities (note 15).

As at 31 March 2014, motor vehicles of the Group and the Company with a total carrying amount of \$304,000 (2013: \$343,000) are held under finance lease (note 15).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

5 INVESTMENT PROPERTIES

	Group	
	2014	2013
	\$'000	\$'000
At beginning of the year	25,774	26,157
Additions	117,097	–
Disposals	(3,003)	(3,926)
Changes in fair value	21,459	3,657
Currency translation differences	(59)	(114)
At end of the year	161,268	25,774

Investment properties are carried at fair value at the reporting date as determined by independent professional valuers. Valuations are made based on the properties' highest-and-best use using direct market comparison method and discounted cash flows method (note 28).

The investment properties are leased to non-related parties under operating leases.

Certain investment properties of the Group with a total carrying amount of \$25,095,222 (2013: \$25,774,172) are mortgaged to certain financial institutions to secure credit facilities (note 15).

During the year, the Group acquired the following investment properties:

- (i) Tri-County Mall, a two-storey shopping mall located in Cincinnati, Ohio, USA through a business combination (note 6);
- (ii) 5 Thomas Mellon, a commercial office building located in San Francisco, California, USA through an exercise of the Group's right of first refusal with American Pacific International Capital, Inc ("APIC"), a corporation owned by the controlling shareholders of the Company, as approved by the shareholders during the Extraordinary General Meeting on 28 June 2013; and
- (iii) Three office units at 81 Ubi Avenue 4, Singapore from an external party.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

5 INVESTMENT PROPERTIES (continued)

The details of the Group's investment properties as at 31 March 2014 were:

Description	Site area (sq ft)	Tenure
Tri-County Mall, a two-storey shopping mall with an open car park at 11700 Princeton Pike, Cincinnati, Ohio, USA	3,314,916	Freehold
5 Thomas Mellon, a commercial office building situated at 5 Thomas Mellon Circle, San Francisco, California, USA	204,300	Freehold
5 home office units, No. 883 North Bridge Road, Southbank, Singapore	6,028	99 years commencing from 27 January 2006 to 26 January 2105
3 office units, 81 Ubi Avenue 4, #02-26-28, UB. One, Singapore	3,906	60 years commencing from 31 December 2008 to 30 December 2068
1 office unit, No.8 Eu Tong Sen Street #23-81, The Central, Singapore	1,216	99 years commencing from 21 January 2001 to 20 January 2100
3 residential units, Amoy Gardens, No. 77 Ngau Tau Kok Road, Kowloon Bay, Kowloon, Hong Kong	1,450	Statutorily extended to 30 June 2047
3 residential units, Parkland Villas, No. 1 Tuen On Lane, Tuen Mun, New Territories, Hong Kong	1,669	53 years commencing from 6 September 1994 to 30 June 2047
3 residential units, Beneville, No. 18 Tuen Kwai Road Tuen Mun, New Territories, Hong Kong	1,726	50 years commencing from 1 March 2002 to 30 April 2052
1 residential unit, Flat H on 11 th Floor, Block 8, Phase 2, Tai Hing Garden, Tuen Mun, New Territories, Hong Kong	535	99 years commencing from 1 July 1898 and thereafter statutorily extended until 30 June 2047
1 residential unit, Affluence Garden, No. 33 Tsing Chung Koon Road, Tuen Mun, New Territories, Hong Kong	482	60 years commencing from 9 February 1987 to 30 June 2047
1 residential unit, Flat E on 15 th Floor, Block A Tsuen Tak Gardens, No. 208 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong	427	99 years commencing from 1 July 1898 and thereafter statutorily extended to 30 June 2047
2 residential units, Tsuen Wan Centre, Nos. 88-105 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong	824	99 years commencing from 1 July 1898 and thereafter statutorily extended to 30 June 2047
1 residential unit, Flat H on 18 th Floor, Block B, Shaukiwan Centre No. 7 Factory Street, Shau Kei Wan, Hong Kong	378	999 years commencing from 3 January 1860 to 2 January 2859
1 residential unit, Flat C on 10 th Floor The Platinum, No. 76A Fa Yuen Street, Mongkok, Kowloon, Hong Kong	347	75 years renewed for a further term of 75 years commencing from 24 March 1923

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

6 INTERESTS IN SUBSIDIARIES

	Company	
	2014	2013
	\$'000	\$'000
At beginning of the year	1,801	1,700
Acquisition	15,221	101
At end of the year	17,022	1,801

Acquisition of subsidiary

In September 2013, the Group exercised its right of first refusal with APIC, as approved by the shareholders during the Extraordinary General Meeting on 28 June 2013, to acquire 100% of the equity interest in Tri-County Mall ("TCM") in the USA. Under this arrangement, the Group obtained the beneficial interest of TCM with effect from the date APIC had originally obtained its equitable interest in TCM, which was determined to be 1 September 2013. The Group accounted for this as a business combination and performed a purchase price allocation exercise to estimate the fair value of identifiable assets and liabilities of TCM. Following the completion of this transaction, a gain on bargain purchase of \$16,552,000 was recognised in profit or loss for the year ended 31 March 2014.

The following summarises the identifiable assets acquired and liabilities assumed at the acquisition date:

	\$'000
Investment property	82,196
Other assets	62
Deferred tax liabilities	(8,923)
Other liabilities	(78)
Fair value of identifiable net assets acquired	73,257
Total consideration	56,705
Gain on bargain purchase	16,552

The transaction costs incurred for the above acquisition amounted to \$1,310,069, which included a finders' fee of \$1,134,090 that had been recorded in administrative expenses in the Group's income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

6 INTERESTS IN SUBSIDIARIES (continued)

List of significant subsidiaries

The following are the Company's significant subsidiaries:

Company name	Principal activities	Place of incorporation	Effective equity held by the Group	
			2014 %	2013 %
Anchorvale Residences Pte Ltd	Real estate development	Singapore	80	–
SingXpress Kaylim Pte Ltd	Real estate development	Singapore	80	80
Corporate Residence Pte Ltd	Real estate development	Singapore	90	90
Charlton Residences Pte Ltd	Real estate development	Singapore	80	80
Vietnam Town Property LLC *	Real estate development	USA	100	–
SingXpress Capital Pte Ltd	Properties investment	Singapore	100	100
Sansui Resorts Ltd	Properties investment	Hong Kong	100	100
Tri-County Mall LLC *	Properties investment	USA	100	–
Ocean Landing LLC *	Properties investment	USA	100	–
SingXpress Properties Limited	Properties investment	Hong Kong	100	100
Angel Investment Management Pte Ltd	Properties holding	Singapore	100	100
SXL Model Productions Pte Ltd	Properties holding	Singapore	100	100
Corporate Bridge International Pte Ltd	Investment holding	Singapore	100	100
SingXpress Travel Holdings Pte Ltd	Investment holding	Singapore	100	100
SingXpress Land (Pasir Ris) Pte Ltd	Investment holding	Singapore	100	100
SingXpress Property Development Pte Ltd	Investment holding	Singapore	81.6	81.6
Phoenix Real Estate Pte Ltd (formerly known as International Commerce Center Pte Ltd)	Investment holding	Singapore	100	100
SingHaiyi TripleOne Pte Ltd (formerly known as International Singapore Center Pte Ltd)	Investment holding	Singapore	100	100
SingXpress Development Pte Ltd	Property development advisory services	Singapore	100	100
SingXpress Realtors Limited	Properties agency	Hong Kong	100	100

KPMG LLP are the auditors of all Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of foreign-incorporated subsidiaries.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

7 INTERESTS IN ASSOCIATES

	Group	
	2014	2013
	\$'000	\$'000
Investment in unquoted shares		
Shares, at cost	19,491	300
Share of post-acquisition results of associates	174	(300)
At end of year	19,665	–

Details of significant associates are as follows:

Name	Place of incorporation	Principal activities	Proportion of ownership interests	
			2014	2013
			%	%
Perennial Somerset Investors Pte Ltd ("PSIPL") ⁽¹⁾	Singapore	Investment holding	20.00	–
Tampines EC Pte Ltd ⁽²⁾	Singapore	Real estate development	24.48	24.48

⁽¹⁾ Audited by KPMG LLP

⁽²⁾ Audited by Moore Stephens LLP

On 31 March 2014, PSIPL, being the investment holding company of an investment property, TripleOne Somerset Singapore (the "TripleOne Property"), issued the following to SingHaiyi TripleOne Pte Ltd, a wholly-owned subsidiary of the Group:

- 458,000 ordinary shares at a total issue price of \$68,700; and
- 458,000 preference shares at a total issue price of \$19,121,500.

Consequently, the Group holds 20% of the equity interest in PSIPL and this is classified as an investment in associate. Please also refer to note 8 for other investments relating to this associate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

7 INTERESTS IN ASSOCIATES (continued)

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group	
	2014	2013
	\$'000	\$'000
Assets and liabilities		
Total assets	1,385,265	322,608
Total liabilities	1,293,428	325,074
Results		
Revenue	–	–
Net loss for the year	(1,649)*	(3,465)

* The Group has not recognised its share of the cumulative losses relating to one of its associates, Tampines EC Pte Ltd, amounting to \$1,384,000, because the Group has no obligation in respect of these losses. These losses are mainly due to the recognition of sales commissions and marketing expenses for the property development, CityLife@Tampines. As this is an EC project, revenue is only recognised upon the transfer of control and significant risk and rewards of ownership of the properties to the buyers (note 3.11).

8 OTHER INVESTMENTS

On 31 March 2014, the Group also subscribed for junior bonds issued by PSIPL with a principal amount of \$45,800,000. The junior bonds are expected to mature in 2019, bear interest at 10% per annum, and are secured by a legal mortgage over the TripleOne Property but subordinated to all senior borrowings of PSIPL.

The Group's exposure to credit risk related to other investments is disclosed in note 29.

9 AMOUNTS DUE FROM ASSOCIATES

	Group		Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Non-current	23,573	23,573	–	–
Current	90	47	157	113
	<u>23,663</u>	<u>23,620</u>	<u>157</u>	<u>113</u>

The non-current amounts due from an associate are unsecured, interest-free and are carried at cost because the timing and amount of repayment cannot be reliably estimated as these are subject to the agreement of all shareholders and the financial institutions.

The current amounts due from associates are unsecured, interest-free and are repayable on demand.

The Group's and the Company's exposure to credit risk related to amounts due from associates is disclosed in note 29.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

10 AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2014	2013
	\$'000	\$'000
Non-current		
Loans to subsidiaries	274,733	–
Less: Allowance for impairment loss of loans	(9,450)	–
	<u>265,283</u>	<u>–</u>
Current		
Loans to subsidiaries	51,801	82,834
Less: Allowance for impairment loss of loans	(12,520)	(8,263)
	<u>39,281</u>	<u>74,571</u>

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

	Company	
	2014	2013
	\$'000	\$'000
At beginning of the year	8,263	8,263
Provisions made during the year	13,707	–
At end of the year	<u>21,970</u>	<u>8,263</u>

The non-current amounts due from subsidiaries comprises of the following:

- (i) A loan of \$19,636,000 to a subsidiary which is unsecured and interest-free. This loan was then transferred by the borrowing subsidiary to an associate of the Group. At the reporting date, the Company has recorded this loan at cost because the timing and amount of repayment cannot be reliably estimated (see note 9);
- (ii) A loan of \$14,230,000 which is unsecured, interest free and is not expected to be repaid within the next 12 months. The carrying amount is assumed to approximate its fair value because the effect of discounting is immaterial; and
- (iii) Remaining loans of \$240,867,000 which are unsecured and bear interests ranging from 5.25% to 6.5% per annum. The amounts are not expected to be repaid within the next 12 months.

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

The Company's exposure to credit risk related to amounts due from subsidiaries is disclosed in note 29.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

11 DEVELOPMENT PROPERTIES

	Group	
	2014	2013
	\$'000	\$'000
		(Restated)
Properties under development, sold units for which revenue is recognised using percentage of completion method		
- Costs incurred and attributable profits	28,634	58,694
- Progress billings	–	(16,199)
- Allowance for diminution in value	(10,500)	–
	<u>18,134</u>	<u>42,495</u>
Other properties under development		
- Costs incurred	244,888	156,022
Completed properties	<u>16,151</u>	<u>–</u>
Total development properties	<u>279,173</u>	<u>198,517</u>
Finance costs capitalised into development properties:	<u>2,746</u>	<u>2,558</u>

Development properties amounting to \$219,512,000 (2013, as restated: \$198,517,000) are pledged as security to obtain bank loans (note 15).

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

During the year, the Group acquired the following development properties:

- (i) Vietnam Town, a partially completed commercial condominium development project located in San Jose, California, USA, through an auction. This project includes 51 units of unsold commercial units and an undeveloped land parcel (note 12); and
- (ii) Anchorvale Crescent, a 99 year leasehold site slated for an EC development located in Singapore, with a tender price of \$192,889,000. As at 31 March 2014, the Group has paid a deposit of the tender price for the land site amounting to \$48,222,000. The remaining amount was settled subsequent to year end.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

11 DEVELOPMENT PROPERTIES (continued)

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

Location	Tenure	Land area (Sq. ft)	Gross floor area (Sq. ft)	Percentage of completion	Expected completion date	Interest held by the Group
No.1 Charlton Road, Singapore	Freehold	34,154	62,054	100%	2014	80%
235 Balestier Road, Singapore	Freehold	11,384	31,875	15%	2016	90%
Pasir Ris Central/Pasir Ris Drive 1, Singapore	99 year leasehold	176,400	441,000	53%	2015	80%
Anchorvale Crescent, Singapore	99 year leasehold	175,236	525,709	Has not commenced construction	2018	80%
Vietnam Town, 51 commercial condominium units, San Jose, California, USA	Freehold	Completed units	52,494	100%	Completed	100%

The Group makes allowance for diminution in value taking into account the Group's recent experience in estimating net realisable values of the development properties by reference to comparable properties, timing of sale launches, location of properties, expected net selling prices and development expenditure. Based on these evaluating criteria, the Group has estimated an allowance for diminution in value on development property, The CosmoLoft, amounting to \$10,500,000 as at 31 March 2014 (2013: Nil).

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Trade receivables	5,546	7	70	–
Deposits	24,782	350	17	17
Accrued receivables	24,988	–	–	–
Property tax recoverable	174	–	–	–
Other receivables	196	71	39	50
	55,686	428	126	67
Prepaid expenses	366	–	43	–
	56,052	428	169	67

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

12 TRADE AND OTHER RECEIVABLES (continued)

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

The ageing of trade receivables at the reporting date is:

	Group		Company	
	Gross	Gross	Gross	Gross
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Not past due	5,378	7	70	–
Past due 1 – 30 days	38	–	–	–
Past due 30 – 60 days	22	–	–	–
Past due 60 – 90 days	53	–	–	–
Past due over 90 days	55	–	–	–
	<u>5,546</u>	<u>7</u>	<u>70</u>	<u>–</u>

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

The Group's and the Company's exposure to credit risk and foreign currency risk related to trade and other receivables is disclosed in note 29.

Included in deposits is an amount of \$24,744,000 relating to Vietnam Town. As outlined in the Company's announcement dated 18 November 2013, the Group has successfully bid, through an auction on 14 November 2013, for Vietnam Town, which is a partially completed commercial condominium development project comprising: (i) 51 units of completed unsold commercial units; and (ii) an undeveloped land. The acquisition cost of US\$33,000,000 was allocated to the aforesaid components, based on their estimated relative fair values, at US\$13,300,000 and US\$19,700,000, respectively.

As at 31 March 2014, the Group is still in the process of obtaining the title deed of the undeveloped land parcel and, subsequent to year end, a demand letter was served to the seller to expedite the transfer. As the transfer of the title deed is not yet completed and the outcome of which could be uncertain, the Group has classified the allocated cost of the undeveloped land parcel as a deposit.

Notwithstanding the above, the Group believes there is no impairment loss on this deposit because the major shareholder of the Company, through APIC, has provided an undertaking to indemnify the Group against any shortfall between the net proceeds from the eventual sale of all 51 completed commercial units and the total acquisition cost of US\$33,000,000 upon closure of account in relation to the project, in the event the transfer of the title deed of the undeveloped land parcel does not materialise in the future.

13 AMOUNTS DUE FROM NON-CONTROLLING INTERESTS

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

The Group's exposure to credit risk related to amounts due from non-controlling interests is disclosed in note 29.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

14 CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Amount held under "Project Account Rules – 1997 Ed" withdrawals from which are restricted to payments for expenditure incurred on projects	14,056	12,892	–	–
Short term bank deposits	102,627	61,090	102,627	60,168
Cash at banks and in hand	26,046	11,891	16,472	7,065
Cash and cash equivalents	142,729	85,873	119,099	67,233
Deposits pledged	(50,000)	–	–	–
Cash and cash equivalents in the statement of cash flows	92,729	85,873	119,099	67,233

The Group's and the Company's short term deposits bear interest at rates ranging from 0.10% to 0.48% (2013: 0.93% to 2.55%) per annum during the year. Interest rates are repriced at intervals of between one week to three months.

The Group's and the Company's exposures to credit risk, interest rate risk and foreign currency risk related to cash and cash equivalents are disclosed in note 29.

15 LOANS AND BORROWINGS

	Group		Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Secured				
Bank loans	173,453	145,604	50,000	–
Finance lease liabilities	213	257	213	257
	173,666	145,861	50,213	257
Unsecured				
Convertible bonds	40	39	40	39
	173,706	145,900	50,253	296
Repayable:				
Within 1 year	54,165	22,218	50,084	44
After 1 year but within 5 years	109,682	113,944	160	252
After 5 years	9,859	9,738	9	–
	173,706	145,900	50,253	296

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

15 LOANS AND BORROWINGS (continued)

(i) Bank loans

The bank loans are secured by:

- the borrowing subsidiaries' investment properties, development properties and leasehold buildings (notes 4, 5 and 11);
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of investment properties, development properties and leasehold buildings;
- corporate guarantees by the Company; and
- a charge over a foreign currency fixed deposit with an amount equivalent to \$50,000,000.

The effective interest rates relating to the bank loans for the Group and the Company are 1.95% (2013: 1.93%) and 0.95% (2013: Nil) per annum respectively.

(ii) Convertible bonds

	Group and Company	
	2014	2013
	\$'000	\$'000
At beginning of the year	39	9,066
Conversion to share capital	(4)	(9,128)
Interest expense	5	101
At end of the year	40	39

On 25 March 2014, the Company completed a shares consolidation of 10 existing issued ordinary shares into one ordinary share (the "2014 Shares Consolidation"). Accordingly, adjustments have been made to the conversion price of the outstanding convertible bonds.

The principal amount of convertible bonds outstanding at the reporting date, amounting to \$44,201, can be converted into 616,471 shares at an adjusted price of \$0.0717 at any time from the date of issuance to 10 November 2014.

The fair value of the liability component is calculated using a market interest rate for an equivalent non-convertible bond at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholder's equity in other reserves.

(iii) Finance lease liabilities

	Group and Company	
	2014	2013
	\$'000	\$'000
Minimum lease payments due:		
- Not later than 1 year	44	44
- Between 1 and 5 years	160	176
- Later than 5 years	9	37
	213	257

The Group's and the Company's exposures to liquidity risk and interest rate risk related to loans and borrowings are disclosed in note 29.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

16 AMOUNTS DUE TO NON-CONTROLLING INTERESTS

Amounts due to non-controlling interests mainly comprise of the following:

- (i) An advance of \$10,801,000 (2013: Nil) for a property development project for which the terms are subject to the agreement of all parties. The amount is not expected to be repaid within the next 12 months; and
- (ii) Loans amounting to \$14,822,000 (2013: \$13,758,000) which are unsecured, interest-free and are not expected to be repaid within the next 12 months. The carrying amounts are assumed to approximate their fair value because the effects of discounting are not material.

The Group's exposure to liquidity risk related to amounts due to non-controlling interests is disclosed in note 29.

17 TRADE AND OTHER PAYABLES

	Group		Company	
	2014 \$'000	2013 \$'000 (Restated)	2014 \$'000	2013 \$'000 (Restated)
Trade payables	18,494	6,363	86	135
Other payables	484	320	–	–
Deferred income	55,348	23,662	–	–
Accrued expenses	576	159	388	71
Accrued real estate taxes	853	–	–	–
	<u>75,755</u>	<u>30,504</u>	<u>474</u>	<u>206</u>

The Group's and the Company's exposures to liquidity risk and foreign currency risk related to trade and other payables are disclosed in note 29.

18 AMOUNTS DUE TO RELATED COMPANIES

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

As at 31 March 2014, the outstanding amount relates to balances due to a related company, APIC, mainly for the remaining purchase consideration of an investment property, 5 Thomas Mellon (note 5).

The Group's exposure to liquidity risk and foreign currency risk related to amount due to related company is disclosed in note 29.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

19 DEFERRED TAX ASSETS AND LIABILITIES

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

	Balance at beginning of the year \$'000	Acquired in business combination \$'000	Currency translation difference \$'000	Recognised in profit or loss (note 23) \$'000	Balance at end of the year \$'000
Group					
2014					
Investment properties	(570)	(8,923)	24	(7,404)	(16,873)
Tax losses	764	–	–	307	1,071
	194	(8,923)	24	(7,097)	(15,802)
2013 (Restated)					
Investment properties	–	–	–	(570)	(570)
Tax losses	440	–	–	324	764
	440	–	–	(246)	194

Unrecognised deferred tax assets

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

	Group		Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
	(Restated)		(Restated)	
Tax losses	2,843	1,149	546	623

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

20 SHARE CAPITAL AND RESERVES

Ordinary shares

	2014		2013	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Company				
At beginning of the year	12,867,088	145,974	3,348,108	54,202
Conversion from convertible bonds	482	5	1,152,980	14,194
Conversion from preference shares	–	–	8,000,000	94,400
Capital reduction	–	–	–	(21,876)
Exercise of share options	700,000	10,500	–	–
Rights issue	12,867,570	193,013	–	–
Private placements	2,200,000	33,000	366,000	5,054
Reclassification of share capital to capital reserve	–	(239)	–	–
	28,635,140	382,253	12,867,088	145,974
2014 Shares Consolidation	(25,771,626)	–	–	–
At end of the year	2,863,514	382,253	12,867,088	145,974

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.

On 28 June 2013, the shareholders approved the following issuance of shares:

- (i) 12,867,570,000 ordinary shares at an issue price of \$0.015 pursuant to a rights issue on 2 August 2013;
- (ii) 2,200,000,000 ordinary shares at an issue price of \$0.015 pursuant to a private placement on 18 July 2013; and
- (iii) 700,000,000 ordinary shares at an issue price of \$0.015 pursuant to share options exercised.

As a result of the 2014 Shares Consolidation, the number of issued shares has been reduced to 2,863,514,000 as at 31 March 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

20 SHARE CAPITAL AND RESERVES (continued)

Reserves

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

	Group		Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
	(Restated)		(Restated)	
Translation reserve	275	372	—	—
Capital reserve	5,516	489	5,516	489
At 31 March	5,791	861	5,516	489

Translation reserve

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

Capital reserve

The capital reserve comprises the equity component of convertible bonds, the cumulative value of services received for the issuance of share options, and transaction costs relating to the issuance of shares.

Capital management

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

20 SHARE CAPITAL AND RESERVES (continued)

Capital management (continued)

	Group	
	2014	2013
	\$'000	\$'000
	(Restated)	
Gross borrowings	173,706	145,900
Cash and cash equivalents	(142,729)	(85,873)
Net debts	30,977	60,027
Total capital employed	417,585	152,327
Net debt equity ratio	0.07	0.39

No changes were made to the above objectives, policies and processes during the years ended 31 March 2014 and 2013.

21 OPERATING SEGMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

Group	Property development		Property investment		Others		Unallocated items		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	(Restated)		(Restated)		(Restated)		(Restated)		(Restated)	
External revenue	46,751	16,199	9,257	826	949	–	–	–	56,957	17,025
Profit/(Loss) from operating activities	(8)	708	40,850	4,915	(289)	(1,131)	(6,834)	(1,519)	33,719	2,973
Share of results of associates, net of tax	–	(300)	353	–	121	–	–	–	474	(300)
Interest income	–	–	6	–	544	31	–	–	550	31
Interest expense	(20)	(10)	(169)	(213)	(81)	(217)	(117)	(50)	(387)	(490)
Reportable segment profit/(loss) before tax	(28)	398	41,040	4,702	295	(1,317)	(6,951)	(1,569)	34,356	2,214
Depreciation of property, plant and equipment	–	2	41	33	4	2	321	175	366	212
Other material items:										
Gain on bargain purchase	–	–	16,552	–	–	–	–	–	16,552	–
Change in fair value of investment properties	–	–	21,459	3,657	–	–	–	–	21,459	3,657
Allowance for diminution in value of development property	10,500	–	–	–	–	–	–	–	10,500	–
Interests in associates	–	–	19,543	–	122	–	–	–	19,665	–
Capital expenditure	–	–	117,213	73	–	9	77	6,819	117,290	6,901
Reportable segment assets	376,203	240,754	233,705	27,004	663	471	126,745	74,830	737,316	343,059
Reportable segment liabilities	257,915	175,414	37,038	9,699	298	330	24,480	5,289	319,731	190,732

* Capital expenditure comprises property, plant and equipment of \$193,000 (2013: \$6,901,000) and investment properties of \$117,097,000 (2013: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

21 OPERATING SEGMENTS (continued)

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

	Group	
	2014	2013
	\$'000	\$'000
	(Restated)	
Profit or loss		
Total profit for reportable segments	41,307	3,783
Unallocated items:		
- Cost of share-based payments	(5,140)	–
- Corporate expenses	(1,694)	(1,519)
Interest expense	(117)	(50)
Consolidated profit before tax	34,356	2,214
Assets		
Total assets for reportable segments	610,571	268,229
Unallocated items:		
- Property, plant and equipment	6,575	6,833
- Cash and cash equivalents	119,099	67,233
- Deferred tax assets	1,071	764
Consolidated total assets	737,316	343,059
Liabilities		
Total liabilities for reportable segments	295,251	185,443
Unallocated items:		
- Borrowings	4,476	4,513
- Trade and other payables	307	206
- Current tax payable	2,824	–
- Deferred tax liabilities	16,873	570
Consolidated total liabilities	319,731	190,732

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

21 OPERATING SEGMENTS (continued)

Geographical information

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

	Singapore		USA		Hong Kong	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Revenue	44,884	16,633	11,834	–	239	392
Current assets	428,277	284,997	49,161	–	1,773	1,037
Non-current assets	114,038	46,422	136,270	–	7,797	10,603

Major customer

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

22 OTHER INCOME

	Group	
	2014	2013
	\$'000	\$'000
		(Restated)
Changes in fair value of investment properties	21,459	3,657
Gain on bargain purchase	16,552	–
Net foreign exchange gain	702	–
Gain on disposal of investment properties	73	711
Others	495	9
	39,281	4,377

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

23 TAX EXPENSE

	Group	
	2014	2013
	\$'000	\$'000
	(Restated)	
Current tax		
Current year	3,410	–
Deferred tax		
Origination and reversal of temporary differences	7,097	246
Total tax expense	10,507	246
Reconciliation of effective tax rate		
Profit before tax	34,356	2,214
Tax using Singapore tax rate of 17% (2013: 17%)	5,841	376
Income not subject to tax	(3,128)	(376)
Non-deductible expenses	2,847	246
Effect of tax rates in foreign jurisdictions	4,396	–
Effect of unrecognised deferred tax assets	288	–
Tax effect of losses not allowed to be set off against future taxable profits	344	–
Effect of results of associates presented net of tax	(81)	–
Total tax expense	10,507	246

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

For the financial year ended 31 March 2014

24 PROFIT FOR THE YEAR

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

	Group	
	2014	2013
	\$'000	\$'000
		(Restated)
Audit fees payable to:		
- Auditors of the Company	234	82
- Other auditors of the Company	31	14
Non-audit fees payable:		
- Auditors of the Company	86	–
- Other auditors of the Company	38	16
Employee benefits expense (exclude Directors' fees)		
- Salaries and wages	2,059	1,027
- Central provident fund contributions	256	113
- Other short-term benefits	41	81
- Equity-settled share-based payment transactions	5,140	–
- Director's remuneration	616	1,208
Allowance for diminution in value of development properties	10,500	–
Depreciation of property, plant and equipment	366	212

25 SHARE-BASED PAYMENT ARRANGEMENTS

Share option scheme

The Company had a share option scheme known as the SingXpress Share Option Scheme 2012 (the "2012 Share Option Scheme") which was adopted by the shareholders on 29 July 2012.

At the Extraordinary General Meeting on 29 July 2013, the shareholders approved the termination of the 2012 Share Option Scheme and the adoption of a new share option scheme known as the SingHaiyi Share Option Scheme 2013 (the "2013 Share Option Scheme").

Other 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

25 SHARE-BASED PAYMENT ARRANGEMENTS (continued)

No option has been granted by the Company under the 2012 Share Option Scheme and the 2013 Share Option Scheme since their adoption.

In addition to the above, the Company also granted the following share options:

- (i) On 10 August 2011, a total of 20,000,000 share options were granted to Mr. Yeo Wee Keong, an ex-director of the Company, following his appointment as business adviser to the Company. The number of share options was adjusted to 7,207,938 (pursuant to the terms and conditions of the share options agreement following the completion of several corporate actions) and the details are as follows:
 - (a) 3,603,969 share options are convertible into 3,603,969 new shares at \$0.0836 per share at any time from the date of grant to 9 August 2016;
 - (b) 3,603,969 share options are convertible into 3,603,969 new shares at \$0.0956 per share at any time from the date of grant to 9 August 2016, and
 - (c) The options granted expire 5 years after the date of grant.

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

Date of grant of options	Exercise price per share	Options outstanding at 1 April 2013 '000	Options exercised '000	Options outstanding at 31 March 2014 '000	Number of option holders at 31 March 2014	Exercise period
10/8/2011	\$0.0836	3,604	–	3,604	1	10/8/2011 to 9/8/2016
10/8/2011	\$0.0956	3,604	–	3,604	1	10/8/2011 to 9/8/2016

Measurement of fair values

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

25 SHARE-BASED PAYMENT ARRANGEMENTS (continued)

As a result of the 2014 Shares Consolidation, for the purpose of comparison, fair value of the share options at grant date, share prices on grant date, exercise prices and number of share options have been adjusted as though the shares consolidation had taken place in the prior year.

- (ii) On 19 July 2013, share options were granted to the following ex-directors of the Company to reward them for their performance and contributions to the Company:

<u>Ex-director</u>	<u>Number of share options</u>
Mr. Chan Heng Fai	40,000,000
Mr. Chan Tung Moe	20,000,000
Mr. Chan Tong Wan	10,000,000

Other information regarding the above share options granted are set out below:

- (a) The exercise price of each option is fixed at \$0.15; and
- (b) The share option shall be exercised, in whole or in part, from 19 July 2013 to 19 July 2016

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

Date of grant of options	Exercise price per share	Options outstanding at 1 April 2013 '000	Options granted '000	Options exercised '000	Options outstanding at 31 March 2014 '000	Number of option holders at 31 March 2014	Exercise period
19/7/2013	\$0.15	–	70,000	70,000	–	–	19/7/2013 to 19/7/2016

Measurement of fair values

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

	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E
Fair value at grant date (S\$)	0.07	0.07	0.07	0.09	0.07
Share price at grant date (S\$)	0.21	0.21	0.21	0.21	0.21
Exercise price (S\$)	0.15	0.15	0.15	0.15	0.15
Expected volatility	75.5%	110.9%	89.6%	108.0%	89.6%
Expected life (years)	0.24	0.45	0.15	0.50	0.15
Expected dividends	–	–	–	–	–
Risk-free interest rate	0.25%	0.28%	0.25%	0.29%	0.25%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

25 SHARE-BASED PAYMENT ARRANGEMENTS (continued)

As a result of the 2014 Shares Consolidation, for the purpose of comparison, fair value of the share options at grant date, share prices on grant date, exercise prices and number of share options have been adjusted as though the shares consolidation had taken place in the prior year.

Expense recognised in profit or loss

	2014 \$'000	2013 \$'000
Share options granted on 19 July 2013	5,140	–

Reconciliation of outstanding share options

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

	Weighted average exercise price per share 2014 \$	Number of options 2014 '000	Weighted average exercise price per share 2013 \$	Number of options 2013 '000
Outstanding at the beginning of the year	0.09	7,208	0.09	7,208
Granted during the year	0.15	70,000	–	–
Exercised during the year	0.15	(70,000)	–	–
Outstanding at end of the year	0.09	7,208	0.09	7,208
Exercisable at end of the year	0.09	7,208	0.09	7,208

The options outstanding at 31 March 2014 have a weighted average exercise price of \$0.0896 per share and contractual life of 2.33 years.

As a result of the 2014 Shares Consolidation, for the purpose of comparison, the exercise prices and number of share options have been adjusted as though the shares consolidation had taken place in the prior year.

26 EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 March 2014 was based on profit attributable to ordinary shareholders of \$23,157,000 (2013, as restated: \$1,681,000) and weighted average number of ordinary shares outstanding of 2,321,858,000 (2013: 714,503,000), calculated as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

26 EARNINGS PER SHARE (continued)

Basic earnings per share (continued)

- (ii) Profit attributable to ordinary shareholders

	Group	
	2014	2013
	\$'000	\$'000
	(Restated)	
Profit attributable to ordinary shareholders	23,157	1,681

- (ii) Weighted average number of ordinary shares

	Group	
	2014	2013
	'000	'000
Issued ordinary shares at beginning of the year	1,286,709	334,811
Effect of conversion of convertible bonds	39	108,506
Effect of conversion of preference shares	–	241,096
Effect of shares issued	154,904	30,090
Effect of share options exercised	27,068	–
Effect of rights issue	853,138	–
Weighted average number of ordinary shares during the year	2,321,858	714,503

As a result of the 2014 Shares Consolidation, for the purpose of comparison, the weighted average number of shares for the prior year has been adjusted as though the shares consolidation had taken place in the prior year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

26 EARNINGS PER SHARE (continued)

Diluted earnings per share

The calculation of diluted earnings per share at 31 March 2014 was based on profit attributable to ordinary shareholders of \$23,157,000 (2013, as restated: \$1,681,000) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 2,327,016,000 (2013: 715,830,000), calculated as follows:

(i) Profit attributable to ordinary shareholders (diluted)

	Group	
	2014	2013
	\$'000	\$'000
		(Restated)
Profit attributable to ordinary shareholders (basic)	23,157	1,681
Interest expense on convertible bonds, net of tax	5	–
Profit attributable to ordinary shareholders (diluted)	23,162	1,681

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

	Group	
	2014	2013
	'000	'000
		(Restated)
Weighted average number of ordinary shares (basic)	2,321,858	714,503
Effect of conversion of convertible bonds	616	–
Effect of share options on issue	4,542	1,327
Weighted average number of ordinary shares (diluted) during the year	2,327,016	715,830

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

27 COMMITMENTS

Operating lease commitments

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

	Group	
	2014	2013
	\$'000	\$'000
Within 1 year	7,769	620
After 1 year but within 5 years	17,109	292
	<u>24,878</u>	<u>912</u>

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.

Commitments

	Group	
	2014	2013
	\$'000	\$'000
Estimated development expenditure contracted but not provided for	<u>165,779</u>	<u>86,961</u>

28 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investment properties

The fair value of investment properties is determined by independent professional valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the investment properties being valued. The assessment is done on an annual basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

28 DETERMINATION OF FAIR VALUES (continued)

(i) Investment properties (continued)

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

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

(ii) Financial assets at fair value through profit or loss

The fair values of investments in equity and debt securities are determined by reference to their quoted closing bid prices in an active market at the measurement date.

(iii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities, excluding contingent consideration, are measured at fair value at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases, the market rate of interest is determined by reference to similar lease agreements. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group entity and counterparty when appropriate.

(v) Share-based payment transactions

The measurement of the fair value of share options is disclosed in note 25.

Fair value hierarchy

Fair value and fair value hierarchy information on financial instruments are disclosed in note 29.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

28 DETERMINATION OF FAIR VALUES (continued)

Fair value hierarchy (continued)

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

	Group	
	2014	2013
	\$'000	\$'000
<i>Level 3</i>		
Investment properties	161,268	25,774

The following table shows the key unobservable inputs used in the valuation methods as at 31 March 2014:

Valuation techniques	Unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows approach	Rent growth rate	2.58% to 4.66%	Increase in rent growth rate and price per square foot would result in higher fair value measurement. Conversely, increase in both discount and terminal yield rates in isolation would result in lower fair value measurement.
	Discount rate	10%	
	Terminal yield	9.5%	
Market comparable approach	Price per square foot	\$390 to \$2,969	

29 FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risk

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

29 FINANCIAL RISK MANAGEMENT (continued)

Risk management framework

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

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

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

Credit risk

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

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

(i) Guarantees

The Company issued financial guarantees to certain banks in respect of banking facilities granted to certain subsidiaries and associates amounting to \$256,116,700 (2013: \$253,991,200). Management considers that the possibility of default of the parties is remote.

(ii) Trade and other receivables

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

29 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

(iii) Cash and cash equivalents

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

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

	Group		Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Amounts due from subsidiaries	–	–	304,564	74,571
Other investments	45,800	–	–	–
Trade and other receivables*	55,686	428	126	67
Amounts due from associates	23,663	23,620	157	113
Amounts due from non-controlling interests	1,167	1,167	–	–
Financial assets at fair value through profit or loss	–	2	–	2
Cash and cash equivalents	142,729	85,873	119,099	67,233
	269,045	111,090	423,946	141,986

* Excludes prepaid expenses of \$366,000 (2013: Nil) and \$43,000 (2013: Nil) for the Group and the Company, respectively.

Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

29 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

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

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
Group					
2014					
Non-derivative financial liabilities					
Bank loans	173,453	179,856	56,448	110,328	13,080
Finance lease liabilities	213	231	52	170	9
Convertible bonds	40	45	45	–	–
Trade and other payables*	20,407	20,407	20,407	–	–
Amounts due to non-controlling interests	25,623	25,623	–	25,623	–
Amounts due to related company	24,377	24,377	24,377	–	–
	<u>244,113</u>	<u>250,539</u>	<u>101,329</u>	<u>136,121</u>	<u>13,089</u>
2013					
Non-derivative financial liabilities					
Bank loans	145,604	148,349	22,323	116,166	9,860
Finance lease liabilities	257	257	44	160	53
Convertible bonds	39	39	39	–	–
Trade and other payables	6,842	6,842	6,842	–	–
Amounts due to non-controlling interests	13,758	13,758	–	13,758	–
	<u>166,500</u>	<u>169,245</u>	<u>29,248</u>	<u>130,084</u>	<u>9,913</u>

* Excludes deferred income of \$55,348,000 (2013: \$23,662,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

29 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
Company					
2014					
Non-derivative financial liabilities					
Bank loans	50,000	50,000	50,000	–	–
Finance lease liabilities	213	231	52	170	9
Convertible bonds	40	45	45	–	–
Trade and other payables	474	474	474	–	–
Amounts due to related company	24,377	24,377	24,377	–	–
	<u>75,104</u>	<u>75,127</u>	<u>74,948</u>	<u>170</u>	<u>9</u>
2013					
Non-derivative financial liabilities					
Financial lease liabilities	257	257	44	160	53
Convertible bonds	39	39	39	–	–
Trade and other payables	206	206	206	–	–
	<u>502</u>	<u>502</u>	<u>289</u>	<u>160</u>	<u>53</u>

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.

Market risk

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

Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

29 FINANCIAL RISK MANAGEMENT (continued)

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

	Group		Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Variable rate instruments				
Financial assets	102,627	61,090	102,627	60,168
Financial liabilities	(173,453)	(145,604)	(50,000)	–
	<u>(70,826)</u>	<u>(84,514)</u>	<u>52,627</u>	<u>60,168</u>

Sensitivity analysis

A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2013.

	Profit or loss	
	100 bp increase	100 bp decrease
	\$'000	\$'000
Group		
2014		
Variable rate instruments	<u>(708)</u>	<u>708</u>
2013		
Variable rate instruments	<u>(845)</u>	<u>845</u>
Company		
2014		
Variable rate instruments	<u>526</u>	<u>(526)</u>
2013		
Variable rate instruments	<u>602</u>	<u>(602)</u>

Foreign currency risk

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

29 FINANCIAL RISK MANAGEMENT (continued)

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 HKD. 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		HKD		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Group						
Cash and cash equivalents	74,289	38	–	1,036	74,289	1,074
Trade and other receivables	–	–	–	9	–	9
Trade and other payables	–	–	–	(111)	–	(111)
Amounts due to related company	(24,377)	–	–	–	(24,377)	–
	49,912	38	–	934	49,912	972
Company						
Cash and cash equivalents	74,289	38	–	8	74,289	46
Amounts due to related company	(24,377)	–	–	–	(24,377)	–
	49,912	38	–	8	49,912	46

Sensitivity analysis

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

	Group		Company	
	Profit or loss \$'000	Equity \$'000	Profit or loss \$'000	Equity \$'000
2014				
USD (10% strengthening)	4,991	–	4,991	–
2013				
USD (10% strengthening)	4	–	4	–
HKD (10% strengthening)	93	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

29 FINANCIAL RISK MANAGEMENT (continued)

Accounting classifications and fair values

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

Group	Loans and receivables \$'000	Financial assets at fair value through profit or loss \$'000	Other financial liabilities within scope of FRS 39 \$'000	Total carrying amount \$'000
2014				
Other investments	45,800	–	–	45,800
Trade and other receivables	30,904	–	–	30,904
Amounts due from associates	23,663	–	–	23,663
Amounts due from non-controlling interests	1,167	–	–	1,167
Cash and cash equivalents	142,729	–	–	142,729
Total assets	244,263	–	–	244,263
Loans and borrowings	–	–	173,706	173,706
Amounts due to non-controlling interests	–	–	25,623	25,623
Trade and other payables*	–	–	20,407	20,407
Amounts due to related company	–	–	24,377	24,377
Total liabilities	–	–	244,113	244,113
2013 (Restated)				
Trade and other receivables	428	–	–	428
Amounts due from associates	23,620	–	–	23,620
Amounts due from non-controlling interests	1,167	–	–	1,167
Financial assets at fair value through profit or loss	–	2	–	2
Cash and cash equivalents	85,873	–	–	85,873
Total assets	111,088	2	–	111,090
Loans and borrowings	–	–	145,900	145,900
Amounts due to non-controlling interests	–	–	13,758	13,758
Trade and other payables*	–	–	6,842	6,842
Total liabilities	–	–	166,500	166,500

* Excludes deferred income of \$55,348,000 (2013: \$23,662,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

29 FINANCIAL RISK MANAGEMENT (continued)

Accounting classifications and fair values (continued)

	Loans and receivables \$'000	Financial assets at fair value through profit or loss \$'000	Other financial liabilities within scope of FRS 39 \$'000	Total carrying amount \$'000
Company				
2014				
Amounts due from subsidiaries	304,564	–	–	304,564
Trade and other receivables	126	–	–	126
Amounts due from associates	157	–	–	157
Cash and cash equivalents	119,099	–	–	119,099
Total assets	423,946	–	–	423,946
Loans and borrowings	–	–	50,253	50,253
Trade and other payables	–	–	474	474
Amounts due to related company	–	–	24,377	24,377
Total liabilities	–	–	75,104	75,104
2013 (Restated)				
Amounts due from subsidiaries	74,571	–	–	74,571
Trade and other receivables	67	–	–	67
Amounts due from associates	113	–	–	113
Financial assets at fair value through profit or loss	–	2	–	2
Cash and cash equivalents	67,233	–	–	67,233
Total assets	141,984	2	–	141,986
Loans and borrowings	–	–	296	296
Trade and other payables	–	–	206	206
Total liabilities	–	–	502	502

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

29 FINANCIAL RISK MANAGEMENT (continued)

Fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

	Group and Company	
	2014	2013
	\$'000	\$'000
<i>Level 1</i>		
Financial assets at fair value through profit or loss	–	2

30 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	
	2014	2013
	\$'000	\$'000
Short-term employee benefits	607	1,208
Contributions to defined contribution plans	9	–
	616	1,208

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

Other related party transactions

	Transaction value for the year ended 31 March	
	2014 \$'000	2013 \$'000
Holding costs payable to APIC	1,069	–
Property consultancy fees payable to APIC	58	–

31 COMPARATIVE INFORMATION

The following tables summarise the adjustments/reclassifications made to the Group's and the Company's statements of financial position at 31 March 2012 and 31 March 2013, and the Group's consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended 31 March 2013:

Consolidated statements of financial position

	As previously reported \$'000	Increase/(Decrease)					As restated \$'000
		(a) \$'000	(b) \$'000	(c) \$'000	(d) \$'000	(e) \$'000	
At 31 March 2012							
Development properties	178,072	(2,589)	429	–	–	–	175,912
Deferred tax assets	–	440	–	–	–	–	440
Overall impact on total assets		(2,149)	429	–	–	–	
Amounts due to non-controlling interests	–	–	–	–	–	(10,966)	(10,966)
Overall impact on non-current liabilities		–	–	–	–	(10,966)	
Trade and other payables	(12,148)	–	(429)	–	–	–	(12,577)
Amounts due to non-controlling interests	(10,966)	–	–	–	–	10,966	–
Overall impact on current liabilities		–	(429)	–	–	10,966	
Overall impact on total liabilities		–	(429)	–	–	–	
Accumulated losses	16,229	1,719	–	–	470	–	18,418
Capital reserve	–	–	–	–	(470)	–	(470)
Non-controlling interests	(496)	430	–	–	–	–	(66)
Overall impact on total equity		2,149	–	–	–	–	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

31 COMPARATIVE INFORMATION (continued)

Consolidated statements of financial position (continued)

		Increase/(Decrease)					
	As previously reported \$'000	(a) \$'000	(b) \$'000	(c) \$'000	(d) \$'000	(e) \$'000	As restated \$'000
At 31 March 2013							
Amounts due from associates	–	–	–	–	–	23,573	23,573
Overall impact on non-current asset		–	–	–	–	23,573	
Amounts due from associates	23,620	–	–	–	–	(23,573)	47
Development properties	198,117	(5,480)	5,880	–	–	–	198,517
Interests in associates	300	(300)	–	–	–	–	–
Deferred tax assets	–	764	–	–	–	–	764
Overall impact on current asset		(5,016)	5,880	–	–	(23,573)	
Overall impact on total assets		(5,016)	5,880	–	–	–	
Amounts due to non-controlling interests	–	–	–	–	–	(13,758)	(13,758)
Deferred tax liabilities	–	223	–	(793)	–	–	(570)
Overall impact on non-current liabilities		223	–	(793)	–	(13,758)	
Trade and other payables	(24,141)	(483)	(5,880)	–	–	–	(30,504)
Current tax payable	(793)	–	–	793	–	–	–
Amounts due to non-controlling interests	(13,758)	–	–	–	–	13,758	–
Overall impact on current liabilities		(483)	(5,880)	793	–	13,758	
Overall impact on total liabilities		(260)	(5,880)	–	–	–	
Accumulated profits	(9,938)	4,329	–	–	470	–	(5,139)
Capital reserve	–	–	–	–	(470)	–	(470)
Non-controlling interests	(1,300)	947	–	–	–	–	(353)
Overall impact on total equity		5,276	–	–	–	–	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

31 COMPARATIVE INFORMATION (continued)

Statements of financial position of the Company

	As previously reported \$'000	Increase/(Decrease)					As restated \$'000
		(a)	(b)	(c)	(d)	(e)	
At 31 March 2012	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated losses	21,876	–	–	–	470	–	22,346
Capital reserve	–	–	–	–	(470)	–	(470)
Overall impact on total equity		–	–	–	–	–	

At 31 March 2013

Accumulated losses	2,310	–	–	–	470	–	2,780
Capital reserve	–	–	–	–	(470)	–	(470)
Overall impact on total equity		–	–	–	–	–	

Consolidated statement of comprehensive income

	As previously reported \$'000	Increase/(Decrease)					As restated \$'000
		(a)	(b)	(c)	(d)	(e)	
Year ended 31 March 2013	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost of sales	(11,305)	490	–	–	–	–	(10,815)
Selling and marketing expenses	–	(3,864)	–	–	–	–	(3,864)
Share of results of associates, net of tax	–	(300)	–	–	–	–	(300)
Tax expense	(793)	547	–	–	–	–	(246)
Overall impact to profit for the year		(3,127)	–	–	–	–	
Non-controlling interests	(804)	517	–	–	–	–	(287)
Overall impact to profit attributable to owners of the Company		(2,610)	–	–	–	–	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

31 COMPARATIVE INFORMATION (continued)

Consolidated statement of cash flows

	As previously reported \$'000	Increase/(Decrease)					As restated \$'000
		(a)	(b)	(c)	(d)	(e)	
Year ended 31 March 2013	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities							
Profit for the year	5,888	(3,674)	–	–	–	–	2,214
Share of losses of associates, net of tax	–	300	–	–	–	–	300
Development properties	(20,045)	2,891	(5,451)	–	–	–	(22,605)
Trade and other payables	11,993	483	5,451	–	–	–	17,927

Notes:

- (a) Selling and marketing expenses were previously capitalised and progressively expensed to profit or loss when the related revenue from property development projects were progressively recognised. During the current year, to better reflect the nature of these expenses, the Group charged its selling and marketing expenses to profit or loss when they are incurred. This change has been applied retrospectively by adjusting against the opening retained earnings balance and restating prior year comparatives.
- (b) Previously, the Group recognised retention sums and progress claims payable to contractors on a cash basis. In the current year, the Group adopted the accrual method of recognising these items.
- (c) Current tax payable as at 31 March 2013 have been reclassified to deferred tax.
- (d) Previously, the Group only recognised share-based payment transactions when the share options were being exercised. During the current year, to better reflect the nature of the transactions, the Group changed its policy by recognising the grant date fair value of share-based payment awards granted to employees and directors as expense with a corresponding increase in equity, over the period that the employees and directors unconditionally become entitled to the awards. This change has been applied retrospectively by adjusting the opening retained earnings balance and restating prior year comparatives.
- (e) Previously, the Group classified amounts due from associates and amounts due to non-controlling interests as current assets and current liabilities, respectively. In the current year, to better reflect the nature of these assets and liabilities, the Group reclassified them as non-current assets and non-current liabilities, respectively. This reclassification has been applied retrospectively by restating prior year comparatives.
- (f) The impact to basic and diluted earnings per share for the year ended 31 March 2013, after taking into account the above adjustments, resulted in both basic and diluted earnings per share to change from 0.60 cents per share to 0.235 cents per share.

SHAREHOLDERS' INFORMATION

As at 17 June 2014

Class of equity securities	Number of equity securities	Voting Rights
Ordinary	2,863,681,283	One vote per share

There are no treasury shares held in the issued share capital of the Company.

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	340	7.24	105,036	0.01
1,000 - 10,000	1,223	26.04	8,108,794	0.28
10,001 - 1,000,000	3,077	65.53	262,639,600	9.17
1,000,001 and above	56	1.19	2,592,827,853	90.54
	4,696	100.00	2,863,681,283	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	Citibank Nominees Singapore Pte Ltd	1,618,723,700	56.53
2	Phillip Securities Pte Ltd	324,518,181	11.33
3	Acquire Wealth Limited	220,000,000	7.68
4	DBS Nominees Pte Ltd	143,381,636	5.01
5	Maybank Kim Eng Securities Pte Ltd	53,525,306	1.87
6	UOB Kay Hian Pte Ltd	48,606,700	1.70
7	Raffles Nominees (Pte) Ltd	21,735,200	0.76
8	DBS Vickers Securities (S) Pte Ltd	21,511,900	0.75
9	Morgan Stanley Asia (S) Securities Pte Ltd	16,000,000	0.56
10	Goh Bee Lan	12,290,000	0.43
11	Hong Leong Finance Nominees Pte Ltd	6,902,100	0.24
12	CIMB Securities (S'pore) Pte Ltd	6,878,000	0.24
13	Bank of S'pore Nominees Pte Ltd	6,135,500	0.21
14	OCBC Securities Private Ltd	5,780,600	0.20
15	United Overseas Bank Nominees Pte Ltd	5,705,300	0.20
16	Chean Sock Hoon	4,550,000	0.16
17	Lee Che Hung	4,539,000	0.16
18	DMG & Partners Securities Pte Ltd	4,409,600	0.15
19	Mao Jinshan	4,075,600	0.14
20	Bank of East Asia Nominees Pte Ltd	4,062,200	0.14
		2,533,330,523	88.46

SHAREHOLDERS' INFORMATION

As at 17 June 2014

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF PUBLIC

27.96% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Haiyi Holdings Pte. Ltd.	1,601,391,481	55.92	-	-
Tang Yigang @ Gordon Tang ⁽²⁾	-	-	1,821,391,481	63.60
Chen Huaidan @ Celine Tang ⁽³⁾	-	-	1,601,391,481	55.92
Hai Run Pte. Ltd	237,000,000	8.28	-	-
Yang Dehe ⁽⁴⁾	-	-	237,000,000	8.28
Yang Manlin ⁽⁵⁾	-	-	237,000,000	8.28
Acquire Wealth Limited	220,000,000	7.68	-	-
New Palace Developments Limited ⁽⁶⁾	-	-	220,000,000	7.68
Neil Bush ⁽⁷⁾	-	-	220,000,000	7.68

Notes:

- (1) Calculated as a percentage of the total number of issued Shares as at 17 June 2014.
- (2) Mr. Tang Yigang @ Gordon Tang has a controlling interest in Haiyi Holdings Pte. Ltd. ("Haiyi"). He is therefore deemed interested in the shares held by Haiyi by virtue of Section 7 of the Companies Act. In addition, he owns 70% interest in Acquire Wealth Limited ("AWL") and accordingly he is also deemed to have interest in the shares which AWL is interested in by virtue of Section 7 of the Companies Act.
- (3) Mdm Chen Huaidan @ Celine Tang is entitled to exercise or control the exercise of not less than 20% of the votes attached to the shares held by her in Haiyi. She is therefore deemed interested in the shares held by Haiyi by virtue of Section 7 of the Companies Act.
- (4) Mr. Yang Dehe has a controlling interest in Hai Run Pte. Ltd. He is a director of Hai Run Pte. Ltd. and is deemed interested in the shares held by Hai Run Pte. Ltd by virtue of Section 7 of the Companies Act.
- (5) Ms. Yang Manlin is a substantial shareholder and director of Hai Run Pte. Ltd. and is deemed interested in the shares held by Hai Run Pte. Ltd. by virtue of Section 7 of the Companies Act.
- (6) New Palace Developments Limited ("NPDL") owns 30% interest in AWL, and accordingly NPDL is deemed to have interest in the shares which AWL is interested in by virtue of Section 7 of the Companies Act.
- (7) Mr. Neil Bush and his spouse are ultimate shareholders of NPDL. It is assumed that NPDL is, or its directors are accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of Mr. Neil Bush. Accordingly, Mr. Neil Bush is deemed to have an interest in the shares which NPDL is interested in by virtue of Section 7 of the Companies Act.

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SingHaiyi Group Ltd. (the “**Company**”) will be held at Pan Pacific Singapore, Ocean 4-5, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Friday, 25 July 2014 at 11.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and the Audited Financial Statements of the Company for the financial year ended 31 March 2014 together with the Auditors’ Report thereon.

(Resolution 1)

2. To re-elect the following Directors of the Company retiring pursuant to Articles 77 and 95 of the Articles of Association of the Company:

Mr. Tang Yigang @ Gordon Tang	(Retiring under Article 95)	(Resolution 2)
Mr. Yang Dehe	(Retiring under Article 77)	(Resolution 3)
Mr. Gn Hiang Meng	(Retiring under Article 77)	(Resolution 4)
Mr. Hwang Soo Chin	(Retiring under Article 77)	(Resolution 5)
Mr. Lim Cheong Tiong	(Retiring under Article 77)	(Resolution 6)

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

Mr. Yang Dehe will, upon re-election as a Director of the Company, remain as Independent Director and will be considered independent.

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

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

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

3. To approve the payment of Directors’ fees of S\$225,876.72 for the financial year ended 31 March 2014 (2013: S\$135,000.00).

(Resolution 7)

4. To approve the payment of Directors’ fees of S\$347,000.00 for the financial year ending 31 March 2015, to be paid quarterly in arrears.

(Resolution 8)

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

(Resolution 9)

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

NOTICE OF ANNUAL GENERAL MEETING

SingHaiyi Group Ltd
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AS SPECIAL BUSINESS

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

7. Authority to issue shares

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

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

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

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalyst Rules for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

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

(Resolution 10)

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

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

(Resolution 11)

9. Renewal of Share Buy-Back Mandate

That:

- (a) for the purposes of the Companies Act (Cap. 50), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
- (i) on-market purchase(s) (each a “**Market Purchase**”) on the Catalist Board (“**SGX- Catalist**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”); and/or
 - (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-Catalist in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;
- and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and Listing Manual (Section B: Rules of Catalist) of the SGX-ST (“**Catalist Rules**”) as may for the time being be applicable, be and is hereby authorized and approved generally and unconditionally (the “**Share Buy-Back Mandate**”);
- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held; or
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated;

NOTICE OF ANNUAL GENERAL MEETING

SingHaiyi Group Ltd
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(Incorporated in the Republic of Singapore)

(c) in this Resolution:

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

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

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

- (a) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price,

where:

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

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

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

(Resolution 12)

By Order of the Board

Cho Form Po
Company Secretary
Singapore, 10 July 2014

NOTICE OF ANNUAL GENERAL MEETING

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

Explanatory Notes:

- (i) The Ordinary Resolution 10 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.
- (ii) The Ordinary Resolution 11 in item 8 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) 15% of the total number of issued shares excluding treasury shares in the capital of the Company from time to time, and the aggregate number of ordinary shares which may be issued pursuant to the Scheme and any other share based schemes (if applicable) shall not exceed 15% of the total issued share capital of the Company excluding treasury shares, from time to time.
- (iii) The Ordinary Resolution 12 in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to repurchase or otherwise acquire its Shares on the terms of such mandate. Details of the proposed renewal of Share Buy-Back Mandate are set out in the Appendix dated 10 July 2014.

Notes:

- 1. A Member entitled to attend and vote at the Annual General Meeting (the **"Meeting"**) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
- 2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 81 Ubi Avenue 4, #02-20 UB.One, Singapore 408830 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

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

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

The contact person for the Sponsor is Mr. Ong Hwee Li (Telephone: 65-6221 5590) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

SINGHAIYI GROUP LTD.

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

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. For investors who have used their CPF monies to buy SingHaiyi Group Ltd.'s shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, _____

of _____

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

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Pan Pacific Singapore, Ocean 4-5, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Friday, 25 July 2014 at 11.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1.	To receive and adopt the Directors' Report and Audited Financial Statements of the Company for the financial year ended 31 March 2014 together with the Auditors' Report thereon.		
2.	To re-elect Mr Tang Yigang @ Gordon Tang as a Director.		
3.	To re-elect Mr Yang Dehe as a Director.		
4.	To re-elect Mr Gn Hiang Meng as a Director.		
5.	To re-elect Mr Hwang Soo Chin as a Director.		
6.	To re-elect Mr Lim Cheong Tiong as a Director.		
7.	To approve the payment of Directors' fees of S\$225,876.72 for the financial year ended 31 March 2014.		
8.	To approve the payment of Directors' fees of S\$347,000.00 for the financial year ending 31 March 2015, to be paid quarterly in arrears.		
9.	To re-appoint Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.		
10.	Authority to issue shares.		
11.	Authority to issue shares under the SingHaiyi Share Option Scheme 2013.		
12.	Renewal of Share Buy-Back Mandate.		

Dated this _____ day of _____ 2014

Signature of Shareholder(s)

or, Common Seal of Corporate Shareholder

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 81 Ubi Avenue 4, #02-20 UB.One, Singapore 408830, not less than 48 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



SINGHAIYI
GROUP

SingHaiyi Group Ltd.

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

www.singhaiyi.com