



SINGHAIYI GROUP LTD

REGISTRATION NUMBER: 198803164K

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019

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

	Group		Change %
	30.06.2019 \$'000	30.06.2018 \$'000	
Revenue ^[A]	4,166	26,065	(84.0)
Cost of sales	(2,144)	(23,255)	(90.8)
Gross profit	2,022	2,810	(28.0)
Other income ^[B]	13	2,032	(99.4)
Selling and marketing expenses ^[C]	(6,038)	(967)	>100
Administrative expenses	(3,776)	(2,110)	79.0
Other operating expenses	(210)	(267)	(21.3)
Results from operating activities	(7,989)	1,498	NM
Finance income ^[D]	2,026	2,611	(22.4)
Finance costs ^[E]	(9,393)	(2,336)	>100
Share of results of equity-accounted investees, net of tax	52	(261)	NM
(Loss)/Profit before tax ^[F]	(15,304)	1,512	NM
Tax expense	(60)	(171)	(64.9)
(Loss)/Profit for the period	(15,364)	1,341	NM
Other comprehensive income:			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Share of currency translation differences of equity-accounted investees	(673)	210	NM
Cash flow hedges-fair value loss	(814)	-	NM
Currency translation differences relating to foreign operations	(1,639)	5,926	NM
	(3,126)	6,136	NM
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in fair value of financial assets at fair value through other comprehensive income	3,842	3,397	13.1
Other comprehensive income for the period, net of tax	716	9,533	(92.5)
Total comprehensive income for the period	(14,648)	10,874	NM

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	Group		Change %
	First quarter ended		
	30.06.2019	30.06.2018	
	\$'000	\$'000	
(Loss)/Profit attributable to:			
Owners of the Company	(8,176)	1,237	NM
Non-controlling interests	(7,188)	104	NM
	(15,364)	1,341	NM
Total comprehensive income attributable to:			
Owners of the Company	(7,460)	10,770	NM
Non-controlling interests	(7,188)	104	NM
	(14,648)	10,874	NM

NM – Not Meaningful.

Notes to Income Statement:

	Group		Change %
	First quarter ended		
	30.06.2019	30.06.2018	
	\$'000	\$'000	
[A] <u>Revenue</u>			
Property development income	2,123	23,788	(91.1)
Rental income	1,640	1,874	(12.5)
Management fee income	403	403	-
	4,166	26,065	(84.0)
[B] <u>Other income</u>			
Write-back of allowance on diminution of value in development properties	-	1,098	NM
Gain on disposal of plant and equipment	8	-	NM
Net foreign exchange gain	-	890	NM
Others	5	44	(88.6)
	13	2,032	(99.4)
[C] <u>Selling and marketing expenses</u>			
Commission	148	797	(81.4)
Advertising and marketing	5,890	170	>100
	6,038	967	>100

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	Group		Change %
	First quarter ended		
	30.06.2019 \$'000	30.06.2018 \$'000	
[D] <u>Finance income</u>			
Dividend income – financial assets at fair value through other comprehensive income ⁽¹⁾	1,216	1,534	(20.7)
Dividend income – financial assets at fair value through profit or loss ⁽²⁾	296	647	(54.3)
Fair value gain on financial assets at fair value through profit or loss ⁽²⁾	355	-	NM
Interest income	159	430	(63.0)
	2,026	2,611	(22.4)
[E] <u>Finance costs</u>			
Interest on bank loans	8,975	501	>100
Interest on related company's loan	401	552	(27.4)
Finance expense on lease liabilities	17	-	NM
Fair value loss on financial assets at fair value through profit or loss ⁽²⁾	-	1,283	NM
	9,393	2,336	>100
[F] (Loss)/Profit before tax includes the following:			
Depreciation of property, plant and equipment	103	83	24.1
Net foreign exchange loss	1,225	-	NM
Professional fees	38	63	(39.7)

Note 1: Dividend income - financial assets at fair value through other comprehensive income

This pertains to dividend income from the Group's investment in quoted stapled securities issued by Cromwell Property Group, a global real estate investment manager listed on the Australia Stock Exchange.

Note 2: Dividend income and 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. The changes in the market price of the financial assets are reflected as changes in fair value of financial assets through profit or loss.

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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	
	30.06.2019 \$'000	31.03.2019 \$'000	30.06.2019 \$'000	31.03.2019 \$'000
Non-current assets				
Property, plant and equipment	1,879	1,639	625	555
Right-of-use assets	2,374	-	1,229	-
Investment properties	86,795	87,221	-	-
Interests in subsidiaries	-	-	183,419	183,960
Interests in associates	45,954	47,276	-	-
Interests in joint ventures	111,416	111,501	-	-
Amounts due from subsidiaries	-	-	327,958	293,611
Financial assets at fair value through other comprehensive income	77,238	74,720	77,238	74,720
	<u>325,656</u>	<u>322,357</u>	<u>590,469</u>	<u>552,846</u>
Current assets				
Development properties	1,580,026	1,389,355	-	-
Contract costs	608	-	-	-
Contract assets	1,048	2,170	99	99
Trade and other receivables	10,079	9,973	1,713	2,418
Financial assets at fair value through profit or loss	29,595	29,293	29,595	29,293
Amounts due from subsidiaries	-	-	21,979	31,780
Cash and cash equivalents	75,112	101,030	46,084	70,596
	<u>1,696,468</u>	<u>1,531,821</u>	<u>99,470</u>	<u>134,186</u>
Total assets	<u>2,022,124</u>	<u>1,854,178</u>	<u>689,939</u>	<u>687,032</u>
Non-current liabilities				
Loans and borrowings	1,001,093	874,599	-	-
Lease liabilities	2,656	-	1,479	-
Amounts due to non-controlling interests	232,758	193,400	-	-
Deferred tax liabilities	4,033	4,074	-	-
	<u>1,240,540</u>	<u>1,072,073</u>	<u>1,479</u>	<u>-</u>
Current liabilities				
Trade and other payables	12,319	13,505	2,400	3,006
Contract liabilities	6,918	1	-	-
Loans and borrowings	86,068	77,889	75,740	77,588
Loan from a related company	21,368	21,316	-	-
Derivative financial instruments	814	-	-	-
Current tax payable	2,457	2,627	250	250
	<u>129,944</u>	<u>115,338</u>	<u>78,390</u>	<u>80,844</u>
Total liabilities	<u>1,370,484</u>	<u>1,187,411</u>	<u>79,869</u>	<u>80,844</u>

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	Group		Company	
	30.06.2019 \$'000	31.03.2019 \$'000	30.06.2019 \$'000	31.03.2019 \$'000
Share capital	522,939	522,939	522,939	522,939
Accumulated profits	126,545	135,000	73,607	73,567
Reserves	8,601	7,885	13,524	9,682
Equity attributable to owners of the Company	658,085	665,824	610,070	606,188
Non-controlling interests	(6,445)	943	-	-
Total equity	651,640	666,767	610,070	606,188
Total liabilities and equity	2,022,124	1,854,178	689,939	687,032

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

	As at 30.06.2019 \$'000	As at 31.03.2019 \$'000
<u>Unsecured</u>		
Amount repayable in one year or less, or on demand	21,368	21,316
Amount repayable after one year	232,758	193,400
(a)	254,126	214,716
<u>Secured</u>		
Amount repayable in one year or less, or on demand	86,068	77,889
Amount repayable after one year	1,001,093	874,599
(b)	1,087,161	952,488
Gross borrowings	(a) + (b) 1,341,287	1,167,204

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

Details of any collateral as at 30 June 2019

Where secured, borrowings are collateralised by:

- (i) the borrowing subsidiaries' investment properties and development properties;
- (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 financial assets at fair value through profit or loss with an amount equivalent to \$29,595,000; and
- (v) a charge over financial assets at fair value through other comprehensive income with an amount equivalent to \$77,238,000.

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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	
	30.06.2019	30.06.2018
	\$'000	\$'000
Cash flows from operating activities		
(Loss)/Profit before tax	(15,304)	1,512
Adjustment for:		
Changes in fair value of financial assets at fair value through profit or loss	(355)	1,283
Depreciation of property, plant and equipment	103	83
Depreciation of right-of-use assets	239	-
Gain on disposal of plant and equipment	(8)	-
Interest and dividend income	(1,671)	(1,077)
Interest expense	9,393	1,053
Net unrealised foreign exchange gain	67	(646)
Share of results of equity-accounted investees, net of tax	(52)	261
Write-back of allowance of diminution in value of a development property	-	(1,098)
	(7,588)	1,371
Changes in:		
Contract assets	1,122	-
Contract costs	(608)	-
Contract liabilities	6,917	-
Development properties	(192,136)	(261,151)
Trade and other receivables	(125)	46,738
Trade and other payables	(1,182)	(116)
Cash used in operations	(193,600)	(213,158)
Tax paid	(232)	(65)
Net cash used in operating activities	(193,832)	(213,223)
Cash flows from investing activities		
Acquisition of plant and equipment	(422)	(51)
Capital expenditure on investment properties	(140)	(510)
Interest and dividends received	2,478	3,179
Investment in joint venture	-	(1,840)
Proceeds from disposal of plant and equipment	50	-
Net cash generated from investing activities	1,966	778
Cash flows from financing activities		
Acquisition of treasury shares	-	(1,219)
Dividends paid to non-controlling interests	(200)	(260)
Finance expense paid	(17)	-
Interest paid	(9,393)	(1,053)
Principal repayment of leases	(222)	-
Payment of transaction costs in relation to rights issue	-	(22)
Proceeds from bank borrowings, net of transaction costs	136,522	189,345
Proceeds of loans from a related company	-	1,987
Proceeds of loans from non-controlling interests	39,358	29,250
Repayment of bank borrowings	(6)	(9,954)
Repayment of loan to a related company	-	(3,975)
Net cash generated from financing activities	166,042	204,099
Net decrease in cash and cash equivalents	(25,824)	(8,346)
Cash and cash equivalents at beginning of the period	101,030	194,029
Effect of exchange rate fluctuations on cash held	(94)	253
Cash and cash equivalents at end of the period	75,112	185,936

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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	Capital reserve	Translation reserve	Fair value reserve	Hedge reserve	Accumulated profits	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current period:								
The Group								
At 1 April 2019	522,939	749	(1,356)	8,492	-	135,000	943	666,767
Adoption of SFRS (I) 16	-	-	-	-	-	(279)	-	(279)
At 1 April 2019 (restated)	522,939	749	(1,356)	8,492	-	134,721	943	666,488
Loss for the period	-	-	-	-	-	(8,176)	(7,188)	(15,364)
Other comprehensive income								
Share of currency translation differences of equity-accounted investee	-	-	(673)	-	-	-	-	(673)
Cash flow hedge-fair value loss	-	-	-	-	(814)	-	-	(814)
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	3,842	-	-	-	3,842
Currency translation differences relating to foreign operations	-	-	(1,639)	-	-	-	-	(1,639)
Other comprehensive income, net of tax	-	-	(2,312)	3,842	(814)	-	-	716
Total comprehensive income for the period	-	-	(2,312)	3,842	(814)	(8,176)	(7,188)	(14,648)
Transactions with owners, recognised directly in equity								
Contribution by and distributions to owners								
Dividends paid	-	-	-	-	-	-	(200)	(200)
Total transactions with owners	-	-	-	-	-	-	(200)	(200)
At 30 June 2019	522,939	749	(3,668)	12,334	(814)	126,545	(6,445)	651,640

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	Share capital	Capital reserve	Translation reserve	Fair value reserve	Accumulated profits	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Prior period:							
The Group							
At 1 April 2018	526,433	4,674	(4,015)	5,891	122,098	13,073	668,154
Adoption of SFRS (I) 1 & 15	-	-	(3,069)	-	3,110	-	41
At 1 April 2018 (restated)	526,433	4,674	(7,084)	5,891	125,208	13,073	668,195
Profit for the period	-	-	-	-	1,237	104	1,341
Other comprehensive income							
Share of currency translation differences of equity-accounted investee	-	-	210	-	-	-	210
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	3,397	-	-	3,397
Currency translation differences relating to foreign operations	-	-	5,926	-	-	-	5,926
Other comprehensive income, net of tax	-	-	6,136	3,397	-	-	9,533
Total comprehensive income for the period	-	-	6,136	3,397	1,237	104	10,874
Transactions with owners, recognised directly in equity							
Contribution by and distributions to owners							
Dividends paid	-	-	-	-	-	(260)	(260)
Total transactions with owners	-	-	-	-	-	(260)	(260)
Changes in ownership interests in subsidiaries							
Transaction costs in relation to rights issue	-	(22)	-	-	-	-	(22)
Acquisition of treasury shares	-	(1,219)	-	-	-	-	(1,219)
Total transactions with owners	-	(1,241)	-	-	-	-	(1,241)
At 30 June 2018	526,433	3,433	(948)	9,288	126,445	12,917	677,568

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

	Share capital	Capital reserve	Fair value reserve	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Current period:					
The Company					
At 1 April 2019	522,939	1,191	8,491	73,567	606,188
Adoption of SFRS (I) 16	-	-	-	(250)	(250)
At 1 April 2019 (restated)	522,939	1,191	8,491	73,317	605,938
Profit for the period	-	-	-	290	290
Other comprehensive income					
Change in fair value of financial assets at fair value through other comprehensive income	-	-	3,842	-	3,842
Other comprehensive income, net of tax	-	-	3,842	-	3,842
Total comprehensive income for the period	-	-	3,842	290	4,132
At 30 June 2019	522,939	1,191	12,333	73,607	610,070

	Share capital	Capital reserve	Fair value reserve	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Prior period:					
The Company					
At 1 April 2018	526,433	5,116	5,891	66,353	603,793
Profit for the period	-	-	-	2,148	2,148
Other comprehensive income					
Change in fair value of financial assets at fair value through other comprehensive income	-	-	3,397	-	3,397
Other comprehensive income, net of tax	-	-	3,397	-	3,397
Total comprehensive income for the period	-	-	3,397	2,148	5,545
Changes in ownership interest in subsidiaries					
Transaction costs in relation to right issues	-	(22)	-	-	(22)
Acquisition of treasury shares	-	(1,219)	-	-	(1,219)
Total transactions with owners	-	(1,241)	-	-	(1,241)
At 30 June 2018	526,433	3,875	9,288	68,501	608,097

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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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the 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

There were no convertible securities and share options outstanding as at 30 June 2019 and 30 June 2018.

There were 47,083,600 treasury shares held by the Company, representing 1.12% of the shares outstanding of 4,219,052,175 as at 30 June 2019 (30 June 2018: 13,056,900 representing 0.30% of the shares outstanding of 4,293,078,875).

- 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**

	30.06.2019	31.03.2019
Total number of issued shares excluding treasury shares	4,219,052,175	4,219,052,175

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

No treasury shares were sold, transferred, disposed, cancelled and/or used as at end of the current financial period.

- 1d(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at end of the current financial period reported on**

Not applicable.

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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 year compared with the audited financial statements for the financial year ended 31 March 2019.

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

SFRS (I) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. The lessee accounting requires the recognition of the right-of-use ("ROU") asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. Lessor accounting remains similar to the current standard.

The Group and the Company have adopted SFRS (I) 16 *Leases* using the modified retrospective approach with effect from 1 April 2019. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group applied the practical expedient to grandfather the definition of a lease on transition of which the Group applied SFRS(I) 16 to all contracts entered into before 1 April 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT4.

On 1 April 2019, the effect on adoption of SFRS (I) 16 resulted in an increase in ROU assets of \$2,613,313, an increase in lease liabilities of \$2,892,834 and a decrease in retained earnings of \$279,521.

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- 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**

	Three months ended	
	30.06.2019	30.06.2018
Based on weighted average number of shares (cents)	(0.194)	0.029
Weighted average number of shares	4,219,052,175	4,304,316,350
On a fully diluted basis (cents)	(0.194)	0.029
Adjusted weighted average number of shares	4,219,052,175	4,304,316,350

- 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	
	30.06.2019	31.03.2019	30.06.2019	31.03.2019
Net asset value per ordinary share (cents)	15.60	15.78	14.46	14.37
Number of issued shares excluding treasury shares	4,219,052,175	4,219,052,175	4,219,052,175	4,219,052,175

- 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	
	30.06.2019 \$'000	30.06.2018 \$'000
Property development income	2,123	23,788
Rental income	1,640	1,874
Management fee income	403	403
	<u>4,166</u>	<u>26,065</u>

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	Singapore		US	
	First quarter ended		First quarter ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	\$'000	\$'000	\$'000	\$'000
Property development income	-	23,788	2,123	-
Rental income	249	211	1,391	1,663
Management fee income	403	403	-	-
	652	24,402	3,514	1,663

1Q2020 vs 1Q2019

The Group recorded total revenue of \$4.2 million for 1Q2020 as compared to 1Q2019 of \$26.1 million, a decrease of \$21.9 million year-on-year, mainly due to the decrease of revenue recognised for the Group's completed private condominium project, City Suites of \$22.6 million. In 1Q2020, revenue mainly arose from the sales of the Group's completed commercial condominium project, Vietnam Town phase 2 units and rental income from Tri-County Mall.

Cost of sales decreased by \$21.2 million year-on-year, in line with the decrease in property development income as mentioned in the previous paragraph.

Gross profit margin increased by 37.8 percentage point year-on-year, due to higher profit margin from the property development in US.

Other income decreased by \$2.0 million year-on-year, mainly due to the absence of the write-back of allowance of a diminution in value of the development project, City Suites of \$1.1 million and net foreign exchange gain of \$0.9 million.

Selling and marketing expenses increased by \$5.0 million, from \$1.0 million in 1Q2019 to \$6.0 million in 1Q2020, mainly due to the advertising, marketing and show flat expenses incurred for the Group's new development projects, namely The Gazania, The Liliun and Parc Clematis.

Administrative expenses increased by \$1.7 million, from \$2.1 million in 1Q2019 to \$3.8 million in 1Q2020, mainly due to the net foreign exchange loss of \$1.2 million.

Finance income decreased by \$0.6 million, from \$2.6 million in 1Q2019 to \$2.0 million in 1Q2020, mainly due to the lower dividend income (see note 1 and 2 on page 3) and interest income.

The increase in finance costs was mainly due to the increase in bank borrowings. Following the adoption of the agenda decision by the IFRS Interpretation Committee, the interest expense in relation to the Group's development projects of \$8.5 million has been expensed off in 1Q2020.

Share of results of equity-accounted investees, net of tax went from a loss of \$0.3 million in 1Q2019 to a gain of \$0.1 million in 1Q2020, mainly due to the higher share of profit from ARA Harmony Fund III, L.P.

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Review of Consolidated Statement of Financial Position

Development properties

Development properties increased by \$190.6 million, from \$1,389.4 million as at 31 March 2019 to \$1,580.0 million as at 30 June 2019, mainly due to the payment of land related costs for Parc Clematis.

Contract costs

This pertains to sales commission incurred for the Group's development projects.

Cash and cash equivalents

Cash and cash equivalents decreased by \$25.9 million, from \$101.0 million as at 31 March 2019 to \$75.1 million as at 30 June 2019, mainly due to cash movements as disclosed in the cash flow statements as explained below.

Loans and borrowings

Loans and borrowings increased by \$134.7million, from \$952.5 million to \$1,087.2 million as at 30 June 2019, mainly due to the drawdown of bank loans for the Group's development projects.

Amount due to non-controlling interests

The increase was mainly due to the proceeds of shareholders' loan from non-controlling interest. The loan was primarily used for the payment of land related costs for Parc Clematis.

Contract liabilities

This pertains to progress billings made for the Group's development projects.

Derivative financial instruments

Derivative financial instruments represent the fair value of the interest rate swaps entered to hedge the floating interest rate exposure of the Group's borrowings.

Cash flow statements

Cash flows used in operating activities for 1Q2020 amounted to \$193.8 million. This was mainly due to the operating loss of \$7.6 million and the increase in development properties of \$192.1 million. This was offset by the increase in contract liabilities of \$6.9 million.

Cash flows generated from investing activities for 1Q2020 amounted to \$2.0 million. This was mainly due to the interest and dividends received of \$2.5 million. This was offset by the acquisition of plant and equipment of \$0.4 million.

Cash flows generated from financing activities for 1Q2020 amounted to \$166.0 million. This was mainly due to the drawdown of bank loans of \$136.5 million and proceeds of loans from non-controlling interest of \$39.4 million. This was offset by interest paid of \$9.4 million.

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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

SINGAPORE

The Group continues to be supported by a strong pipeline of residential and commercial projects in Singapore, which provides clear revenue visibility that will be progressively recognised.

The Group launched its two freehold residential projects – the 250-unit The Gazania (f.k.a. Sun Rosier) and the 80-unit The Liliium (f.k.a. How Sun Park) on 1 May 2019. Both freehold properties have attracted positive interest from homebuyers, having sold a total of 25 units with an average selling price of over S\$2,000 psf in District 19. This represents a total of 15% of the 165 units released in phase one. The properties are strategically located near Bartley MRT station and in close proximity to reputable schools and amenities.

The Group expects its third residential project – Parc Clematis (formerly known as Park West) to be launched in the coming months, subject to approval from the relevant authorities. Parc Clematis is within walking distance from Clementi MRT station and near One-North R&D Park. The private residential project will offer 1,468 quality units with communal spaces and facilities, to cater to homebuyers' diverse needs.

The total estimated gross development value of the three residential development projects comprising The Gazania, The Liliium, and Parc Clematis amount to approximately S\$2.8 billion.

The Group's commercial development at 9 Penang Road (f.k.a. Park Mall) has secured UBS Singapore as its sole anchor office tenant in April 2019. UBS Singapore will be taking up 381,000 sq. ft. of net lettable area of the BCA Green Mark Platinum certified, Grade A commercial building spanning eight levels across two towers. The remaining 15,000 sq. ft. of retail space has garnered strong interest from potential retail tenants including F&B outlets and ancillary services. Redevelopment work is on track for completion with expected TOP in the fourth quarter of 2019.

UNITED STATES

Phase II sales of the Group's completed commercial condominium project Vietnam Town in San Jose, California, is progressing as planned and the selling price is within expectation.

Redevelopment works to transform the existing office building at 5 Thomas Mellon Circle in San Francisco into a waterfront lifestyle residential property is on-going. The project is currently pending authority approval of the site permit.

Tri-County Mall in Cincinnati is currently undergoing asset enhancement works to enhance patron traffic. Rental income is expected to be lower due to the on-going enhancement works, along with the challenging retail market in the US.

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OUTLOOK

The Singapore government recently announced that its economy has grown by 0.1% on a year-on-year basis in the second quarter of 2019, slower than the 1.1% growth in the previous quarter. On a quarter-on-quarter seasonally adjusted annualised basis, the economy shrank by 3.4%, after posting growth of 3.8% in the preceding quarter¹.

According to Urban Redevelopment Authority's flash estimates, price increases in apartments and condominium in Core Central Region and the Rest of Central Region helped lift the private property price index by 1.3% in the second quarter of 2019, as compared to the 0.7% decrease in the previous quarter².

Developers sold a total of 821 private homes in June, which indicate decent sales demand. This is 25.5% higher than June a year ago despite a 13.8% decrease from the 952 units in May³.

In the US, trade war tensions and uncertainties surrounding the federal debt ceiling continue to plague market sentiment. However, the overall US economy remains healthy and it registered a 3.2% growth in the first quarter of 2019, with moderate inflation, strong labour market and job growth⁴.

The Group remains cautiously optimistic and will focus on the smooth execution of its residential and commercial development projects in Singapore. Together with its property development projects in the US, the Group has a strong pipeline of Singapore and overseas development projects extending up to 2024, which are expected to contribute to the profitability of the Group.

The Group will continue to remain selective and prudent in looking out for fairly-valued land plots with good location, while pursuing suitable growth opportunities through yield-accretive acquisitions.

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.

¹ Singapore's GDP Grew by 0.1 Per Cent in the Second Quarter of 2019, Ministry of Trade and Industry, 12 July 2019

² URA releases flash estimate of 2nd Quarter 2019 private residential property price index, Urban Redevelopment Authority, 1 July 2019

³ Business Times –Developers sell 821 private homes in June, 26% higher on year, down 14% from May: URA data, 15 Jul 2019

⁴ United States Economic Forecast 2nd Quarter 2019, 19 June 2019 – Deloitte Insights

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(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared/recommended in the current period as it is not the Company's practice to distribute quarterly dividend.

13 Disclosure of interested person transactions

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

During the financial period, the transactions with interested person under Rule 905 & 906 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

		1 April 2019 to 30 June 2019 \$'000
1	Transactions with American Pacific International Capital, Inc. ("APIC") ⁽¹⁾	116 ⁽²⁾
2	Interest paid/payable to APIC	601 ⁽³⁾
3	Transactions with OKH Holdings Pte. Ltd. ("OKH") ⁽⁴⁾	32 ⁽⁵⁾
	Total	749 ⁽⁶⁾

Note

- (1) APIC is an entity controlled by Mr. Gordon Tang and Mrs. Celine Tang, who collectively own Haiyi Holdings Pte. Ltd. ("Haiyi"), the controlling shareholder of the Company.
- (2) This amount represents the consultancy fees to APIC. APIC provided consultancy services to the Company's subsidiaries.
- (3) This amount represents the total interest paid/payable to APIC for the provision of loan to a wholly-owned subsidiary of the Company.
- (4) OKH is a wholly-owned subsidiary of OKH Global Ltd, which is 44.3% held by Haiyi, the controlling shareholder of the Company.
- (5) The amount represents the monthly rental received/receivable from OKH.
- (6) The amount represents the aggregate value of the interested person transactions entered into with the same interested person during the financial period.

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During the financial period, the transactions with interested person under Rule 916(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

		1 April 2019 to 30 June 2019 \$'000
1	Transactions with Huajiang International Corporation Pte. Ltd. ("HICPL") ⁽¹⁾	1,500 ⁽²⁾
2	Transactions with Huajiang Properties II Pte. Ltd. ("HPH") ⁽¹⁾	1,500 ⁽³⁾
3	Transactions with Haiyi Wealth Pte Ltd. ("HWPL") ⁽¹⁾	36,358 ⁽⁴⁾
	Total	39,358 ⁽⁵⁾

Note

- (1) HICPL,HPH and HWPL are entities controlled by Mr. Gordon Tang and Mrs. Celine Tang, who collectively own Haiyi, the controlling shareholder of the Company.
- (2) This amount represents the shareholders' loan in respect of the development of The Gazania by SingHaiyi Properties Pte. Ltd. ("SPPL"), a wholly owned subsidiary of the Company and HICPL. SPPL and HICPL each took up a 50% equity interest in the development.
- (3) This amount represents the shareholders' loan in respect of the development of The Liliu by Corporate Bridge Pte. Ltd. ("CBPL"), a wholly owned subsidiary of the Company and HPH. CBPL and HPH each took up a 50% equity interest in the development.
- (4) This amount represents the shareholders' loan in respect of the development of Parc Clematis by SingHaiyi Land Pte. Ltd. ("SLPL"), a wholly owned subsidiary of the Company and HWPL. SLPL and HWPL each took up a 50% equity interest in the development.
- (5) The amount represents the aggregate value of the interested person transactions entered into with the same interested person during the financial period.

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14 Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 in accordance with Rule 720(1) of the SGX-ST Listing Manual.

15 Report of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Company wishes to inform that none of the persons occupying a managerial position in the Company or any of its principal subsidiaries is a relative to a Director or Chief Executive Officer or Substantial Shareholder of the Company as at 30 June 2019.

BY ORDER OF THE BOARD

Celine Tang
Group Managing Director

Mao Jinshan
Executive Director

25 July 2019