



SINGHAIYI GROUP LTD
REGISTRATION NUMBER: 198803164K
FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
PERIOD ENDED 30 JUNE 2015

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 % |
|--|-------|------------------------------|----------------------|-------------|
| | | 30.06.2015 \$'000 | 30.06.2014 \$'000 | |
| Revenue | A | 237,737 | 5,899 | >100.0 |
| Cost of sales | | (207,110) | (2,659) | >100.0 |
| Gross profit | | 30,627 | 3,240 | >100.0 |
| Other income | B | 1,359 | 989 | 37.4 |
| Selling and marketing expenses | C | (1,466) | (651) | >100.0 |
| Administrative expenses | | (2,890) | (2,334) | 23.8 |
| Other operating expenses | | (266) | (301) | (11.6) |
| Results from operating activities | | 27,364 | 943 | >100.0 |
| Finance income | D | 1,462 | 66 | >100.0 |
| Finance costs | E | (2,064) | (259) | >100.0 |
| Share of results of associates, net of tax | F | (86) | 301 | NM |
| Profit before tax | G | 26,676 | 1,051 | >100.0 |
| Tax expense | | (4,745) | (73) | >100.0 |
| Profit for the period | | 21,931 | 978 | >100.0 |
| 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 | | (3,272) | (480) | >100.0 |
| Total comprehensive income for the period | | 18,659 | (618) | NM |
| Profit attributable to: | | | | |
| Owners of the Company | | 17,502 | 1,056 | >100.0 |
| Non-controlling interests | | 4,429 | (78) | NM |
| | | 21,931 | 978 | >100.0 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | | 14,230 | (540) | NM |
| Non-controlling interests | | 4,429 | (78) | NM |
| | | 18,659 | (618) | NM |

NM – Not Meaningful.

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Notes to Income Statement:

| | Group | | Change % |
|---|----------------------|----------------------|-------------|
| | First quarter ended | | |
| | 30.06.2015 \$'000 | 30.06.2014 \$'000 | |
| [A] Revenue | | | |
| Property development income | 233,799 | 2,591 | >100.0 |
| Rental income | 3,728 | 3,098 | 20.3 |
| Management fee income | 210 | 210 | NM |
| | 237,737 | 5,899 | >100.0 |
| [B] Other income | | | |
| Investment income ⁽¹⁾ | 1,142 | 919 | 24.3 |
| Gain on disposal of financial assets | 156 | - | NM |
| Gain on disposal of investment properties | - | 15 | NM |
| Others | 61 | 55 | 10.9 |
| | 1,359 | 989 | 37.4 |
| [C] Selling and marketing expenses | | | |
| Commission | 217 | 651 | (66.7) |
| Advertising and marketing | 559 | - | NM |
| Launching expenses | 690 | - | NM |
| | 1,466 | 651 | >100.0 |
| [D] Finance income | | | |
| Interest income | 408 | 66 | >100.0 |
| Dividend income ⁽²⁾ | 1,382 | - | NM |
| Net change in fair value of financial assets through profit or loss ⁽²⁾ | (328) | - | NM |
| | 1,462 | 66 | >100.0 |
| [E] Finance cost | | | |
| Interest on bank loans | 594 | 259 | >100.0 |
| Interest and amortised financing fee on medium term notes ⁽³⁾ | 1,470 | - | NM |
| | 2,064 | 259 | >100.0 |

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[F] Share of results of associates

Included in share of results of associates for the financial period ended 30 June 2015 relates mainly to the Group's share of losses amounting to \$0.1 million from its 20% equity interest in Perennial Somerset Investors Pte Ltd.

| Group | | | |
|----------------------------|-------------------|---------------|--|
| First quarter ended | | | |
| 30.06.2015 | 30.06.2014 | Change | |
| \$'000 | \$'000 | % | |

[G] Profit before tax includes the following:

Administrative expenses

| | | | |
|---|-------|-----|--------|
| Depreciation of property, plant and equipment | 96 | 94 | 2.1 |
| Net foreign exchange loss | 1,282 | 484 | >100.0 |
| Staff costs | 820 | 488 | 68.0 |
| Professional fees | 155 | 261 | (40.6) |

Note 1: Investment income

This pertains to investment income from the subscription of unquoted junior bonds issued by Perennial Somerset Investors Pte Ltd, an associate of the Group.

Note 2: Dividend income and net change in fair value of financial assets through profit or loss

Dividend income refers to the income earned from fixed income portfolio accounted as financial assets at fair value through profit or loss in the balance sheet. The one time fees associated with the purchase of the financial assets and the changes in the market price are reflected as net change in fair value of financial assets through profit or loss.

Note 3: Interest and amortised financing fee on medium term notes

This pertains to interest payable and amortised financing fee associated to the issuance of \$100.0 million Notes pursuant to the \$500.0 million Multicurrency Debt Issuance Programme.

SINGHAIYI GROUP LTD**REGISTRATION NUMBER: 198803164K****FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2015****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 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30.06.2015 \$'000 | 31.03.2015 \$'000 | 30.06.2015 \$'000 | 31.03.2015 \$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 5,230 | 5,316 | 305 | 316 |
| Investment properties | 119,239 | 119,720 | - | - |
| Interests in subsidiaries | - | - | 141,463 | 141,463 |
| Interests in associates | 19,863 | 19,949 | - | - |
| Other investments | 45,800 | 45,800 | - | - |
| Amounts due from subsidiaries | - | - | 152,642 | 135,844 |
| Deferred tax assets | 619 | 1,473 | - | - |
| | <u>190,751</u> | <u>192,258</u> | <u>294,410</u> | <u>277,623</u> |
| Current assets | | | | |
| Development properties | 392,072 | 586,479 | - | - |
| Trade and other receivables | 79,440 | 28,212 | 14,982 | 14,908 |
| Amounts due from subsidiaries | - | - | 68,414 | 68,005 |
| Financial assets at fair value through profit or loss | 140,725 | 160,738 | 140,725 | 160,738 |
| Amounts due from associates | 23,573 | 23,573 | - | - |
| Cash and cash equivalents | 172,607 | 163,077 | 146,693 | 127,728 |
| | <u>808,417</u> | <u>962,079</u> | <u>370,814</u> | <u>371,379</u> |
| Total assets | <u>999,168</u> | <u>1,154,337</u> | <u>665,224</u> | <u>649,002</u> |
| Non-current liabilities | | | | |
| Loans and borrowings | 284,318 | 281,388 | 99,020 | 98,847 |
| Amounts due to non-controlling interests | 15,885 | 13,165 | - | - |
| Deferred tax liabilities | 20,056 | 20,421 | - | - |
| | <u>320,259</u> | <u>314,974</u> | <u>99,020</u> | <u>98,847</u> |
| Current liabilities | | | | |
| Trade and other payables | 30,389 | 136,107 | 3,711 | 2,542 |
| Loans and borrowings | 165,716 | 242,404 | 165,077 | 150,038 |
| Amounts due to non-controlling interests | 13,758 | 13,758 | - | - |
| Current tax payable | 7,023 | 3,730 | - | - |
| | <u>216,886</u> | <u>395,999</u> | <u>168,788</u> | <u>152,580</u> |
| Total liabilities | <u>537,145</u> | <u>710,973</u> | <u>267,808</u> | <u>251,427</u> |

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| | Group | | Company | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30.06.2015 \$'000 | 31.03.2015 \$'000 | 30.06.2015 \$'000 | 31.03.2015 \$'000 |
| Share capital | 382,272 | 382,272 | 382,272 | 382,272 |
| Accumulated profits | 66,979 | 49,477 | 9,728 | 9,887 |
| Reserves | 8,789 | 12,061 | 5,416 | 5,416 |
| Equity attributable to owners of the Company | 458,040 | 443,810 | 397,416 | 397,575 |
| Non-controlling interests | 3,983 | (446) | - | - |
| Total equity | 462,023 | 443,364 | 397,416 | 397,575 |
| Total liabilities and equity | 999,168 | 1,154,337 | 665,224 | 649,002 |

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

| | As at 30.06.2015 \$'000 | As at 31.03.2015 \$'000 |
|--|-------------------------------|-------------------------------|
| <u>Unsecured</u> | | |
| Amount repayable in one year or less, or on demand | 13,758 | 13,758 |
| Amount repayable after one year | 114,796 | 111,893 |
| (a) | <u>128,554</u> | <u>125,651</u> |
| <u>Secured</u> | | |
| Amount repayable in one year or less, or on demand | 165,716 | 242,404 |
| Amount repayable after one year | 185,407 | 182,660 |
| (b) | <u>351,123</u> | <u>425,064</u> |
| Gross borrowings | (a) + (b) | <u>479,677</u> |
| | | <u>550,715</u> |

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

Details of any collateral as at 30 June 2015

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;
- (iv) a charge over a foreign currency fixed deposits with an amount equivalent to \$50,000,000; and
- (v) a charge over financial assets at fair value through profit or loss with an amount equivalent to \$140,725,000.

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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 | |
| | 30.06.2015 | 30.06.2014 |
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Profit before tax | 26,676 | 1,051 |
| Adjustment for: | | |
| Depreciation of property, plant and equipment | 96 | 94 |
| Gain on disposal of investment properties | - | (15) |
| Interest expense | 2,064 | 259 |
| Interest and dividend income | (1,791) | (66) |
| Investment income | (1,142) | (919) |
| Gain on disposal of financial assets at fair value through profit or loss | (156) | - |
| Fair value loss on financial assets at fair value through profit or loss | 328 | - |
| Share of profits of associates, net of tax | 86 | (301) |
| | 26,161 | 103 |
| Changes in: | | |
| Development properties | 192,620 | (160,945) |
| Trade and other receivables | (49,510) | 12,264 |
| Trade and other payables | (107,271) | 28,572 |
| Cash generated from/(used in) operations | 62,000 | (120,006) |
| Tax paid | (590) | - |
| Net cash generated from/(used in) operating activities | 61,410 | (120,006) |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | - | (82) |
| Capital expenditure on investment properties | (1,330) | - |
| Interest received | 1,215 | 66 |
| Sale of financial assets | 19,841 | - |
| Proceeds from sale of investment properties | - | 2,363 |
| Net cash generated from investing activities | 19,726 | 2,347 |
| Cash flows from financing activities | | |
| Repayment from associates | - | 173 |
| Advances from non-controlling interests | 2,720 | 755 |
| Interest paid | (511) | (259) |
| Proceeds from bank loans | 8,528 | 160,765 |
| Repayment of bank loans | (82,286) | (21,697) |
| Balances with related companies | - | (24,260) |
| Net cash (used in)/generated from financing activities | (71,549) | 115,477 |
| Net increase/(decrease) in cash and cash equivalents | 9,587 | (2,182) |
| Cash and cash equivalents at beginning of the period | 113,077 | 92,729 |
| Effect of exchange rate fluctuations on cash held | (57) | (476) |
| Cash and cash equivalents at end of the period | 122,607 | 90,071 |
| Note: | | |
| Cash and cash equivalents in statement of financial position | 172,607 | 140,071 |
| Less: Deposits pledged | (50,000) | (50,000) |
| Cash and cash equivalents in statement of cash flows | 122,607 | 90,071 |

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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 2015 | 382,272 | 5,416 | 6,645 | 49,477 | (446) | 443,364 |
| Profit for the period | – | – | – | 17,502 | 4,429 | 21,931 |
| Other comprehensive income | | | | | | |
| Currency translation differences relating to foreign operations | – | – | (3,272) | – | – | (3,272) |
| Other comprehensive income, net of tax | – | – | (3,272) | – | – | (3,272) |
| Total comprehensive income for the period | – | – | (3,272) | 17,502 | 4,429 | 18,659 |
| At 30 June 2015 | 382,272 | 5,416 | 3,373 | 66,979 | 3,983 | 462,023 |
| | | | | | | |
| | | | | | | |
| 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 |

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

| | Share capital | Capital reserve | Accumulated (losses)/profits | Total equity |
|--|----------------------|------------------------|-------------------------------------|---------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| The Company | | | | |
| At 1 April 2015 | 382,272 | 5,416 | 9,887 | 397,575 |
| Profit for the period | – | – | (159) | (159) |
| Total comprehensive income for the period | – | – | (159) | (159) |
| At 30 June 2015 | 382,272 | 5,416 | 9,728 | 397,416 |

| | Share capital | Capital reserve | Accumulated (losses)/profits | Total equity |
|--|----------------------|------------------------|-------------------------------------|---------------------|
| | \$'000 | \$'000 | \$'000 | \$'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 |

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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

There is no change in the Company's share capital since the last reported financial period.

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:

| | | 30.06.2015 | 30.06.2014 |
|---|-------------|----------------------------------|-------------------|
| Type | Note | No. of convertible shares | |
| Zero coupon convertible bonds | A | - | 449,107 |
| Share options | B | 13,207,938 | 7,207,938 |
| Total | | 13,207,938 | 7,657,045 |
| Total number of issued shares excluding treasury shares | | 2,863,089,912 | 2,863,681,283 |

Note A:

The convertible bonds have been fully redeemed by the Company on 9 November 2014.

Note B:

There were 13,207,938 share options outstanding as at 30 June 2015.

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;

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- 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.

The remaining 6,000,000 share options were granted in accordance to the SingHaiyi Share Option Scheme (“ESOS”) on 29 July 2014 at an exercise price of \$0.176. The options are convertible into new shares one year from the grant date.

There were 689,000 treasury shares held by the Company as at 30 June 2015 (30 June 2014: Nil).

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

| | 30.06.2015 | 31.03.2015 |
|---|-------------------|-------------------|
| Total number of issued shares excluding treasury shares | 2,863,089,912 | 2,863,089,912 |

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

No treasury shares were sold, transferred, disposed, cancelled and/or used 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.

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 2015.

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- 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 2015. 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**

| | 30.06.2015 | 30.06.2014 |
|---|-------------------|-------------------|
| Based on weighted average number of shares (cents) | 0.611 | 0.037 |
| Weighted average number of shares | 2,863,089,912 | 2,863,599,440 |
| On a fully diluted basis (cents) | 0.611 | 0.037 |
| Adjusted weighted average number of shares ⁽¹⁾ | 2,865,826,654 | 2,867,617,999 |

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

- 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 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30.06.2015 | 31.03.2015 | 30.06.2015 | 31.03.2015 |
| Net asset value per ordinary share (cents) | 16.00 | 15.50 | 13.88 | 13.89 |
| Number of issued shares excluding treasury shares | 2,863,089,912 | 2,863,089,912 | 2,863,089,912 | 2,863,089,912 |

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- 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 | |
|-----------------------------|----------------------------|-------------------|
| | 30.06.2015 | 30.06.2014 |
| | \$'000 | \$'000 |
| Property development income | 233,799 | 2,591 |
| Rental income | 3,728 | 3,098 |
| Management fee income | 210 | 210 |
| | <u>237,737</u> | <u>5,899</u> |

| | Singapore | | USA | | Others | |
|-----------------------------|----------------------------|-------------------|----------------------------|-------------------|----------------------------|-------------------|
| | First quarter ended | | First quarter ended | | First quarter ended | |
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Group | | | | | | |
| Property development income | 233,799 | - | - | 2,591 | - | - |
| Rental income | 147 | 130 | 3,581 | 2,930 | - | 38 |
| Management fee income | 210 | 210 | - | - | - | - |
| | <u>234,156</u> | <u>340</u> | <u>3,581</u> | <u>5,521</u> | <u>-</u> | <u>38</u> |

1Q2016 vs 1Q2015

The Group recorded total revenue of \$237.7 million for 1Q2016, an increase of \$231.8 million from \$5.9 million in 1Q2015. The increase was mainly due to higher property development income. Property development income for 1Q2016 comprised contributions from the Group's DBSS project, Pasir Ris One which was completed in 1Q2016. The contribution represented sales of 87% of the total unit of the project whereas 93% of the total unit has been sold as of the date of this announcement. In 1Q2015, it comprised sales of completed units from Vietnam Town (project in the US). The rental revenue for both 1Q2016 and 1Q2015 included mainly income from Tri-County Mall and the properties in Singapore. Management fee income pertained to project management services rendered in Singapore.

Cost of sales increased by \$204.4 million, from \$2.7 million in 1Q2015 to \$207.1 million in 1Q2016, mainly due to the associated cost of sales relating to revenue items mentioned in the preceding paragraph.

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Gross profit margin declined by 42.0 percentage points from 54.9% in 1Q2015 to 12.9% in 1Q2016 mainly due to contribution by Pasir Ris One project which had lower profit margin. Gross profit for 1Q2016 is \$30.6 million compared with \$3.2 million in 1Q2015.

Other income of \$1.4 million recorded in 1Q2016 mainly relates to investment income (see note 1 on page 3).

Selling and marketing expenses increased by \$0.9 million, from \$0.6 million in 1Q2015 to \$1.5 million in 1Q2016, mainly due to launching, advertising and marketing expense of approximately \$1.0 million incurred for the Group's EC project, The Vales.

Administrative expenses increased by \$0.6 million, from \$2.3 million in 1Q2015 to \$2.9 million in 1Q2016, mainly due to increase in net loss in foreign exchange of \$0.8 million.

Other operating expenses of \$0.3 million incurred in 1Q2016 arose mainly from security and ground expenses in relation to Tri-County Mall.

Finance income increased by \$1.4 million, from \$0.1 million in 1Q2015 to \$1.5 million in 1Q2016, mainly due to dividend income (see note 2 on page 3) of approximately \$1.4 million and increase in interest income of \$0.3 million. This is offset by fair value loss (see note 2 on page 3) of approximately \$0.3 million on financial assets.

Finance costs increased by \$1.8 million, from \$0.3 million in 1Q2015 to \$2.1 million in 1Q2016, mainly due to increases in interest payable of approximately \$1.3 million and amortised financing fee of \$0.2 million from the issuance of \$100.0 million Notes pursuant to the \$500.0 million Multicurrency Debt Issuance Programme at a fixed rate of 5.25% per annum.

Tax expense increased by \$4.6 million, from \$0.1 million in 1Q2015 to \$4.7 million in 1Q2016, mainly due to increases in income tax expense of approximately \$4.8 million in relation to completed project, Pasir Ris One in 1Q2016.

Review of Consolidated Statement of Financial Position

Development properties

Development properties decreased by \$194.4 million, from \$586.5 million as at 31 March 2015 to \$392.1 million as at 30 June 2015, mainly due to recognition of cost of sales of \$205.4 million for the Group's DBSS project, Pasir Ris One upon project completion. This is offset by the increase in cumulative project costs for the existing development projects.

Trade and other receivables

Trade and other receivables increased by \$51.2 million, from \$28.2 million as at 31 March 2015 to \$79.4 million as at 30 June 2015, mainly due to increases in amount due from buyers of Pasir Ris One of approximately \$43.5 million due to project completion and payment of deposit of \$7.7 million for the subscription of 25% interest in ARA Harmony Fund III, L.P.

Financial assets at fair value through profit or loss

This pertains to a portfolio of fixed income funds which primarily focus on US markets. These are accounted for as financial assets at fair value through profit or loss.

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Trade and other payables

Trade and other payables decreased by \$105.7 million, from \$136.1 million as at 31 March 2015 to \$30.4 million as at 30 June 2015, mainly due to reversal of deferred revenue of \$233.8 million for the Group's DBSS project, Pasir Ris One upon project completion. This is offset by the project claims and progress billings amounting to approximately \$118.5 million made for the Group's DBSS project, Pasir Ris One and project claims of approximately \$8.8 million made for The Vales.

Loans and borrowings

Borrowings decreased by \$73.8 million, from \$523.8 million as at 31 March 2015 to \$450.0 million as at 30 June 2015, mainly due to repayment of bank loans on the Group's Pasir Ris One project of \$82.1 million. This is partially offset by drawdown of construction loan of \$3.0 million for Anchorvale Crescent.

Cash flow statements

Cash flows generated from operating activities for 1Q2016 amounted to \$61.4 million. This was mainly due to operating profit of \$26.2 million and increase in development properties of \$192.6 million. This is offset by the increase in trade and other receivables of \$49.5 million and decrease in trade and other payables of \$107.3 million.

Cash flows generated from investing activities for 1Q2016 amounted to \$19.7 million. This was mainly due to proceeds from sale of financial assets.

Cash flows used in financing activities for 1Q2016 amounted to \$71.5 million. This was mainly due repayment of bank loans on the Group's Pasir Ris One project of \$82.1 million.

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.

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

The Group expects further property development income from the DBSS project, Pasir Ris One upon delivery of the remaining 6% of the sold units when the buyers' eligibility tests are met. In addition, the fully sold Executive Condominium ("EC") project, CityLife@Tampines is expected to obtain TOP in 1st quarter of the year 2016 and will be accounted accordingly. The Group will also expect rental income in the form of dividends from its recent acquisition of Park Mall upon completion of the Sales and Purchase Agreement before the commencement of redevelopment works. On 18 July 2015, the Group launched its latest EC project, The Vales located at Anchorvale Crescent.

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The Group has diversified its recurring income source through the investment in a portfolio of retail malls in Malaysia which is expected to yield annual dividend. In addition, management fee is earned as the Group co-manages the portfolio as General Partner.

In US, earnings are expected to stay resilient through the recurring rental income from Tri-County Mall ("TCM"). Asset enhancement plans to rebrand TCM as a lifestyle mall and to develop 5 Thomas Mellon Circle into a residential property are in progress.

The Group will continue to explore property development and investment opportunities for yield accretion that will further strengthen its earnings.

11 Dividend

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

| | 30.06.2015 |
|---|-------------------------------|
| Name of dividend | Special Tax Exempt (One-tier) |
| Type of dividend | Cash |
| Total number of issued shares (excluding treasury shares) | 2,863,089,912 |
| Dividend per share | 0.2 Singapore cents |

(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

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable.

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13 Disclosure of interested person transactions

The Company has not obtained a General Mandate from shareholders for interested person transactions.

During the reporting period, the transactions with interested person under the Listing manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited are as follows:

| | | 1 April 2015 to 30 June 2015 |
|---|--|-------------------------------------|
| | | \$'000 |
| 1 | Transactions with American Pacific International Capital ("APIC") ⁽¹⁾ | 109 ⁽²⁾ |
| 2 | Transactions with Haiyi Holdings Pte Ltd ("Haiyi") ⁽³⁾ | 134,400 ⁽⁴⁾ |
| 3 | Transactions with Cove Wealth Limited ("Cove") ⁽⁵⁾ | 45,521 ⁽⁶⁾ |
| | Total | 180,030 ⁽⁷⁾ |

Note

- (1) APIC is an entity controlled by the controlling shareholders of the Company, Mr. Gordon Tang and Mdm. Serena Chen.
- (2) This amount represents the consultancy fees to APIC. APIC provided consultancy services to the Company's subsidiaries.
- (3) Haiyi is the holding company of the Company. It is 100% owned by Mr. Gordon Tang and Mdm. Serena Chen.
- (4) This amount represents the committed equity participation of \$134.4 million in respect of the joint venture entered into by Phoenix 99 Pte Ltd ("Phoenix"), a wholly owned subsidiary of the Company and Haiyi and Suntec (PM) Pte. Ltd. for the redevelopment of Park Mall ("Park Mall JV"). Phoenix and Haiyi each took up a 35% equity interest in the Park Mall JV. The joint venture is considered an interested person transaction which falls under Rule 916(2). Please refer to the Company's announcement dated 30 June 2015 for further details.
- (5) Cove is a special purpose vehicle 100% owned by Mr. Gordon Tang and Mdm. Serena Chen.
- (6) This amount represents the subscription amount of \$45,520,942 in respect of the subscription by Asset Century International Limited ("Asset Century") a wholly owned subsidiary for a 25% interest as a limited partner of the ARA Harmony Fund III ("Portfolio of Malaysia Retail Malls"). Asset Century and Cove each took up a 25% equity interest in the Portfolio of Malaysia Retail Malls. The subscription is considered an interested person transaction which falls under Rule 916(2). Please refer to the Company's announcement dated 24 June 2015 for further details.
- (7) The amount represents the aggregate value of the interested person transactions entered into with the same interested person during the reporting period.

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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 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chen Huaidan (Serena)
Group Managing Director

Mao Jinshan
Executive Director

13 August 2015

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: 65-6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.