



For immediate release

## SingHaiyi strengthens earnings profile with recurring income growth in 2Q2015

- Accretive contributions from the United States (“US”) for 2Q2015 and 1H2015
- Improved Gross Profit Margins for 2Q2015 and 1H2015

FINANCIAL HIGHLIGHTS	2Q2015 (S\$m)	2Q2014 (S\$m)	Change (%)	1H2015 (S\$m)	1H2014 (S\$m)	Change (%)
<b>Revenue</b>	5.9	13.1	(54.7)	11.8	22.8	(48.3)
- Singapore	0.3	12.2	(97.2)	0.7	21.9	(96.9)
- US	5.5	0.8	>100	11.0	0.8	>100
- Others	0.1	0.1	(46.3)	0.1	0.1	(49.7)
<b>Gross profit</b>	3.5	5.0	(29.5)	6.8	8.5	(20.4)
<b>Profit from operations</b>	3.4	8.2	(57.9)	4.4	9.1	(52.0)
<b>Net profit (after tax and minority interests)</b>	1.9	7.3	(74.6)	2.9	7.8	(62.4)
<b>Basic earnings per share (SGD cents)</b>	0.065	0.407	(84.0)	0.102	0.430	(76.4)
<b>Net asset value per share (SGD cents)</b>	14.73	14.54	1.3	14.73	14.54	1.3
<b>Gross profit margin (%)</b>	59.9	38.4	+21.5 ppt	57.4	37.3	+20.1 ppt
<b>Operating profit margin (%)</b>	58.3	62.7	-4.4 ppt	37.2	40.0	-2.8 ppt

**Singapore, 10 November 2014** – SGX-listed **SingHaiyi Group Ltd** (“SingHaiyi” or the “Group”), a real estate company focused on property development, real estate investment and property management services in Singapore and the US, today reported a net profit (after tax and minority interests) of S\$1.9 million and S\$2.9 million for its second quarter (“2Q2015”) and half year (“1H2015”) ended 30 September 2014. This was on the back of revenues of S\$5.9 million and S\$11.8 million for the same periods, respectively.

The lower revenue year-on-year was largely due to the absence of property development income contribution from Singapore during the current reporting period, compared to last year which comprised contributions from Charlton Residences on a percentage-of-completion basis. This financial year’s highlight will be the full recognition of Pasir Ris One, a DBSS project which is accounted based on the completion method likely to be in the fourth quarter of FY2015.

## **US strategy starts to bear fruit, strengthening the Group's earnings profile**

Revenue from US increased significantly in 2Q2015 and 1H2015 following the Group's geographical diversification into the real estate market in US. Property development income from the sale of completed units in Vietnam Town in the US grew to S\$1.9 million and S\$4.5 million in 2Q2015 and 1H2015, respectively. As the Vietnam Town project was acquired in the second half of FY2014, there was no property development income in the US in the previous corresponding period.

Adding a new dimension to the Group's 2Q2015 and 1H2015 results, rental income from the Group's investment properties in the US (mainly from Tri County Mall) rose significantly from S\$0.8 million in 2Q2014 and 1H2014 to S\$3.6 million and S\$6.5 million, respectively. In addition to top line growth, income from the Group's US investment properties was largely responsible for the improvement to the Group's gross profit margin, which jumped by 21.5 percentage points to 59.9% and by 20.1 percentage points to 57.4% in 2Q2015 and 1H2015, respectively.

The Group's bottom line was lower year-on-year mainly due to exceptional one-off items such as the recognition of a provisional day one gain of approximately S\$12.8 million from the acquisition of Tri-County Mall in 2Q2014.

Commenting on the Group's 2Q2015 and 1H2015 results, Group Managing Director Mdm Serena Chen said, "Excluding the exceptional one-off items, the Group's core profits for this reporting period are comparable to last year's. We are gratified that the Group's earnings profile has been boosted meaningfully by the stable recurring income from the investment properties. This is in line with the strategy we are pursuing to improve earnings sustainability and reduce profit volatility over the long run."

## **Tactical strategies for development projects**

In view of the current property market conditions in Singapore, the Group is taking a more cautious and prudent stance for new property development projects. Although it remains positive on property development over the long term, it will only embark on projects in resilient property sub-segments or those that offer attractive economics.

In February 2014, the Group successfully tendered for an Executive Condominium project in Anchorvale Crescent, Singapore. The public housing project, for which the Group believes underlying demand stays strong, is expected to be launched in FY2016 and is slated for completion in FY2018.

Mdm Chen added, "We recognise that the property market in Singapore is expected to remain under pressure while the government's cooling measures are in place. The recovery in the US reinforces our strategy to venture into the US market which provides a hedge to the property market in

Singapore. However, we will continue to look for unique investment opportunities in order to further increase and diversify earnings contributions.”

In the second half of FY2015, the Group expects to see further contribution from its Singapore project, Pasir Ris One as well as its US project Vietnam Town through the sale of completed units. The Group also expects recurring income to remain stable with continuing contributions from Tri-County Mall and 5 Thomas Mellon Circle in the US, as well as from TripleOne Somerset Singapore, in which the Group holds a 20% equity stake. Asset enhancement initiatives are also in the pipeline for its investment projects in Singapore and the US.

**End**

*This press release should be read in conjunction with SingHaiyi Group's 2Q2015 and 1H2015 Financial Statements released via SGXNet on 10 November 2014.*

### **About SingHaiyi Group Ltd.**

SingHaiyi Group Ltd. (“SingHaiyi” or the “Group”) specialises in property development, real estate investment and property management services in Singapore and the US. With strong parentage and strategic support from its major shareholders, the Group is led by a board and management team with deep insights and strong connections which provide the Group access to unique and rare investment opportunities.

Through its property development projects, the Group is involved in both the private as well as public residential segments in Singapore. It also holds a mixed retail and commercial property along the country's prime shopping belt, which gives the Group broad exposure in different segments.

The Group's operations in the US also span the residential and retail segments. It has a favourable right-of-first-refusal agreement with its related company, American Pacific International Capital, a property investment company based in, and focused on the US. With this valuable relationship, SingHaiyi is able to reach and access niche pockets of real estate investment opportunities across the US.

For more information on SingHaiyi Group, please visit <http://singhaiyi.com/>

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