



SINGHAIYI GROUP LTD
REGISTRATION NUMBER: 198803164K
FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
PERIOD ENDED 30 JUNE 2014

PART I

Information required for announcements of quarterly (Q1, Q2, Q3), Half Year and Full Year Announcements

1(a) An income statement and statement of comprehensive income for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Notes	Group First quarter ended		Change %
		30.06.2014 \$'000	30.06.2013 \$'000	
Revenue	A	5,899	9,765	(39.6)
Cost of sales		(2,659)	(6,272)	(57.6)
Gross profit		3,240	3,493	(7.2)
Other income	B	989	160	>100.0
Selling and marketing expenses	C	(651)	(1,308)	(50.2)
Administrative expenses		(2,334)	(1,395)	67.3
Other operating expenses		(301)	-	NM
Results from operating activities		943	950	(0.7)
Finance income		66	18	>100.0
Finance costs		(259)	(127)	>100.0
Share of results of associates, net of tax	D	301	109	>100.0
Profit before tax	E	1,051	950	10.6
Tax expense		(73)	(180)	(59.4)
Profit for the period		978	770	27.0
Other comprehensive income:				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Exchange differences on monetary items forming part of net investments in foreign entities		(1,116)	-	NM
Currency translation differences relating to foreign operations		(480)	(96)	>100.0
Total comprehensive income for the period		(618)	674	NM
Profit attributable to:				
Owners of the Company		1,056	414	>100.0
Non-controlling interests		(78)	356	NM
		978	770	27.0
Total comprehensive income attributable to:				
Owners of the Company		(540)	318	NM
Non-controlling interests		(78)	356	NM
		(618)	674	NM

NM – Not Meaningful.

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Notes to Income Statement:

	Group		
	First quarter ended		
	30.06.2014	30.06.2013	Change
	\$'000	\$'000	%
[A] <u>Revenue</u>			
Property development income	2,591	9,141	(71.7)
Rental income	3,098	201	>100.0
Management fee income	210	423	(50.4)
	5,899	9,765	(39.6)
[B] <u>Other income</u>			
Investment income	919	-	NM
Net foreign exchange gain	-	73	NM
Gain on disposal of investment properties	15	16	(6.3)
Others	55	71	(22.5)
	989	160	>100.0
[C] <u>Selling and marketing expenses</u>			
Commission	651	214	>100.0
Advertising and marketing	-	1,001	NM
Launching expenses	-	93	NM
	651	1,308	(50.2)
[D] <u>Share of results of associates</u>			
Included in share of results of associates for the financial period ended 30 June 2014 relates mainly to the Group's share of profits amounting to \$0.3 million from its 20% equity interest in Perennial Somerset Investors Pte Ltd.			
[E] <u>Profit before tax includes the following:</u>			
<u>Administrative expenses</u>			
Depreciation of property, plant and equipment	94	52	80.8
Net foreign exchange loss	484	-	NM
Staff costs	488	400	22.0
Professional fees	261	136	91.9

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1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30.06.2014 \$'000	31.3.2014 \$'000	30.06.2014 \$'000	31.3.2014 \$'000
Non-current assets				
Property, plant and equipment	6,750	6,728	353	367
Investment properties	157,723	161,268	-	-
Interests in subsidiaries	-	-	17,022	17,022
Interests in associates	19,967	19,665	-	-
Other investments	45,800	45,800	-	-
Amounts due from subsidiaries	-	-	262,403	265,283
Amounts due from associates	23,573	23,573	-	-
Deferred tax assets	1,141	1,071	-	-
	<u>254,954</u>	<u>258,105</u>	<u>279,778</u>	<u>282,672</u>
Current assets				
Development properties	439,978	279,173	-	-
Trade and other receivables	44,708	56,052	128	169
Amounts due from subsidiaries	-	-	39,251	39,281
Amounts due from associates	-	90	-	157
Amounts due from non-controlling interests	-	1,167	-	-
Cash and cash equivalents	140,071	142,729	98,968	119,099
	<u>624,757</u>	<u>479,211</u>	<u>138,347</u>	<u>158,706</u>
Total assets	<u>879,711</u>	<u>737,316</u>	<u>418,125</u>	<u>441,378</u>
Non-current liabilities				
Loans and borrowings	261,986	119,541	158	169
Amounts due to non-controlling interests	24,003	25,623	-	-
Deferred tax liabilities	16,716	16,873	-	-
	<u>302,705</u>	<u>162,037</u>	<u>158</u>	<u>169</u>
Current liabilities				
Trade and other payables	104,327	75,755	150	474
Loans and borrowings	50,759	54,165	50,075	50,084
Amounts due to related companies	117	24,377	117	24,377
Amounts due to associates	83	-	-	-
Amounts due to non-controlling interests	1,208	-	-	-
Current tax payable	3,535	3,397	-	-
	<u>160,029</u>	<u>157,694</u>	<u>50,342</u>	<u>74,935</u>
Total liabilities	<u>462,734</u>	<u>319,731</u>	<u>50,500</u>	<u>75,104</u>

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	Group		Company	
	30.06.2014 \$'000	31.3.2014 \$'000	30.06.2014 \$'000	31.3.2014 \$'000
Share capital	382,265	382,253	382,265	382,253
Accumulated profits/(losses)	29,352	28,296	(20,154)	(21,495)
Reserves	4,193	5,791	5,514	5,516
Equity attributable to owners of the Company	415,810	416,340	367,625	366,274
Non-controlling interests	1,167	1,245	-	-
Total equity	416,977	417,585	367,625	366,274
Total liabilities and equity	879,711	737,316	418,125	441,378

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities

	As at 30.06.2014 \$'000	As at 31.03.2014 \$'000
<u>Unsecured</u>		
Amount repayable in one year or less, or on demand	1,239	40
Amount repayable after one year	24,003	25,623
(a)	<u>25,242</u>	<u>25,663</u>
<u>Secured</u>		
Amount repayable in one year or less, or on demand	50,728	54,125
Amount repayable after one year	261,986	119,541
(b)	<u>312,714</u>	<u>173,666</u>
Gross borrowings	(a) + (b)	<u>337,956</u>
		<u>199,329</u>

The Group's gross borrowings refer to aggregate borrowings from banks, finance lease creditors and amounts due to non-controlling interests.

Details of any collateral as at 30 June 2014

Where secured, borrowings are collateralised by:

- (i) the borrowing subsidiaries' investment properties, development properties, motor vehicles and leasehold buildings;
- (ii) assignment of all rights and benefits to sale, lease and insurance proceeds in respect of investment properties, development properties and leasehold buildings;
- (iii) corporate guarantees by the Company; and
- (iv) a charge over a foreign currency fixed deposits with an amount equivalent to \$50,000,000.

SINGHAIYI GROUP LTD**REGISTRATION NUMBER: 198803164K****FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2014****1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group	
	First quarter ended	
	30.06.2014	30.06.2013
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	1,051	950
Adjustment for:		
Depreciation of property, plant and equipment	94	90
Gain on disposal of investment properties	(15)	(16)
Interest expense	259	127
Interest income	(66)	(18)
Investment income	(919)	-
Fair value gain on financial assets at fair value through profit or loss	-	(1)
Share of profits of associates, net of tax	(301)	(109)
	<u>103</u>	<u>1,023</u>
Changes in:		
Development properties	(160,945)	(6,702)
Trade and other receivables	12,264	(5,684)
Trade and other payables	28,572	11,687
	<u>(120,006)</u>	<u>324</u>
Cash (used in)/generated from operations		
Interest received	66	18
	<u>(119,940)</u>	<u>342</u>
Net cash (used in)/generated from operating activities		
Cash flows from investing activities		
Acquisition of property, plant and equipment	(82)	(27)
Acquisition of investment properties	-	(2,731)
Proceeds from sale of investment properties	2,363	506
Net cash generated from/(used in) investing activities	<u>2,281</u>	<u>(2,252)</u>
Cash flows from financing activities		
Repayment from/(Advances to) associates	173	(127)
Advances from non-controlling interests	755	1,064
Interest paid	(259)	(127)
Proceeds from bank loans	160,765	-
Repayment of bank loans	(21,697)	(12,390)
Balances with related companies	(24,260)	-
Net cash generated from/(used in) financing activities	<u>115,477</u>	<u>(11,580)</u>
Net decrease in cash and cash equivalents	<u>(2,182)</u>	<u>(13,490)</u>
Cash and cash equivalents at beginning of the period	92,729	85,873
Effect of exchange rate fluctuations on cash held	(476)	(96)
Cash and cash equivalents at end of the period	<u>90,071</u>	<u>72,287</u>
Note:		
Cash and cash equivalents in statement of financial position	140,071	72,287
Less: Deposits pledged	(50,000)	-
Cash and cash equivalents in statement of cash flows	<u>90,071</u>	<u>72,287</u>

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1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

1(d)(i) Consolidated Statement of Changes in Equity

	Share capital \$'000	Capital reserve \$'000	Translation reserve \$'000	Accumulated profits \$'000	Non-controlling interests \$'000	Total equity \$'000
The Group						
At 1 April 2014	382,253	5,516	275	28,296	1,245	417,585
Profit for the period	–	–	–	1,056	(78)	978
Other comprehensive income						
Exchange differences on monetary items forming part of net investments in foreign entities	–	–	(1,116)	–	–	(1,116)
Currency translation differences relating to foreign operations	–	–	(480)	–	–	(480)
Other comprehensive income, net of tax	–	–	(1,596)	–	–	(1,596)
Total comprehensive income for the period	–	–	(1,596)	1,056	(78)	(618)
Transactions with owners, recognised directly in equity						
Contributions by owners						
Conversion of convertible bonds	12	(2)	–	–	–	10
Total transactions with owners	12	(2)	–	–	–	10
At 30 June 2014	382,265	5,514	(1,321)	29,352	1,167	416,977

	Share capital \$'000	Capital reserve \$'000	Translation reserve \$'000	Accumulated profits \$'000	Non-controlling interests \$'000	Total equity \$'000
The Group						
At 1 April 2013	145,974	489	372	5,139	353	152,327
Profit for the period	–	–	–	414	356	770
Other comprehensive income						
Currency translation differences relating to foreign operations	–	–	(96)	–	–	(96)
Other comprehensive income, net of tax	–	–	(96)	–	–	(96)
Total comprehensive income for the period	–	–	(96)	414	356	674
At 30 June 2013	145,974	489	276	5,553	709	153,001

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1(d)(ii) Statement of Changes in Equity

	Share capital \$'000	Capital reserve \$'000	Accumulated (losses)/profits \$'000	Total equity \$'000
The Company				
At 1 April 2014	382,253	5,516	(21,495)	366,274
Profit for the period	–	–	1,341	1,341
Total comprehensive income for the period	–	–	1,341	1,341
Transactions with owners, recorded directly in equity				
Contributions by owners				
Conversion of convertible bonds	12	(2)	–	10
Total transactions with owners	12	(2)	–	10
At 30 June 2014	382,265	5,514	(20,154)	367,625

	Share capital \$'000	Capital reserve \$'000	Accumulated (losses) \$'000	Total equity \$'000
The Company				
At 1 April 2013	145,974	489	(2,780)	143,683
Loss for the period	–	–	(361)	(361)
Total comprehensive income for the period	–	–	(361)	(361)
At 30 June 2013	145,974	489	(3,141)	143,322

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- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Share capital

Details of changes in the Company's share capital since the last reported financial year are as follows:

Date	Type	No. of shares	Value (\$)
As at 31 March 2014 (excluding treasury shares)		2,863,513,919	382,253,000
12 May 2014	Conversion of convertible bonds	139,470	10,000
2 June 2014	Conversion of convertible bonds	27,894	2,000
Total		2,863,681,283	382,265,000
As at 30 June 2014 (excluding treasury shares)		2,863,681,283	382,265,000

Convertible securities and share options

The Company has the following outstanding convertible securities and share options as at the end of the current financial period reported on and as at end of the corresponding period of the immediate preceding year:

		30.06.2014	30.06.2013
Type	Note	No. of converted shares	
Zero coupon convertible bonds	A	449,107	4,258,285
Share options	B	7,207,938	52,087,824
Total		7,657,045	56,346,109
Total number of issued shares excluding treasury shares		2,863,681,283	12,867,569,621

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Note A:

The principal amount of convertible bonds outstanding as at 30 June 2014, amounting to \$32,201, can be converted into 449,107 shares at an adjusted conversion price of S\$0.0717 at any time from the date of issuance to 10 November 2014.

Note B:

There were 7,207,938 share options outstanding as at 30 June 2014.

On 10 August 2011, a total of 20,000,000 share options were granted to Mr. Yeo Wee Kiong, 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 option 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 S\$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 S\$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.

There were no treasury shares held by the Company as at 30 June 2014 and 30 June 2013 respectively.

1d(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial year and as at end of the immediately preceding year

	30.06.2014	31.03.2014
Total number of issued shares excluding treasury shares	2,863,681,283	2,863,513,919

1d(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on

There were no treasury shares as at end of the current financial period.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited, or reviewed, the auditors' report (including any qualification or emphasis of a matter)

Not applicable.

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4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with the audited financial statements for the financial year ended 31 March 2014.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as reasons for, and the effect of, the change

In the current financial period, the Group has adopted all the new and revised FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 April 2014. The adoption of these new or revised FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods / years.

6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	30.06.2014	30.06.2013
Based on weighted average number of shares (cents)	0.037	0.032
Weighted average number of shares	2,863,599,440	1,286,718,850
On a fully diluted basis (cents)	0.037	0.032
Adjusted weighted average number of shares ⁽¹⁾	2,867,617,999	1,290,298,743

(1) The adjusted weighted average number of shares took into consideration of the convertible bonds and share options that is dilutive to the earnings per ordinary share for the period under review.

Note: On 25 March 2014, the Company consolidated 10 ordinary shares into 1 ordinary share in the capital of the Company and the weighted average number of ordinary shares used for the calculation of earnings per share as at 30 June 2013 had been adjusted for the effect of the share consolidation.

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- 7 **Net asset value (for the issuer and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and the immediately preceding financial year**

	Group		Company	
	30.06.2014	31.03.2014	30.06.2014	31.03.2014
Net asset value per ordinary share (cents)	14.52	14.54	12.84	12.79
Number of shares in issue	2,863,681,283	2,863,513,919	2,863,681,283	2,863,513,919

- 8 **A review of the performance of the Group to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal, or cyclical factors. It must also discuss any material factors that affected the cashflow, working capital, assets or liabilities of the Group during the current financial period reported on.**

Review of Group Performance

	First quarter ended	
	30.06.2014 \$'000	30.06.2013 \$'000
Property development income	2,591	9,141
Rental income	3,098	201
Management fee income	210	423
	<u>5,899</u>	<u>9,765</u>

	Singapore		USA		Others	
	First quarter ended 30.06.2014 \$'000	30.06.2013 \$'000	First quarter ended 30.06.2014 \$'000	30.06.2013 \$'000	First quarter ended 30.06.2014 \$'000	30.06.2013 \$'000
Group						
Property development income	–	9,141	2,591	–	–	–
Rental income	130	121	2,930	–	38	80
Management fee income	210	423	–	–	–	–
	<u>340</u>	<u>9,685</u>	<u>5,521</u>	<u>–</u>	<u>38</u>	<u>80</u>

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1Q2015 vs 1Q2014

The Group recorded total revenue of \$5.9 million for 1Q2015, a decrease of \$3.9 million from \$9.8 million in 1Q2014. The decrease was mainly due to lower property development income. Property development income for 1Q2015 comprised sales of completed units from Vietnam Town (project in the US) whereas in 1Q2014, it comprised contributions from Charlton Residences which was completed in FY2014. The rental revenue for 1Q2015 included income from Tri-County Mall and the properties in Hong Kong and Singapore whereas there was no contribution from Tri-County Mall in 1Q2014. Management fee income pertained to project management services rendered in Singapore.

Cost of sales decreased by \$3.6 million, from \$6.3 million in 1Q2014 to \$2.7 million in 1Q2015, mainly due to the associated cost of sales relating to revenue items mentioned in the preceding paragraph.

Gross profit margin improved by 19.1 percentage points from 35.8% in 1Q2014 to 54.9% in 1Q2015. Gross profit for 1Q2015 remained at approximately \$3.2 million as compared to \$3.5 million in 1Q2014.

Other income of \$1.0 million recorded in 1Q2015 mainly relates to investment income from unquoted junior bonds issued by Perennial Somerset Investors Pte Ltd, an associate of the Group.

Selling and marketing expenses decreased by \$0.6 million, from \$1.3 million in 1Q2014 to \$0.7 million in 1Q2015, mainly due to advertising and marketing expense of approximately \$0.8 million incurred for a residential project in Singapore, The CosmoLoft, which was launched in 1Q2014 whereas there were no such expenses in 1Q2015. This is offset by increases in commission expenses of Pasir Ris One and Vietnam Town of approximately \$0.3 million and \$0.1 million, respectively.

Administrative expenses increased by \$0.9 million, from \$1.4 million in 1Q2014 to \$2.3 million in 1Q2015, mainly due to net loss in foreign exchange of \$0.5 million and higher legal and professional fees (see note E on page 2).

Other operating expenses of \$0.3 million incurred in 1Q2015 arose mainly from security and ground expenses in relation to Tri-County Mall.

Review of Consolidated Statement of Financial Position

Investment properties

Investment properties decreased by \$3.6 million, from \$161.3 million as at 31 March 2014 to \$157.7 million as at 30 June 2014, mainly due to disposals of four residential units in Hong Kong of approximately \$2.4 million.

Development properties

Development properties increased by \$160.8 million, from \$279.2 million as at 31 March 2014 to \$440.0 million as at 30 June 2014, mainly due to the additional payment of approximately \$144.7 million for the land in Anchorvale Crescent and cumulative project costs for the existing development projects.

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Trade and other receivables

Trade and other receivables decreased by \$11.4 million, from \$56.1 million as at 31 March 2014 to \$44.7 million as at 30 June 2014, mainly due to collection from buyers on Charlton Residences and Vietnam Town of approximately \$16.0 million and \$3.1 million respectively. This is offset by increases in amount due from buyers of Pasir Ris One of approximately \$7.4 million.

Trade and other payables (including amounts due to related companies)

Trade and other payables (including amounts due to related companies) increased by \$4.3 million, from \$100.1 million as at 31 March 2014 to \$104.4 million as at 30 June 2014, mainly due to project claims and progress billings made for the Group's DBSS project, Pasir Ris One. This is offset by the payments made to American Pacific International Capital Inc. ("APIC") for the acquisition of 5 Thomas Mellon Circle.

Loans and borrowings

Borrowings increased by \$139.0 million, from \$173.7 million as at 31 March 2014 to \$312.7 million as at 30 June 2014, mainly due to drawdown of land loan of \$154.3 million for Anchorvale Crescent. This is offset by repayment of bank loans on the Group's Pasir Ris One project.

Cash flow statements

Cash flows used in operating activities for 1Q2015 amounted to \$119.9 million. This was mainly due to increase in development properties. This is offset by decrease in trade and other receivables of \$12.3 million and increase in trade and other payables of \$28.6 million.

Cash flows generated from investing activities for 1Q2015 amounted to \$2.3 million. This was mainly due to proceeds from sale of investment properties.

Cash flows generated from financing activities for 1Q2015 amounted to \$115.5 million. This was mainly due to drawdown of bank loans for the development projects and partially offset by repayment of existing bank loans and payments made to related companies in respect of the acquisition of 5 Thomas Mellon Circle.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

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10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

In Singapore, the residential property market is expected to remain subdued as local government authorities have indicated that it is still too early to ease property cooling measures. Nonetheless, the Group believes that given the sustainability of economic growth in Singapore, coupled with the scarcity of land, the long-term outlook for the local property sector remains positive.

Construction of the Group's public housing projects, Pasir Ris One and CityLife@Tampines, are targeted to be completed in calendar year 2015. The Group's latest public residential development, Anchorvale Crescent, is also expected to be launched next year.

To broaden its earnings stream, the Group has diversified into the commercial and retail sector with a 20% stake in TripleOne Somerset. There are plans to enhance the asset and tenant mix which would improve the returns of this development.

Based on the project pipeline, the Group has good earnings visibility in Singapore and will continue to invest prudently in the local market as and when opportunities arise.

In the US, the Group is embarking on asset enhancement plans to raise occupancy for its maiden investment property, Tri-County Mall ("TCM"). Additionally, in respect of the Vietnam Town, the Group will continue to sell the remaining completed units and will commence the construction of phase two once the relevant approvals are obtained.

Moving forward, the Group will continue to identify investment opportunities and envisages that its US investments will continue to contribute to the Group's recurring earnings.

11 Dividend

(a) Current Financial Period Reported on – any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year – any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

SINGHAIYI GROUP LTD

REGISTRATION NUMBER: 198803164K

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2014

12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommendeded in the current period reported on.

13 Disclosure of interested person transactions

The Company has not obtained a general mandate from shareholders for interested person transactions.

The interested person transactions for the financial period ended 30 June 2014 with APIC, an entity controlled by the controlling shareholders of the Company, amounted to approximately \$309,000.

14 Confirmation by Directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial statements for the first quarter ended 30 June 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chen Huaidan (Serena)
Group Managing Director

Mao Jinshan
Executive Director

14 August 2014

This announcement 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 announcement.

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

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.