

A NEW CHAPTER OF GROWTH

Annual Report 2013



SINGHAIYI
GROUP

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**SINGHAIYI
GROUP**

formerly SingXpress Land Ltd



A NEW CHAPTER OF GROWTH

SingHaiyi Group Ltd (“SingHaiyi”), formerly known as SingXpress Land Ltd, is a SGX-Catalist-listed company specialising in property development, real estate investment, property trading and real estate management services.

It is currently building four residential developments in Singapore.



A photograph of a sailboat on the ocean under a blue sky with clouds. The sailboat's white sail is visible on the left side, and the blue water of the ocean is in the foreground. The sky is a clear, vibrant blue with some light, wispy clouds. A thin white line, possibly a contrail or a power line, stretches across the sky from the top right towards the center.

CHARTING NEW HORIZONS

SingHaiyi is embarking on a new chapter of growth. As a quality real estate player in Singapore, the Group intends to extend its “investment banking” approach to property in overseas markets.

MESSAGE BY OUTGOING CHAIRMAN

离任主席致辞

Dear Shareholders,

It has been an honour to serve as Chairman during a financial year that was unique for several major reasons. On behalf of my fellow directors, I would like to express my appreciation for your support for the year under review. To recapitulate, the year was marked by the following highlights:

- In a transformation that began in 2011, our Group's initiatives in property development began to contribute significantly to revenue and profits in the financial year ended 31 March 2013 ("FY 2013").
- Our capital base was boosted in October 2012 by a large issue of Cumulative Non-Redeemable Convertible Non-Voting Perpetual Preference Shares ("CCPS") of S\$94.4 million to Haiyi Holdings Pte Ltd ("Haiyi").
- In December 2012, the CCPS were converted to ordinary shares, a general offer was made and our Group saw a change in controlling shareholder from Xpress Group Limited ("Xpress Group") to Haiyi.
- On 11 March 2013, we announced a S\$193.5 million one for one rights issue along with a proposed expansion into the United States of America ("U.S.") real estate sector. A placement of new shares to a joint-venture company controlled by Mr Gordon Tang ("Mr Tang") and Mr Neil Bush ("Mr Bush"), and the appointment of Mr Bush as our Non-Executive Chairman were also proposed. The subsequent increase in our share price and volume of shares transacted on the Singapore Exchange reassured our Board that the new developments were warmly received.

On 12 March 2013, we adopted a new corporate identity, SingHaiyi Group Ltd. (新海逸集团有限公司, "SingHaiyi" or the "Company") to reflect a new controlling shareholder and a new chapter of growth.

As I write this message to you, the shareholders at the Extraordinary General Meeting on 28 June 2013 have approved the proposed U.S. expansion, the rights issue and the placement. Mr Bush has been appointed as our Non-Executive Chairman on 22 April 2013 and I have stepped down on the same day to stay on as a member of the Board.

Financial Performance for the Financial Year

Our Group revenue was S\$17.06 million which was 1,821% higher than S\$0.89 million of the previous year as we progressively recognised some S\$16.20 million which was 27.20% of the total sales revenue of *Charlton Residences*.

各位股东：

很荣幸能以主席的身份见证这个意义非凡的财年。本人谨代表董事会，衷心感谢大家对公司的支持。在这里，让我们来回顾一下本财年公司的一些重要事件：

- 自2011年开始转型后，集团积极推动房地产的开发，显著提高了截至2013年3月31日的财年（“2013财年”）的营业额和利润。
- 2012年10月，我们的资本基础大幅扩大。这主要是由于公司发行了总价值9,440万新元的累计可换股无投票权永久性优先股（Cumulative Non-Redeemable Convertible Non-Voting Perpetual Preference Shares, 简称CCPS）给海逸控股私人有限公司（“海逸”）。
- 2012年12月，上述CCPS被全数转换为普通股，海逸按照并购法条款进行了现金收购。公司的控股权因而从特速集团有限公司（“特速集团”）转移至海逸。
- 2013年3月11日，公司宣布按一比一的方式配售总价值为1亿9,350万新元的附加股，并进军美国房地产市场。与此同时，公司欲向由Gordon Tang先生（“唐先生”）和尼尔布什先生（“布什先生”）共同经营的合资公司配售新股。另外，公司也提议任命布什先生为非执行主席。随后，公司在新交所的股票价格和成交量大幅上升，证明了公司的发展策略获得了广泛认同。

2013年3月12日，公司采用了全新的企业名称，正式更名为新海逸集团有限公司（“新海逸”或“公司”），标志着新控股股东的入驻和集团发展的新篇章。

在我致辞给广大股东的同时，我们已于2013年6月28日就进军美国业务，配售附加股和新股的决议案获得了股东的批准。我于2013年4月22日卸任非执行主席，同时由布什先生接替我的职位。我现在仍然是董事会的成员之一。

本财年的财务业绩

集团的营业额为1,706万新元，与去年的89万新元相比，提高了1,821%。主要得益于Charlton Residences住宅项目录得1,620万新元销售收入，占总销售收入的27.2%。

MESSAGE BY OUTGOING CHAIRMAN

离任主席致辞

Our 80%-held private cluster housing project was sold out in March 2012 within four months of the sales launch.

Our net profit for the financial year was S\$4.29 million compared with S\$0.04 million for the previous year, mainly from the progressive revenue recognition of *Charlton Residences* and fair value gain on our investment properties of S\$3.66 million compared with S\$2.32 million the year before.

Our gross profit increased to S\$5.75 million from S\$0.89 million while other operating income increased to S\$0.72 million from S\$0.12 million mainly due to sales of small-sized investment properties in Hong Kong. As we expanded our business operations, administrative expenses increased to S\$3.75 million from S\$1.87 million. Our finance costs decreased by 65% to S\$0.49 million from S\$1.42 million a year ago due to the conversion of convertible bonds in April 2012.

Our earnings per share based on a weighted average share capital base of 7,145,026,520 shares was 0.06 cent compared with 0.003 cent the year before which had a weighted average share capital base of 1,477,879,000 shares. Our net asset value per share decreased to 1.21 cents from 1.30 cents.

I am pleased to report, as at 31 March 2013, our Group had cash and cash equivalents of some S\$85.87 million, which was an increase from S\$13.99 million as at 31 March 2012 mainly from the capital of the CCPS which were converted to shares.

该聚落式洋房项目在2012年3月售罄，距推出市场仅不到四个月的时间，新海逸拥有该项目80%的股份。

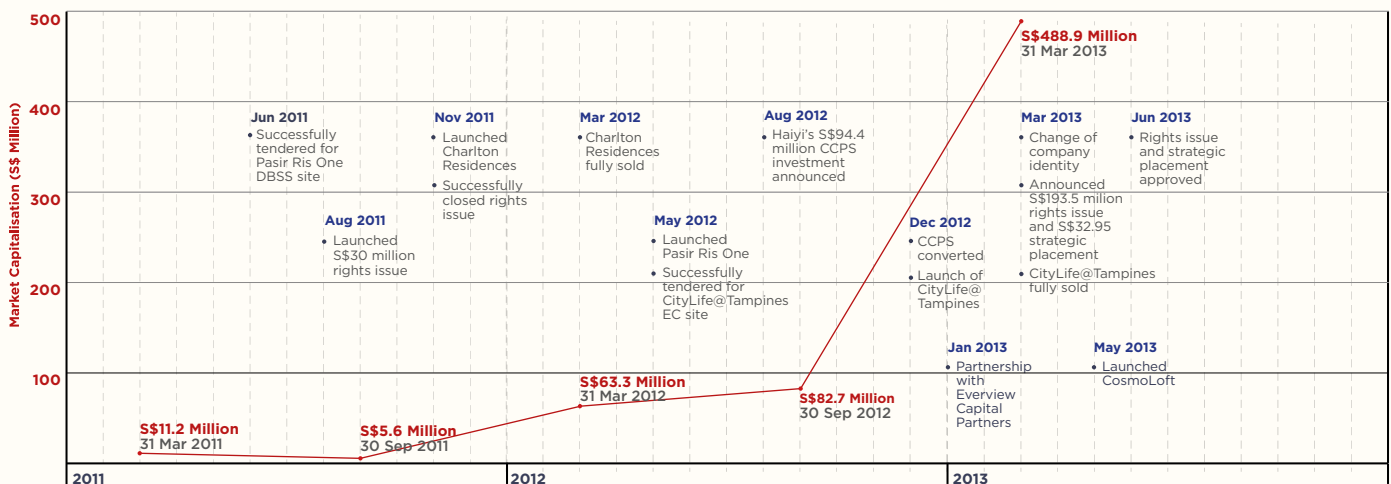
集团本财年净利录得429万新元，去年则为4万新元。这是因为 Charlton Residences 录得销售收入以及集团持有的投资性房地产公允价值从去年的232万新元上升到本财年的366万新元。

毛利从上财年的89万新元增加到本财年的575万新元。由于出售了部分在香港的小型房地产投资，集团的其他业务收入录得72万新元，上财年为12万新元。行政管理费用支出从2012财年的187万新元增长为本财年的375万新元，这主要是因为集团业务扩张。本财年融资成本为49万新元，与上财年的142万新元相比，下降了65%，这主要是因为2012年4月可转换债券的兑换。

基于7,145,026,520股的股本，本财年每股收益为新币0.06分，高于2012财年以1,477,879,000为股本的0.003分。每股资产净值为新币1.21分，低于去年同期的1.30分。

我很高兴向大家宣布，截至2013年3月31日，集团持有现金和现金等价物约8,587万新元，显著高于2012年3月31日的1,399万新元，该增长主要得益于CCPS取得的资本(其后转换为股份)。

SINGHAIYI'S MILESTONES (SINCE MAR 2011)



MESSAGE BY OUTGOING CHAIRMAN

离任主席致辞

Operations Review

Following a series of property cooling measures in recent months by the Singapore Government and policies to increase supply and improve the accessibility of public housing, our Group is continually assessing the impact of these measures, possible future policy curbs and the rate and quantum of government land sales.

Charlton Residences

Our maiden project, *Charlton Residences* was sold out in March 2012, less than four months after it was launched. The project is a freehold landed cluster-housing development of 21 units in Kovan precinct at the site of the former Foh Pin Mansions. The development recorded an aggregate sales value of S\$59.60 million which was an average price of S\$2.84 million per unit. We own the project in an 80:20 joint venture with A.C.T. Holdings Pte Ltd. Our Group expects to continue to progressively recognise the project value in FY2014 as construction progresses and is due for completion in 2014.

Pasir Ris One

Pasir Ris One is a public housing development under the Design, Build and Sell Scheme ("DBSS") which was launched for booking on 27 May 2012. The development is located adjacent to the Pasir Ris MRT station and is an 80:20 joint venture with Kay Lim Holdings Pte Ltd. As at the time of writing, sales contracts of more than 50% of *Pasir Ris One's* 447 units have been executed. The project is being constructed and is due for completion in 2015.

CityLife@Tampines

CityLife@Tampines, an Executive Condominium ("EC") project, which our Group has an effective 24.5% stake, was launched during the year and fully booked in March 2013. It is located in the heart of Tampines regional centre, which houses Singapore's second largest commercial hub outside of the central business district. Our joint-venture partners are SGX-listed Amara Holdings Limited (40%), Kay Lim Realty Pte. Ltd. (30%), and Everview Capital Partners LP (5.5%). The project is due for completion in 2016.

运营回顾

为了稳定本地房产供求，新加坡政府宣布了一系列的房地产降温措施。集团必定谨慎评估和分析这些措施，密切关注新加坡的房地产市场走势和新地段的推出。

Charlton Residences

新海逸开发的第一个项目Charlton Residences于2012年3月售罄，距推出仅不到四个月的时间。该项目为永久地契，地处高文地区（该地段前身为和平大厦），共有21栋聚落式洋房。这个项目总销售额为5,960万新元，单位平均价格为284万新元，由新海逸和ACT控股私人有限公司共同开发。前者持有项目80%股权，后者为20%。集团希望该项目能在2014财年继续贡献销售收入，并计划在2014年完成施工。

Pasir Ris One

2012年5月27日，集团正式发售私人租屋项目（Design, Build and Sell Scheme, 简称DBSS）Pasir Ris One。这个项目毗邻白沙地铁站，共有447个单位。Pasir Ris One由SingXpress KayLim Pte. Ltd. 开发，其中新海逸持有80%股权，佳林控股私人有限公司持有20%股权。截至此时，已售出超过50%的单位。该项目正在施工中，定于2015年完工。

CityLife@Tampines

执行共管公寓（Executive Condominium, 简称EC）项目CityLife@Tampines于今年推出，3月就销售一空。新海逸持有该项目24.5%的股权。该项目位于淡滨尼中心的心脏地带，而淡滨尼中心是中央商业区外的第二大商业活动中心。该项目的合作伙伴有Amara Holdings Limited, Kay Lim Realty Pte. Ltd.和Everview Capital Partners LP。以上团体各自持有总股份的40%，30%和5.5%。该项目计划于2016年完工。

MESSAGE BY OUTGOING CHAIRMAN

离任主席致辞

CosmoLoft

In May 2013, subsequent to the financial year-end, our Group launched CosmoLoft which is a 90:10 joint venture with Xpress Group. Located at the site of the former Waldorf Mansions, the project features a 17-storey tower of new-style freehold loft homes with high ceilings complete with full-height windows.

Board and Management Changes In the Financial Year

In a year of major transformation and changes, our Board and management saw major developments:

- We would like to thank Mr Damayanth Sunimal Goonetillake and Mdm Chan Yoke Keow, who stepped down as Executive Director and Non-Executive Director, respectively, on 14 January 2013, for their past contributions. We wish them the best in their future endeavours.
- We welcome Mr Tang to our Board on 14 January 2013. Mr Tang is a successful entrepreneur with diversified investments, who has successfully owned and led businesses in China, Singapore and the U.S..
- We also welcome Mdm Chen Huaidan to our Board on 14 January 2013. Mdm Chen was re-designated as an Executive Director on 1 February 2013. Having served as Managing Director of Haiyi since 2003, as Director of American Pacific International Capital Inc. since 2001 and as Executive Director of Tang Dynasty Pte. Ltd. since 1995, her business experience will greatly benefit our Group.
- On 1 February 2013, Mr Chan Heng Fai, the Managing Director of the Company, was re-designated as Deputy Managing Director. I wish to convey a special word of thanks to Mr Chan who spearheaded the growth of the Group in the last few years before the recent change in controlling ownership.

CosmoLoft

2013财年结束后，新海逸携手特速集团有限公司于五月推出CosmoLoft。新海逸持有该项目90%股权，特速集团则持有10%股权。这栋高17层的永久地契公寓项目位于志远大厦原址，挑高的天花板和大片的落地窗尽显阁楼式生活的新风尚。

本财年董事会和管理层的变动

本财年对集团来说是一个充满变化的一年，我们的董事会和管理层发生了以下变化：

- 我谨对于2013年1月14日卸任的前执行董事Damayanth Sunimal Goonetillake和前非执行董事陈玉娇女士为集团做出的贡献表示感谢。希望二位能在未来有顺利发展。
- 我们欢迎于2013年1月14日加入董事会的唐先生。唐先生是一位擅长于多元化投资的成功企业家，在中国、新加坡和美国都拥有成功的业务。
- 我们同时也欢迎陈怀丹女士在2013年1月14日加入董事会。陈女士随后在2013年2月1日被重新任命为执行董事。陈女士自2003年起就一直担任海逸的董事经理，自2001年起就一直担任American Pacific International Capital Inc.的董事，自1995年起就一直担任Tang Dynasty Pte. Ltd.的执行董事。我们相信她丰富的经验将会有利于集团的发展。
- 2013年2月1日，陈恒辉先生卸任董事经理，被任命为副董事经理。我希望借这个机会感谢陈先生在过去的几年中，为集团发展做出的巨大贡献。

MESSAGE BY OUTGOING CHAIRMAN

离任主席致辞

WELCOMING OUR NEW CHAIRMAN AND MANAGING DIRECTOR

After the end of our financial year, on 22 April 2013, it was with honour that our Board welcomed Mr Bush as Non-Executive Chairman.

Mr Bush is a well-known and experienced businessman from Texas, U.S. and a member of the illustrious Bush family. Our Board has great confidence in Mr Bush and in his capable leadership. We look forward to his invaluable contributions as our Chairman as our Group pursues real estate investment opportunities in the U.S. and elsewhere.

On 22 April 2013, we welcomed Mr Mao Jinshan (“Mr Mao”) to our Board as Managing Director of our Company. Mr Mao has deep experience in investment consultancy, finance, manufacturing and real estate development. We look forward to his active role in leading our Group forward in our expansion into real estate activities in the U.S..

Thank You And Looking Forward

On behalf of the Board, the directors who left us during the year and the directors currently on the Board, I wish to express my heartfelt thanks to you our shareholders, for your consistent and unwavering support for SingHaiyi. Our sincere gratitude also goes to all our business associates, suppliers, contractors and bankers. Last but not least, we thank and appreciate the hundreds of buyers who have purchased units in our development projects.

I am confident that with the foundations laid in recent years by Mr Chan Heng Fai and the significant transformations of the financial year under review, our Group is poised, with Mr Bush as Chairman and Haiyi as a committed controlling shareholder, to chart new growth horizons as a quality real estate player in Singapore and beyond.

Yeo Wee Kiong
Outgoing Chairman

欢迎新主席和董事经理

董事会热烈欢迎尼尔布什先生于2013年4月22日正式成为非执行主席。

布什先生是美国德克萨斯州一位经验丰富的知名商人，同时也是美国杰出的布什家族的一员。董事会看好布什先生的领导能力，我们期待他能为公司在探索美国或其他区域的房地产投资机会时做出巨大贡献。

2013年4月22日，毛锦山先生正式加入董事会，并担任董事经理。毛先生在投资咨询，金融，制造以及房地产开发业均拥有丰富的经验。未来在带领集团向美国房地产业发展过程中，毛先生的这些经验将会起到积极的作用。

鸣谢和未来展望

我谨代表董事会和所有新旧董事会成员向我们的股东们表达诚挚谢意。感谢你们对新海逸一贯和坚定的支持。同时，我们也要感谢新海逸所有的业务伙伴，供应商，承包商和银行家。最后，我们还要感谢众多购买我们开发项目单位的买家们。

陈恒辉先生这些年来为集团打下了坚实的基础，集团在本财年也经历了重大转变。我有信心，布什先生作为主席和海逸作为控股股东，将带领集团巩固本地业务，同时拓展集团视野，走向世界。

杨伟强
离任主席



Mr Yeo Wee Kiong
Non-Executive Director
(Outgoing Chairman)

Mr Neil Bush
Non-Executive Chairman
(Incoming Chairman)

MESSAGE BY INCOMING CHAIRMAN

继任主席致辞

Dear Shareholders,

From my home in Texas and having travelled to Asia extensively, I have grown to admire Singapore's business environment. Hence, I was greatly excited to be extended the opportunity to participate in the growth of SingHaiyi. I hope to add strategic value and to contribute as Chairman during this exciting transformation of SingHaiyi as it invests in the U.S. real estate market. It is a great honour to lead this dynamic group to capitalise on the exceptional opportunities before us.

In May 2013, I had the privilege to present a gift of S\$1 million on behalf of SingHaiyi and Haiyi to the Faculty of Science at the National University of Singapore as part of our Group's first Corporate Social Responsibility Project in Singapore. This gift—reflecting our Group's philosophy to give back to society—will help to advance life sciences research, which can have positive far-reaching consequences for Singapore and beyond.

On 28 June 2013, at an Extraordinary General Meeting, shareholders approved, among others:

- Our expansion into the real estate property sector outside Singapore into the U.S. Our Board believes that the real estate market in the U.S. is under-estimated, with the U.S. economy in a recovery phase. The situation presents attractive real estate investment opportunities for both distressed and non-distressed U.S. real estate assets.
- A one for one renounceable non-underwritten rights issue of up to approximately 12.92 billion new ordinary shares at 1.50 cents each on the basis of one Rights Share for every existing share in the Company, to raise up to approximately S\$193.5 million.
- A placement of 2.20 billion new shares at 1.50 cents each to raise approximately S\$32.95 million to Acquire Wealth Limited, a British Virgin Islands-domiciled company controlled by Mr Gordon Tang (70%) and New Palace Developments Limited ("New Palace") (30%), which is a corporation my wife and I own.
- The grant of up to 700 million share options to the Directors: Mr Chan Heng Fai, Mr Chan Tung Moe and Mr Chan Tong Wan at an exercise price of 1.50 cents each.

The various resolutions have all been voted upon and carried. The combined corporate exercise (excluding the grant of options), being completed even as you read this annual report, is the largest-ever announced by SingHaiyi. It will increase our capital base from S\$156.3 million to

各位股东：

从我的家乡德克萨斯州到亚洲各地，经历无数次的行程，使我对新加坡商业环境越发敬佩。因此，对于能够成为新海逸成长过程中的一分子，我感到非常高兴。作为主席，我希望能借自身所长，帮助新海逸完成转型，并成功进入和投资美国房地产市场。我很荣幸能够带领这样一支充满活力的团队，把握眼前的机会。

2013年5月，我有幸代表海逸和新海逸向新加坡国立大学理学院捐赠了一百万新元，达成了集团的第一个企业社会责任项目。这项捐款反映出新海逸回馈社会的理念，有助于推动国立大学对于生命科学的研究，对未来产生深远影响，并造福社会。

2013年6月28日，集团召开特别股东大会，就以下决议案获得了股东批准：

- 进军美国的房地产业务。董事会认为，由于美国经济进入复苏阶段，房地产价值被低估。这将成为投资美国不良和非折价房地产的绝佳机会。
- 在现有股本基础上，以一对一的比率发行129.2亿股可弃权非包销附加股，每股新股售价1.5分，共计可筹集1亿9,350万新元。
- 私下配售22亿股给Acquire Wealth Limited，每股售价1.5分，可筹集约3,295万新元。英属维京群岛注册公司Acquire Wealth，是唐先生和New Palace Developments Limited ("New Palace")的合资公司，两者分别持有70%和30%Acquire Wealth股权。我和我夫人是New Palace的所有人。
- 授予集团董事陈恒辉先生，陈统武先生和陈统运先生总共7亿股的购股权，每股行使价1.5分。

各项决议都已被表决和通过。集团这次的计划（授出购股权除外），是迄今为止，我们进行过的最大一次筹资行动。它将扩大集团的资本基础，使其从1亿5,630万新元增加至约3亿8,280万新元。

MESSAGE BY INCOMING CHAIRMAN

继任主席致辞

approximately S\$382.8 million. In just a few short years, our Group has transformed from being one of the smallest listed companies on the Singapore Exchange to among the largest capitalised companies on the Catalist Board.

Outlook

In Singapore, SingHaiyi remains confident about the longer-term prospects of the property sector. Our existing projects will keep our team busy for the next three years while management continually assesses the impact of recent cooling measures before acquiring more land.

Having received your approval, we shall actively explore opportunities to enhance shareholder value through investments in U.S. real estate. Barring unforeseen developments, we are optimistic of securing such projects in U.S. which can complement our current activities in Singapore.

Ongoing Board Changes

We would like to thank our current Independent Directors, Mr Tan Tai Soon and Mr Wong Tat Keung, for their contributions to our Group during their tenure of service. They are retiring from our Board at the Annual General Meeting on 29 July 2013. As they will not stand for re-election, our Group, with the assistance and advice of our Catalist Sponsor, is in the process of appointing new independent directors. We will make the necessary announcements in due course.

Acknowledgement

On behalf of our Board, I wish to take this opportunity to express our sincere thanks to all shareholders for your support and confidence during an eventful year. I would like to thank the directors (past and present), our management, staff, clients and partners. We look forward to your continued support as we embark on an exciting new chapter of SingHaiyi's growth.

Neil Bush
Incoming Chairman

在短短的几年里，新海逸已经从一间小型的上市公司，成长为凯利板市值最大公司中的一员。

未来展望

新海逸对新加坡房地产市场的长期前景持乐观态度。集团现有的项目将会让我们的团队在未来三年里保持忙碌状态。我们的管理层在实行进一步的土地收购之前，必将认真评估近期一系列的房地产降温措施带来的影响。

在获得你们的批准后，我们将积极探索美国房地产的投资机会，以进一步提升股东价值。尽管市场瞬息万变，但是我们对美国的投资项目保持乐观态度，同时这些项目也能与我们的新加坡的发展相辅相成。

未来的董事会变化

在此，我要感谢我们现任的独立董事陈大存先生和黄达强先生在任职期间为集团做出的贡献。他们将会在2013年7月29日的常年股东大会上卸任。由于两位不会参选连任，公司届时将在凯利板保荐机构的协助下，重新委派新的独立董事。我们将在必要的时候发布公告。

鸣谢

借此机会，我谨代表董事会由衷感谢所有的股东一路来对我们的支持和信任。我还要感谢新旧董事会成员，我们的管理层和员工，客户和合作伙伴。在新海逸崭新的发展篇章中，你们的支持是我们不断前进和成长的动力。

尼尔布什
继任主席



STRENGTHENING OUR LEADERSHIP

As SingHaiyi embarks on a new era, we are pleased to announce its new leadership. We welcome four new members to the Board of Directors led by Mr Neil Bush, our incoming Non-Executive Director and Non-Executive Chairman.



BOARD OF DIRECTORS

Neil Bush – Non-Executive Chairman

Mr Neil Bush was appointed Non-Executive Chairman on 22 April 2013. He is a Director of American Pacific International Capital Inc. (“APIC”), and a partner in a U.S.-based EB5 investor business that attracts foreign investment into the United States by creating jobs in exchange for immigration status. He is a business partner of Mr Gordon Tang through APIC and also serves as the Chairman of Points of Light, Chairman of the Barbara Bush Houston Literacy Foundation, and on the boards of the Houston Salvation Army and the Bush School of Government and Public Service.

Under the guidance and direction of Mr Bush, APIC has developed a strong track record of real estate investment in the United States. In 2009, APIC acquired KOIN Tower, a landmark A-Class office building in Portland, Oregon with over 400,000 square feet of leasable space. The company subsequently acquired five hotels and related property assets and also owns residential real estate development elsewhere in Oregon and in San Francisco.

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

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

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

Mr Bush is also the Deputy Chairman and Executive Director of Hoifu Energy Group Ltd, a company listed on the Stock Exchange of Hong Kong Ltd (SEHK).

Mao Jinshan – Managing Director

Mr Mao Jinshan was appointed as Managing Director on 22 April 2013. He has been the Vice President of APIC since 2012. Mr Mao oversees all aspects of the development process of complex urban development projects in APIC, including two medium-sized apartment properties and two large-sized shopping centre projects.

Mr Mao began his career as an engineer in 1984 with the China Aeronautical Institute of System Engineering in Beijing, China. He entered the investment and finance sector 10 years later when he joined Everbright International Investment Consultancy Company in Beijing, China, as an investment consultant in 1994. In 1995, he joined China Everbright Pacific Limited (now known as China Merchant Holdings (Pacific) Ltd) (“CEP”), a company incorporated in Singapore and listed on the SGX-ST, as a senior project manager. He is experienced in project due diligence, investment appraisal, cost control, financial management, portfolio management and strategic planning. Mr Mao was promoted to the position of Deputy General Manager of CEP and was invited to join its board as an Executive Director. He was involved in the Merger and Acquisition Division of China Everbright Securities Company Ltd in Shanghai and in the economic transformation of an old industrial base in northeast China.

In 2004, Mr Mao joined the Haiyi group as General Manager. In 2007, he became the General Manager and Executive Director of Guangdong Huamei Oil & Fat Company Ltd., a food manufacturing cum processing company located in Shantou, and was also involved in running a hotel in Shantou as Deputy General Manager.

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

Chan Heng Fai – Deputy Managing Director

Mr Chan Heng Fai joined the Board on 11 November 2003 and was re-designated from Managing Director to Deputy Managing Director on 1 February 2013. He was last re-elected as a Director on 15 July 2011. He is also the Managing Chairman of Xpress Group Limited, a company listed on SEHK, and a Non-Executive Director of CCM Group Limited, a company listed on the SGX-Catalist Board.

Mr Chan’s experience and expertise lie in the finance and banking sectors. Under his leadership, Xpress Group Limited’s net asset value has grown to approximately



Mr Chan Heng Fai
Deputy Managing Director



Mr Mao Jinshan
Managing Director

BOARD OF DIRECTORS

HK\$900 million. Mr Chan was also formerly (i) the Executive Chairman of China Gas Holdings Limited, a formerly failing fashion retail company listed on SEHK which, under his direction, was restructured to become one of a few large participants in the investment in and operation of city gas pipeline infrastructure in China; (ii) a director of Global Med Technologies, Inc., a medical company listed on NASDAQ engaged in the design, development, marketing and support information for management software products for healthcare-related facilities; (iii) a director of Skywest Ltd, an Australian-listed airline company; and (iv) the Chairman and Director of American Pacific Bank.

In 1987 Mr Chan acquired American Pacific Bank, a U.S. full-service commercial bank, and brought it out of bankruptcy. He recapitalised, re-focused and grew the bank's operations. Under his guidance it became a NASDAQ-listed high asset quality bank, with zero loan losses for five consecutive years before it was ultimately bought and merged into Riverview Bancorp Inc. Prior to its acquisition and merger it was ranked #13 by the Seattle Times "Annual Northwest's Top 100 Public Companies", ranked #6 in Oregon state, and ahead of names such as Nike, Microsoft, Costco, AT&T Wireless and Amazon.com.

Mr Chan is the father of Mr Chan Tong Wan (Tony) and Mr Chan Tung Moe, both Executive Directors of the Company.

Mdm Chen Huaidan – Executive Director

Mdm Chen Huaidan was appointed Non-Executive Director on 14 January 2013 and re-designated as Executive Director on 1 February 2013. She has served as Managing Director of Singapore-based Haiyi Holdings Pte. Ltd. since 2003, and has been a Director of APIC since 2001 and an Executive Director of Tang Dynasty Pte Ltd since 1995.

Mdm Chen graduated with a Bachelor's Degree in Literature from China People's University for Police Officers (now known as People's Public Security University of China). From 1990 to 1994, she was the Assistant Judicial Officer of Shantou Longhu District Court, China and was also the General Manager of Centaur International LLC, U.S. from 2001 to 2003.

In addition to her extensive management experience, Mdm Chen is a keen supporter of youth education. She has been a member of the Advisory Committee of West Spring Secondary School, since 2003 and has provided donor support for the school's activities.

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

Chan Tong Wan (Tony) – Executive Director

Mr Chan Tong Wan (Tony) joined the Board on 11 November 2003 and was last re-elected as Executive Director on 31 July 2012. Mr Chan is also the Managing Director of Xpress Group Limited, and his duties include overseeing the Hong Kong-listed company's principal strategic investments activities in both publicly listed and private companies.

He has over 15 years' experience in investment banking related roles. Mr Chan specialised in Asian equity financial products for two international investment banking firms, originally and dealing in listed and over-the-counter structured products. He has also acted as a securities' principal in a NASD-licensed brokerage house.

Mr Chan is the son of Mr Chan Heng Fai and the brother of Mr Chan Tung Moe. Mr Chan holds a Bachelor of Commerce degree with honours, with a Finance specialisation, from the University of British Columbia.

Chan Tung Moe – Executive Director

Mr Chan Tung Moe joined the Board on 7 March 2006 and was last re-elected as Executive Director on 15 July 2011. He is the Group's Chief of Project Development overseeing all of the Group's current development projects.

Previously, Mr Chan was the Chief Executive Officer of Xpress Finance Limited, Xpress Group Limited's credit card business. Mr Chan also possesses experience in technical and business development in the finance and technology industries.

Mr Chan is the son of Mr Chan Heng Fai and the brother of Mr Chan Tong Wan (Tony). He holds a Master's Degree in Business Administration from the University of Western Ontario, a Master's Degree in Electro-Mechanical Engineering and a Bachelor's Degree in Applied Science from the University of British Columbia.

Gordon Tang – Non-Executive Director

Mr Gordon Tang was appointed as Non-Executive Director on 14 January 2013. He is a successful entrepreneur with diversified investments who has transformed many businesses in Asia – principally China and Singapore – and the United States. Since 2003, he has served as the Chairman of Oregon-based American Pacific International Capital Inc. ("APIC"), which bridges business between China and the U.S.

Under his leadership, APIC has grown into a significant company with a strong track record in real estate

BOARD OF DIRECTORS

development and investment and management of hotels under the Haiyi brand. Beyond providing strategic business links between China and the United States, APIC has acquired businesses in Hong Kong, Singapore and other parts of South East Asia. APIC utilises its unique access to Asian capital and markets to create a portfolio of quality investments and businesses which it brings to the investment community. Leveraging on Mr Tang's business acumen, APIC transforms business models to keep up with changes in the operating environment, while delivering healthy growth and returns for investors.

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

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

Mr Tang is the spouse of Mdm Chen Huaidan, an Executive Director of the Company.

Yeo Wee Kiong – Non-Executive Director

Mr Yeo Wee Kiong was appointed as Non-Executive Chairman on 15 July 2011 and was recently re-designated as Non-Executive Director on 22 April 2013. He is also an Independent Director on the board of three other listed companies, Swee Hong Limited, Bonvests Holdings Limited and Kian Ho Bearings Ltd.

He practised corporate law for the past 21 years, and specialised in initial public offers, mergers and acquisitions, capital markets and venture capital. Before practising law, Mr Yeo was in investment promotions with the Singapore Economic Development Board and in investment banking with NM Rothschild Singapore.

In the past, he has held appointments as Independent Director with more than 10 corporations listed on the Singapore Exchange, one corporation listed on the Australian Securities Exchange, and various government-linked agencies and companies such as National Science & Technology Board, Ascendas Pte Ltd and PSB Corporation Pte Ltd.

Mr Yeo obtained a First-Class Honours degree in Mechanical Engineering from the National University of Singapore and was awarded the Professional Engineers Board Gold Medal. He also has an LLB (Honours) degree from the University of London, and an MBA from the National University of

Singapore. He qualified as a barrister-at-law with the Lincoln's Inn in England.

Tan Tai Soon – Independent Non-Executive Director

Mr Tan was appointed as an Independent Non-Executive Director on 14 March 2012 and was last re-elected as a Director on 31 July 2012 and was last re-elected as a Director on 31 July 2012. He is currently Director, Hospital Planning, at Jurong Health Services Pte Ltd ("JHS"). Mr Tan is responsible for the development of new hospitals under JHS from planning to completion, including a project valued at of approximately S\$1 billion.

Mr Tan brings with him more than 30 years' experience in the construction and property industry, of which he notably spent 14 years with Straits Developments Pte Ltd. Mr Tan also served as a member of the Assessment Committee for the Building and Construction Authority's ("BCA") Best Buildable Design Awards from 2003 to 2006. The BCA Best Buildable Design Awards was introduced to recognise the contribution of Qualified Persons (QPs) in achieving construction efficiency through the adoption of buildable design. The awards are intended to promote greater awareness and use of more buildable design.

Wong Tat Keung – Independent Non-Executive Director

Mr Wong Tat Keung was appointed as an Independent Non-Executive Director on 28 July 2009 and was last re-elected as a Director of the Company on 27 April 2010. Mr Wong is also an Independent Non-Executive Director of Xpress Group Limited.

Mr Wong has more than 15 years of audit, taxation, accounting and business advisory experience. From 2006 to February 2010, he was the proprietor of Aston Wong & Co., Certified Public Accountants practising in Hong Kong, and has served as its Director since 2010.

He holds a Master's Degree in Business Administration (Financial Services) from The University of Greenwich.

In addition, Mr Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants.



The Board of Directors and staff of SingHaiyi Group Ltd.



SENIOR MANAGEMENT

Ang Hay Kim (Aileen) – General Manager (Corporate Services)

Ms Ang has over 20 years of experience in finance, accounting, legal, HR, office administration and property agency work including handling of acquisition, sale and tenancy matters. She currently oversees liaison with legal and regulatory professionals for the Group's property investments and developments; coordinates with financial institutions for financing; assists in the coordination of project development launches and manages the Group's portfolio of investment properties. She also manages the Group's corporate secretarial and statutory compliance work. Ms Ang holds a Cert-in-CEHA and was Senior Sales Director, Resale Division with DTZ, a prominent property agency company. She is also the Key Executive Officer of SingXpress Realtors Pte Ltd.

Chang Soy Lee (Catherine) – General Manager (Project Management)

Ms Chang has close to 20 years of Property Development experience. She was involved in the development of hotel, residential and commercial properties. She was also involved in project feasibility studies, assessing the development potential of specific sites. She is well equipped with experience in planning and developing of projects from conceptualisation to handover of projects. Prior to property development, she has over ten years of working experience in construction industry working as an Engineer with consultancy firms. She holds a Bachelor of Civil Engineering degree, a Master of Science degree in Engineering, and a Master of Business Administration degree from National University of Singapore, as well as a CFA Charter.

Ong Kang Lin – Director (Strategic Development & Investment)

Mr Ong oversees the Group's strategic development and investment initiatives. He is involved in developing relationships with the Group's business partners, financial institutions and investors, and is responsible for evaluating real estate and other investment opportunities for the Group. Prior to joining the Group, he worked at leading commercial and investment banking institutions such as United Overseas Bank, Morgan Stanley and China International Capital Corporation (CICC). Mr Ong specialises in corporate finance, business strategy, real estate investing and financing. He graduated with a Bachelor of Business Administration (Hons) degree from National University of Singapore and holds a Master of Business Administration degree (Palmer Scholar) from the Wharton School, University of Pennsylvania. Mr Ong is also a CFA Charter holder.

Tan Tong Chee – Senior Manager (Project Management)

Mr Tan has over 20 years of building and project management experience in Singapore. He is trained as a quantity surveyor and has in-depth experience in costing and contracts management. He has been the Project Manager for several residential and commercial developments in Singapore. Mr Tan holds a Bachelor's Degree in Construction Economics from RMIT University, Australia.

Wong Shui Yeung – Chief Financial Officer

Mr Wong was appointed on 3 April 2009 as the Chief Financial Officer of the Group, responsible for the financial and management reporting. Mr Wong has broad experience in the finance and accounting field, having worked in an international accounting firm and is the Group Chief Financial Officer of Xpress Group Limited. He holds a Bachelor's Degree in Business Administration and is currently practising as a certified public accountant in Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Securities and Investment Institute.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive

Mao Jinshan (Managing Director)
Chan Heng Fai (Deputy Managing Director)
Chen Huaidan
Chan Tong Wan, Tony
Chan Tung Moe

Non-Executive

Neil Bush (Chairman)
Gordon Tang
Yeo Wee Kiong
Tan Tai Soon (Independent)
Wong Tat Keung (Independent)

PROJECT MANAGEMENT

Chan Tung Moe *BAppSc, MEng, MBA*
Chang Soy Lee, Catherine *BEng (Civil), MSc (Civil), MBA, CFA*
Tan Tong Chee *BA (Construction Economics)*

STRATEGIC DEVELOPMENT & INVESTMENT

Ong Kang Lin *CFA, MBA*

AUDIT COMMITTEE

Wong Tat Keung (Chairman)
Yeo Wee Kiong
Tan Tai Soon

NOMINATING COMMITTEE

Wong Tat Keung (Chairman)
Yeo Wee Kiong
Tan Tai Soon

REMUNERATION COMMITTEE

Wong Tat Keung (Chairman)
Yeo Wee Kiong
Tan Tai Soon

COMPANY SECRETARY

Yeo Poh Noi, Caroline

REGISTERED OFFICE

81 Ubi Avenue 4,
#02-20 UB.One,
Singapore 408830
Tel: 65-6533 9023
Fax: 65-6532 7602
Website: www.singhaiyi.com

AUDITORS

Audit Alliance LLP
No 20 Maxwell Road,
#11-09 Maxwell House,
Singapore 069113

AUDIT PARTNER IN CHARGE

Bernard Lee
Date of Appointment:
Since financial period ended 31 March 2011

PRINCIPAL BANKERS

DBS Bank Limited
Hong Leong Finance Limited
OCBC Bank Limited
United Overseas Bank Limited

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place,
#32-01 Singapore Land Tower,
Singapore 048623

CONTINUING SPONSOR

SAC Capital Private Limited
1 Robinson Road,
#21-02 AIA Tower,
Singapore 048542

FIRM FOUNDATION

SingHaiyi's core strength lies in its project management capabilities. Four exciting and diverse development projects are currently in progress, each with the SingHaiyi hallmarks of unmistakable quality and stylish design.



COSMOLOFT

“CosmoLoft, a new benchmark in city living, epitomises modern sophistication and brings about a city home for immediate occupation.”

CosmoLoft breathes city living. Located at 235 Balestier Road, the 11,384-sq ft site of the former Waldorf Mansions is being redeveloped into a modern, 17-storey apartment nestled in the midst of city convenience.

Launched on 1 May 2013, CosmoLoft ushers in new-style loft homes that boast designer pads with high ceilings, full-glass windows and panoramic views of the city skyline. Well-equipped with thoughtful facilities and relaxing ambiance, such as a SkyPool and open-air Sky Gym, and complemented with its thoughtful touches from fully-fitted open kitchens and bathrooms fittings with branded appliances, this new benchmark in city living epitomises modern sophistication, bringing about a city home for immediate occupation.

The development presents a seductive potpourri of urban charm and heritage vibe, yet surrounded by the best of accessibility infrastructure and urban amenities, it is a rental hotspot and residential haven. It enjoys easy access to the Novena MRT station and the CTE-PIE intersection, and is ideally equidistant from Singapore’s three major commercial hubs of Raffles Place, Suntec City/ Marina Bay and Orchard Road. It is close to shopping centres and supermarkets, with food and entertainment establishments and prestigious schools just around the corner. The upcoming Thomson MRT Line and expanding Novena Medical Hub are expected to boost infrastructure in Balestier, pointing to a bright future for the neighbourhood.

The freehold development is due for completion in 2016.

Artist's Impression



Artist's Impression



COSMOLOFT

Artist's Impression



CITYLIFE@TAMPINES

Artist's Impression



CITYLIFE@TAMPINES

“The luxury-hotel style Executive Condominium project offers 2/3/4/5-bedroom, dual-key, Sky Suite and penthouse units, bringing EC living to a whole new level with its enviable cross between luxury-hotel dwelling and the familiar comforts of home.”

CityLife@Tampines, Singapore’s first luxury-hotel style Executive Condominium (“EC”) project, is located at Tampines Central 7/Avenue 7/Avenue 9, in District 18 on a 223,357-sq ft site. The project offers 2/3/4/5-bedroom, dual-key, Sky Suite and penthouse units, bringing EC living to a whole new level with its enviable cross between luxury-hotel dwelling and the familiar comforts of home.

The concept embraces a luxury-hotel lifestyle right at home with its hotel-inspired facilities, styling, ambience and services, from its own Home Concierge Service, 100-metre Infinity Pool and fully-equipped Function Suite to resort-style landscaping. CityLife@Tampines also offers a range of uniquely design units, from exclusive 4 and 5-bedroom Sky Suites with living/dining rooms that open out to a wrap-around open terrace, to an exclusive residential Presidential Penthouse Suite with a sprawling size of over 4,000 sq ft.

CityLife@Tampines is situated at the heart of Tampines Regional Centre – a vibrant locale housing Singapore’s second-largest commercial hub outside the CBD. Surrounded by lifestyle centres and natural landscape, it is close to shopping amenities like Tampines Mall, Tampines One and Century Square, and educational institutions such as St. Hilda’s, Gongshang, and Poi Ching Primary Schools. For those looking to get outdoors, the neighbourhood offers green sanctuaries such as Tampines Eco Park, Sun Plaza Park, Bedok Reservoir Park, and the upcoming Integrated Lifestyle Hub. CityLife@Tampines is easily accessible via ECP, PIE, TPE, Tampines MRT station and the future Downtown Line 3 MRT Interchange.

Launched for sale on 29 December 2012, 90% of its 514 units were sold in two days, with the development sold-out by March 2013. It recorded the highest number of e-applications ever for an EC development. Construction of this project is progressing and is due for completion in 2016.

Artist's Impression



PASIR RIS ONE

Artist's Impression



“The highlights of its design stem from the contextual surroundings and offer home dwellers **an environment of calm repose, with its intimate spaces surrounded by much desired greenery.**”

PASIR RIS ONE

Artist's Impression



Pasir Ris One, a condominium-styled residential development project under the Housing and Development Board's Design, Build, and Sell Scheme (DBSS), is located at the heart of the Pasir Ris town centre, a family-friendly estate with various amenities in its vicinity. The 176,400-sq ft site is near Pasir Ris Town Park, shopping centres, and prestigious primary and secondary schools like Hai Sing Catholic School, Meridian Junior College and Tampines Junior College.

Pasir Ris One's 447 units of 3-, 4- and 5-room apartments, located across four 13/14-storey blocks, combine style with affordability, and are tastefully appointed with fully-fitted kitchen appliances, imported sanitary fittings as well as full air-conditioning.

Its layout, numerous innovative features and built-in furnishing are intended to imbue a sense of privacy within the home, as well as being one with nature. The highlights of its design stem from the contextual surroundings and offer home dwellers an environment of calm repose, with its intimate spaces surrounded by much desired greenery.

The neighbourhood provides easy connectivity via the Pasir Ris MRT station, the Pasir Ris Bus Interchange, and major expressways like the TPE and PIE. At the same time, residents can opt to venture out away from the hustle and bustle of the city, with lush greenery surrounding the area, seaside activities at the Pasir Ris Beach Park and floral nurseries. The development site's location - a one-minute walk to Pasir Ris MRT station and White Sands Shopping Centre - makes Pasir Ris One ideal for quiet, serene living, while not compromising on any of the comforts of city life.

The development includes a child care centre, car park, and ancillary facilities. Construction for this project is in progress and is due for completion in 2015. To date, over 50% of Pasir Ris One's units have already been sold.



CHARLTON RESIDENCES

Artist's Impression



“Charlton Residences’ design aesthetic incorporates total privacy, vitality, and only the finest comforts, with its stylish units complemented by a lap pool, clubhouse and gym that promote fitness and wellness.”

CHARLTON RESIDENCES

Charlton Residences, previously known as Foh Pin Mansion, is serenely situated on 1 Charlton Road, amid the green and peaceful surroundings of the Kovan precinct. The freehold cluster-housing development sits on a 34,154-sq ft site in District 19.

Charlton Residences' 21 strata units offer excellent space and efficient unit layouts, and are ideal for large families. Fitted with contemporary interiors with branded fittings, it provides residents with maximum style and convenience.

Charlton Residences' design aesthetic incorporates total privacy, vitality, and only the finest comforts, with its stylish units complemented by a lap pool, clubhouse and gym that promote fitness and wellness.

Accessible via the CTE and KPE, the development is a stone's throw away from Kovan MRT station and the sprawling NEX megamall, and is a 15-minute drive to the Orchard shopping belt and central business district. The development of the Upper Serangoon Heritage Trail nearby – encompassing the shops at Lim Tua Tow Road, the Hougang Dow Mu temple and a community of Catholic churches and schools – defines the neighbourhood's rich cultural heritage.

All these positively indicate Charlton Residences' high potential for good rental yield and capital appreciation. The project was fully sold by March 2012, less than four months after its launch, for an aggregate sales value of S\$59.6 million. Charlton Residences is due for completion in 2014.

Artist's Impression



CORPORATE SOCIAL RESPONSIBILITY

Mr Neil Bush presenting the gift of S\$1 million to the Faculty of Science at the National University of Singapore (NUS).



“SingHaiyi’s CSR endeavours reflect the firm’s philosophy of giving back to society to help build a sustainable future, while also enhancing its corporate value.”

In May 2013, SingHaiyi and Haiyi jointly initiated their first Corporate Social Responsibility (CSR) project in Singapore – a gift of S\$1 million to the Faculty of Science at the National University of Singapore (NUS).

The gift, presented by Mr Neil Bush, Non-Executive Director and Non-Executive Chairman of SingHaiyi, to the Department of Biological Sciences at NUS, stands testament to the university’s achievements in higher education, and will be used to help groom the next generation to work to benefit Singapore and the rest of the world.

SingHaiyi’s CSR endeavours reflect the firm’s philosophy of giving back to society to help build a sustainable future, while also enhancing its corporate value.

The gift donation, together with a matching grant from the Singapore Government, will help fund scholarships for some 50 graduates over a period of two to three years and 150 under-graduates at the Department of Biological Sciences. Another part of the gift will support the Xiamen Winter Symposium, an annual conference jointly organised by the NUS, Xiamen University and Tsinghua University to promote life sciences research.

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CORPORATE GOVERNANCE REPORT

SingHaiyi Group Ltd. (formerly known as SingXpress Land Ltd.) (the “Company”) is committed to maintaining a high standard of corporate governance. Good corporate governance establishes and maintains an ethical environment and enhances the interests of all shareholders. This report describes the Company’s corporate governance processes and activities with specific reference to the Code of Corporate Governance 2005 (the “Code”). This report has been structured to correspond with the sequence of principles as set out in the Code. The 2012 revision to the Code is to take effect from next year’s Annual Report. The Company has nevertheless complied with certain key revised guidelines.

BOARD MATTERS

Principle 1: Board’s Conduct of its Affairs

The primary role of the Board of Directors (the “Board”) is to lead and control the Company’s operations and affairs and to protect and enhance long-term shareholder value. The Board is collectively responsible for the success of the Company. The Board provides entrepreneurial leadership, sets the overall strategy for the Group and ensures that the necessary financial and human resources are in place for the Company to meet its objectives.

To facilitate the Board’s decision making, the Company’s Articles of Association allows the meetings of directors to be conducted by means of telephone conference or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such meeting signed by the Chairman shall be conclusive evidence of any resolution. In between Board meetings, important matters concerning the Company are put to the Board for its decision by way of circulating resolutions in writing for the directors’ approval.

The Board meets at least two times a year to review and approve the announcements of the half-year and full-year results for release to the Singapore Exchange Securities Trading Limited (“SGX-ST”). Additional ad-hoc meetings are convened as and when necessary to address any specific significant matters that may arise. To assist the Board in functioning efficiently and effectively, the Board established and delegated specific responsibilities to three Board Committees, namely the Audit Committee, Remuneration Committee and Nominating Committee (the “Committees”). The Committees function within clearly defined terms of references and operating procedures and the details on each of these committees, their respective roles and responsibilities, their work and activities are included in this report.

The attendance of the directors and the frequency of Board and Committee meetings held during the financial year ended 31 March 2013 (“FY2013”) are set out in the following table.

Meeting of	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total held in FY2013	5	2	2	2
Yeo Wee Kiong	5/5	2/2	2/2	2/2
Gordon Tang (Appointed on 14 January 2013)	1/1	N.A.	N.A.	N.A.
Chan Heng Fai	5/5	N.A.	N.A.	N.A.
Chen Huaidan (Appointed on 14 January 2013)	1/1	N.A.	N.A.	N.A.
Chan Yoke Keow (Resigned on 14 January 2013)	4/4	N.A.	N.A.	N.A.
Chan Tong Wan	5/5	N.A.	N.A.	N.A.
Chan Tung Moe	5/5	N.A.	N.A.	N.A.
Wong Tat Keung	5/5	2/2	2/2	2/2
Tan Tai Soon	4/5	2/2	2/2	2/2
Damayanth Sunimal Goonetillake (Appointed on 24 May 2012 and resigned on 14 January 2013)	1/3	N.A.	N.A.	N.A.

N.A. = Not applicable

CORPORATE GOVERNANCE REPORT

The Board meets to consider the following corporate events and actions:

- Supervising the management of the business and affairs of the Group;
- Reviewing the financial performance of the Group;
- Approving the broad policies, strategies and financial objectives of the Company;
- Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- Approving the nominations of board directors and appointment of key personnel;
- Approving annual budgets, major funding proposals, investment and divestment proposals, including material capital investment;
- Assuming responsibility for corporate governance; and
- Reviewing the performance of Management.

Newly appointed directors are given briefings by Management on the business activities of the Group and its strategic directions and will also be updated on major events of the Company. The Company will, if necessary, organise briefing sessions or circulate memoranda to the directors to enable them to keep pace with regulatory changes.

Principle 2: Board Composition and Guidance

The Board presently consists of ten directors. As a result of the substantial transformation of the Company in the last financial year, the Board is continuing to undergo a review of the appropriateness of its current board size and composition, taking into account the nature and scope of the Company's operations. The Board's present composition and balance comprises two independent Directors, three non-executive Directors and five executive Directors. Notwithstanding that less than one-third of the Board comprise of independent directors, the Board is of the view that the current Board Composition has a balance of executive and non-executive directors (including two independent non-executives) such that no individual or small group of individuals can dominate the board's decision making. The composition of the Board is reviewed annually. The Board annually examines its size and decides on what it considers an appropriate size for the Board, which facilitates effective decision making. The Board is also taking steps to ensure that the Board will have sufficient independent Directors to comply with the recommendations of the Code. The Board will update Shareholders and make the necessary announcements upon the appointment of any new independent Directors to the Board. The objective judgement of the independent and non-executive Directors on corporate affairs and their collective experience and contributions are invaluable to the Company.

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

Neil Bush	-	Non-Executive Chairman (Appointed on 22 April 2013)
Mao Jinshan	-	Managing Director (Appointed on 22 April 2013)
Chan Heng Fai	-	Deputy Managing Director (redesignated on 1 February 2013)
Chan Tong Wan	-	Executive Director
Chan Tung Moe	-	Executive Director
Chen Huaidan	-	Executive Director (Appointed on 14 January 2013)
Yeo Wee Kiong	-	Non-Executive Director
Gordon Tang	-	Non-Executive Director (Appointed on 14 January 2013 and redesignated on 1 February 2013 and 22 April 2013)
Wong Tat Keung	-	Independent Director
Tan Tai Soon	-	Independent Director

Principle 3: Chairman and Chief Executive Officer

The Company does not have a Chief Executive Officer. Instead Mr Mao Jinshan, Managing Director and Mr Chan Heng Fai, Deputy Managing Director who both have experience in managing listed companies, focus their attention on the day-to-day running of the operations and also ensure information flow between Management and the Board.

CORPORATE GOVERNANCE REPORT

The positions of Chairman and Managing Director/Deputy Managing Director are held by separate persons in order to ensure a balance of power and authority.

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

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

Principle 4: Board Membership

The Nominating Committee ("NC") comprises three directors, the majority of whom, including the chairman, are Independent Directors:

Wong Tat Keung (Chairman)
Yeo Wee Kiong
Tan Tai Soon

The NC is regulated by a set of written Terms of Reference and its key functions include:

- To review the structure, size and composition of the Board and to make recommendations to the Board with regards to any adjustment to the structure and size that are deemed necessary;
- To make recommendations to the Board on all Board appointments and re-appointments, having regard to each individual director's contribution and performance;
- To determine the criteria for identifying candidates and to review nominations for new appointments, including but not limited to the factors of integrity, expertise, reputation and standing in the market;
- To review and to determine on an annual basis the independence of each Independent Non-Executive Director;
- To determine/propose the objective performance criteria for the Board's approval and to review the Board's performance in terms of the performance criteria; and
- To conduct a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board, particularly when a director serves on multiple boards.

In accordance with the Company's Articles of Association, all directors except the Managing Director are required to retire at least once in every three years by rotation and all newly appointed directors will have to retire at the next Annual General Meeting ("**AGM**") following their appointment. The retiring directors are eligible to offer themselves for re-election. The NC has recommended the nomination of the five directors, Mr Neil Bush, Mr Gordon Tang, Mdm Chen Huaidan, Mr Mao Jinshan and Mr Wong Tat Keung retiring at this forthcoming AGM for re-election, which has been accepted by the Board. Mr Tan Tai Soon and Mr Wong Tat Keung have advised that they did not wish to be re-elected at this forthcoming AGM.

The NC has assessed the independence of the Independent Non-Executive Directors and is satisfied that there are no relationships that would deem any of the Independent Non-Executive Directors not to be independent.

Key information on directors of the Company can be found on Pages 14 to 17 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Principle 5: Board Performance

The NC has formulated a process to evaluate and assess the effectiveness of the Board as a whole, taking into consideration factors such as Directors' attendance, commitment and contributions during Board meetings. The performance evaluation criteria include an evaluation of the composition and size of the Board, the Board's access to complete, adequate and timely information, Board processes and accountability.

The NC will review the range of skills, expertise, attributes and composition of the Board. It is the responsibility of NC to identify whether there is a need for an additional director to join the Board or an existing director is required to retire from office. The NC will shortlist the candidates with the appropriate profile for nomination or re-nomination using whatever appropriate means it deems applicable. The NC will then make recommendation to the Board for approval.

The Board is of the view that the financial indicators set out in the Code as performance criteria for the evaluation of Directors' performance are more a measure of management's performance and hence less appropriate for non-executive Directors and the Board's performance as a whole, particularly in view of the major corporate transformation the Company has undergone in the recent past financial years.

Principle 6: Access to Information

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

Should the directors, whether as a group or individually, need independent professional advice, the Company will, upon direction by the Board, appoint a professional advisor selected by the group or the individual to render the advice.

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

The Company Secretary attends all formal Board meetings to discuss, review and approve the announcements of the half-year and full-year results for release to SGX-ST and meetings of the Board committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. Minutes of all Board Committee meetings are circulated to the Board. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

REMUNERATION MATTERS

Principle 7: Remuneration Policies

The Remuneration Committee ("RC") comprises three directors, the majority of whom, including the chairman, are Independent Directors:

Wong Tat Keung (Chairman)
Yeo Wee Kiong
Tan Tai Soon

CORPORATE GOVERNANCE REPORT

The RC is regulated by a set of written Terms of Reference. Its key functions include:

- To recommend to the Board a framework of remuneration for directors and senior management that are competitive and appropriate to attract, retain and motivate directors and key personnel of the required quality to run the company successfully; and
- To review and determine the specific remuneration packages and terms of employment for each Executive Director and senior management.

Principle 8: Level and Mix of Remuneration

The RC has implemented a set of policies and procedures for determining executive remuneration and for fixing the remuneration packages of individual directors and that no director should be involved in deciding his own remuneration. Non-Executive Directors are paid directors' fees annually on a standard fee basis. The RC reviews all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, and benefits in kind. In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies. The RC also ensures that the performance-related elements of remuneration should be designed to align interests of Executive Directors with those of shareholders and link rewards to corporate and individual performance. The RC can have unrestricted access to expert advice within and outside the Company, as and when required.

In addition, the RC also functions as the Administrative Committee of the SingXpress Share Option Scheme 2012 (the "Scheme"), the adoption of which was approved by the shareholders in the extraordinary general meeting on 31 July 2012. In view of Xpress Group Limited had ceased to be a parent company of the Company on or around December 2012, the listing rules of the Stock Exchange of Hong Kong Limited in relation to share options of approved share schemes should no longer be applicable to the Company's approved share scheme, the Company will convene an extraordinary general meeting on 29 July 2013 to seek Shareholders' approval in relation to the proposed termination of the Scheme and the proposed adoption of the SingHaiyi Share Option Scheme 2013.

Principle 9: Disclosure on Remuneration

A breakdown showing the level and mix of each individual director's remuneration payable for FY2013 and FY2012 is set out below.

	Remuneration as a % of					
	Salary		Bonus		Directors' Fee	
	FY2013	FY2012	FY2013	FY2012	FY2013	FY2012
S\$500,000 and above						
Nil	-	-	-	-	-	-
S\$250,000 to below S\$500,000						
Chan Heng Fai	100%	100%	-	-	-	-
Below S\$250,000						
Gordon Tang (appointed on 14 January 2013)	100%	-	-	-	-	-
Chen Huaidan (appointed on 14 January 2013)	100%	-	-	-	-	-
Chan Yoke Keow (resigned on 14 January 2013)	-	-	-	-	-	-
Chan Tong Wan	-	-	-	-	-	-
Chan Tung Moe	92.3%	100%	7.7%	-	-	-
Damayanth Sunimal Goonetillake (appointed on 24 May 2012 and resigned on 14 January 2013)	100% (S\$192,742)	-	-	-	-	-
Wong Tat Keung	-	-	-	-	100%	100%
Yeo Wee Kiong	-	-	-	-	100%	100%
Tan Tai Soon	-	-	-	-	100%	100%

CORPORATE GOVERNANCE REPORT

The remuneration of the top 5 key executives (who are not directors) is not disclosed in the annual report as the Company does not believe it to be in its interest to disclose the identity of the top 5 key executives within the remuneration bands of \$250,000 each or to provide a breakdown of each individual's remuneration, having regard to the highly competitive human resource environment, the confidential nature of staff remuneration matters and so as not to hamper the Company's efforts to retain and nurture its talent pool.

Save as stated in the Annual Report's Board of Directors biographical section, there are no employees who are immediate family members of any director of the Company.

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

There were no share options granted under the Scheme to the directors of the Company and employees of the Group during the period under review.

In accordance with the Companies Act, the quantum of directors' fees is subject to shareholders' approval at the forthcoming AGM. The Board is of the view that it is not necessary to present the remuneration policy at the AGM for shareholders' approval.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board does not practise selective disclosure, as it is mindful of its obligation to provide timely and fair disclosure of material information. The Board is accountable to shareholders while the Management is accountable to the Board by providing the Board with management accounts that present a balanced and understandable assessment of the Company's performance, financial position and prospects.

Principle 11: Audit Committee

The Audit Committee ("AC") comprises three members, out of whom two are independent including the Chairman of the AC, and who have accounting or related financial management background:

Wong Tat Keung (Chairman)
Yeo Wee Kiong
Tan Tai Soon

The key responsibilities of the AC include the following:

- To review with the external auditors the audit plans, including the nature and scope of the audit before the commencement of each audit, the evaluation of the Company's system of internal controls, the audit reports and management letters issued by the external auditors and Management's response to the letters;
- To review the nature and extent of non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors, seek to balance the maintenance of objectivity and value for money;
- To make recommendations to the Board on the appointment, re-appointment and removal of external auditors, and to approve the remuneration and terms of engagement of the external auditors;

CORPORATE GOVERNANCE REPORT

- To review the significant financial reports so as to ensure the integrity of the financial statements of the company and focus in particular on the changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit and compliance with financial reporting standards, and to review results announcements prior to submission to the Board for approval for release to the SGX-ST;
- To review the independence of the external auditors annually;
- To review interested person transactions in accordance with the requirements of the Catalist Rules; and
- To undertake such other functions, duties, reviews and projects as may be requested by the Board or as may be required by statute or the Catalist Rules.

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

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

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

The Company does not engage the external auditors, Messrs Audit Alliance LLP ("Audit Alliance"), for non-audit services, therefore there are no non-audit fees paid to the external auditors. The AC has reviewed the independence of Messrs Audit Alliance annually. Audit Alliance will retire at the forthcoming annual general meeting and will not seek for re-appointment. The AC has recommended the appointment of KPMG LLP as the new external auditors of the Company to fill the vacancy arising from the retirement of Audit Alliance and an ordinary resolution will be proposed at the forthcoming AGM of the Company to approve the new appointment.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Rules 712 and 715 of the Catalist Rules.

Principle 12: Internal Controls and Principle 13: Internal Audit

The internal audit function of the Company has been outsourced to an independent accounting and auditing firm, Baker Tilly Consultancy (Singapore) Pte Ltd. The internal auditors report to the AC on internal audit matters. The internal audit plan is approved by the AC and the results of the audit findings are submitted to the AC for its review in its meeting. The internal and external auditors conducted an annual review in accordance with their audit plans, the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements were reported to the AC. The AC, together with the Board, has also reviewed the effectiveness of the actions taken by management on the recommendations made by the internal and external auditors in this respect. The Board and the AC are of the view that the internal audit is adequately resourced and has the appropriate standing within the Group.

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

Based on the internal controls maintained by the Group, works performed by the internal and external auditors, review done by the management, various Board Committees and Board, the Board with the concurrence of the AC is satisfied that the Group's internal controls is adequate in addressing financial, operational and compliance risks as at 31 March 2013.

CORPORATE GOVERNANCE REPORT

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

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

The AC oversees the administration of the Whistle Blowing Policy. Periodic reports will be submitted to the AC stating the number and the complaints received, the results of the investigations, follow-up actions and unresolved complaints. The AC has the responsibility to ensure there is proper maintenance, regular review and relevant updates of the policy. Revisions, amendments and alterations to the Whistle Blowing Policy are subject to the approval of the AC and the Board prior to implementation. Changes will be notified in writing to the employees when they are implemented. There were no complaints received during the financial period under review.

Principle 14: Communication with Shareholders

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

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

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

Principle 15: Greater Shareholder Participation.

Shareholders are encouraged to attend the Annual General Meeting and other general meetings of the Company to ensure a high level of accountability and to stay informed of the Group's development. The general meetings are the principal forum for dialogue with shareholders. Shareholders can vote in person or by way of proxy at the general meetings.

The notices of the general meetings are dispatched to shareholders, together with explanatory notes at least 14 clear days before each meeting. The notice is also advertised in a national newspaper. The Board welcomes questions from shareholders who have an opportunity to raise issues either formally or informally during, before or after the general meeting.

The Board will set separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed separate resolution relating to the said item.

The Chairman of the audit, nomination and remuneration committee would be present and available to address questions at general meetings. The external auditors would be present at the said meetings to assist the directors in addressing any relevant queries by shareholders.

CORPORATE GOVERNANCE REPORT

Risk Management

The Group does not have a risk management committee. However, the management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC. The details of the Group's financial and business risks can be found on pages 91 to 96 of this Annual Report.

DEALINGS IN SECURITIES

The Company has adopted a Code of Conduct to provide guidance and set out the implications of insider trading to all officers of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with the best practices pursuant to Rule 1204(19) of the Catalyst Rules. Under this policy, directors and officers are prohibited from dealing in the Company's shares one month prior to the announcement of the Company's half-year and full-year financial results and at any time while in possession of any unpublished material price-sensitive information. Directors and officers are also directed to refrain from dealing in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy governing procedures for the identification, approval and monitoring of transactions with interested persons. All Interested Person Transactions ("IPTs") are subject to review by the AC.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Xpress Group Limited	None ⁽¹⁾	None
Chan Heng Fai	S\$167,176 ⁽²⁾	None
Acquire Wealth Limited	S\$33 million ⁽³⁾	None

- (1) Pursuant to Chapter 9 of the SGX-ST Listing Manual Section B: Rules of Catalyst ("Catalist Rules"), a general mandate was obtained at an extraordinary general meeting held on 15 July 2011, to enable the Group to enter into (i) certain types of management services in connection with any real estate pursued by the Group as part of the projects to be entered into in connection with the "investment banking" approach; and (ii) obtain financing and/or financial support from Xpress Group Limited ("XGL"), who is considered to be an "interested person" for the purposes of Chapter 9 of the Catalyst Rules. The interested person transaction mandate ("IPT Mandate") was renewed at an extraordinary general meeting held on 31 July 2012. There was no interested person transaction entered into between the Company or any of its subsidiaries with Xpress Group Limited in FY2013.
- (2) On 25 January 2013, the Company announced that it has acquired the entire issued and paid-up share capital of Angel Investment Management Pte Ltd ("AIMPL") from Mr Chan Heng Fai, a Director of the Company, for S\$100,000; together with an assignment to the Company of a shareholder loan of S\$67,176.12 owed by AIMPL to Mr Chan ("Sale Loan") for an aggregate cash consideration of S\$167,176.12 (the "Acquisition"). The Acquisition enables the Company to acquire the adjacent units to its existing property portfolio in 81 Ubi Avenue 4, #02-19 to #02-23, Singapore 408830 which provides the Group with greater flexibility in potential use and growth potential of the properties.
- (3) On 10 March 2013, Acquire Wealth Limited ("AWL") and the Company entered into a conditional placement agreement (as amended by a supplemental agreement on 21 May 2013) pursuant to which the Company will allot and issue 2,200,000,000 new Shares to AWL for a consideration of S\$33 million ("Placement Agreement"). Mr Gordon Tang, the controlling shareholder and Director of the Company has controlling interest in AWL, the Placement Agreement constitutes an interested person transaction of the Company and was approved by the independent shareholders in the extraordinary general meeting on 28 June 2013.

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

Save for the Placement Agreement mentioned above, there were no material contracts entered into between the Company or any of its subsidiaries with any Director or controlling shareholder in FY2013.

NON-SPONSOR FEES

There was S\$17,500 of non-sponsor fees paid to SAC Capital Private Limited for the financial year ended 31 March 2013.

USE OF PROCEEDS

- The Company had on 17 November 2011 completed the issuance of 2,976,096,000 new Shares pursuant to a rights issue (the "2011 Rights Issue"), which Shares were listed and quoted on the Catalist on 18 November 2011. The net proceeds of S\$29.4 million from the 2011 Rights Issue have been fully disbursed for the intended purposes as follows:

	S\$ million
Used for repaying part of loan from Xpress Credit Limited	18.7
DBSS Working Capital	9.5
Acquisition of office premise	1.1
General corporate & working capital	0.1
Total	<u>29.4</u>

- The Company had on 17 May 2012 completed the issuance of 123,000,000 new Shares pursuant to the private placement in April 2012, which Shares were listed and quoted on the Catalist board on 18 May 2012. It is expected that 50% of the net proceeds will be used for working capital and the balance of the net proceeds will be used to pursue such business opportunities as and when they arise. The net proceeds of S\$1.97 million from the private placement have been fully used for the acquisition of 30% of an Executive Condominium project to reduce the interest bearing portion of the project financing.
- The Company had on 15 June 2012 completed the issuance of 243,000,000 new Shares pursuant to the private placement in May 2012, which Shares were listed and quoted on the Catalist board on 19 June 2012. As stated in the Company's announcement on 31 May 2012, it is expected that 50% of the net proceeds will be used by the Company to enhance its working capital and the balance of the net proceeds will be used to pursue such business opportunities as and when they arise. The net proceeds of S\$3.04 million from the private placement have been fully used for the intended purposes, namely for the working capital for the Tampines EC Project.
- The Company had on 9 October 2012 completed the issuance of 80 new CCPS pursuant to a subscription agreement dated 6 August 2012 between the Company and Haiyi Holdings Pte. Ltd. which was approved by Shareholders at an extraordinary general meeting on 27 September 2012. As stated in the circular dated 5 September 2012, it was intended that the net proceeds of S\$94.2 million were to be utilised in the following manner: (1) approximately S\$10.0 million for four (4) existing property developments projects in Singapore; (2) approximately S\$37.2 million for new property development projects; and (3) approximately S\$47.0 million to enhance the Company's working capital, including repayment of bank borrowings and loans extended by Xpress Credit Limited.

CORPORATE GOVERNANCE REPORT

- The net proceeds of S\$94.2 million from the issuance of CCPS have been disbursed as follows:

	S\$ million
Tampines EC Project working capital	3.6
CosmoLoft Project working capital	7.7
Acquisition of investment properties and renovation	1.6
Repayment of Xpress Credit Limited Loan	21.9
Repayment of bank loans	9.5
General corporate & working capital	3.3
Balance net proceeds	<u>46.6</u>

DIRECTORS' REPORT

For the financial year ended 31 March 2013

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended **31 March 2013** and the statement of financial position of the Company as at **31 March 2013**.

DIRECTORS

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

Yeo Wee Kiong	
Chan Heng Fai	
Chan Tong Wan	
Chan Tung Moe	
Chen Huaidan	(appointed on 14 January 2013)
Mao Jinshan	(appointed on 22 April 2013)
Neil Bush	(appointed on 22 April 2013)
Tan Tai Soon	
Gordon Tang	(appointed on 14 January 2013)
Wong Tat Keung	

In accordance with Articles 77 and 95 of the Company's Articles of Association, Mdm Chen Huaidan, Mr Mao Jinshan, Mr Neil Bush and Mr Gordon Tang retire and, being eligible, offer themselves for re-election. Mr Tan Tai Soon and Mr Wong Tat Keung retire and will not offer themselves for re-election.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

On 11 March 2013, the Company announced that it has entered into a conditional placement agreement with Acquire Wealth Limited ("AWL") on 10 March 2013, pursuant to which AWL will subscribe for 2,200,000,000 new Shares for an aggregate consideration of \$33,000,000, at an issue price of S\$0.015 for each placement Share ("Placement"). As Mr Gordon Tang and Mr Neil Bush are controlling shareholders of AWL, the Placement was subject to the independent shareholders' approval. The ordinary resolution approving the Placement was passed by the independent shareholders of the Company by poll at the extraordinary general meeting held on 28 June 2013.

On 11 March 2013, the Company announced the proposed grant of an aggregate 700,000,000 share options to Messrs Chan Heng Fai (400,000,000 share options), Chan Tong Wan (100,000,000 share options) and Chan Tung Moe (200,000,000 share options), the executive directors ("Grant of Options"). The ordinary resolutions approving the Grant of Options were passed by the independent shareholders of the Company by poll at the extraordinary general meeting held on 28 June 2013.

Save as disclosed above, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

For the financial year ended 31 March 2013

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital of the Company and related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 31 March 2013	At 1 April 2012	At 31 March 2013	At 1 April 2012
The Company				
<i>(No. of ordinary shares)</i>				
Chen Huaidan	-	-	8,006,957,000	-
Gordon Tang	-	-	8,006,957,000	-
<i>(No. of convertible bonds)</i>				
Chan Heng Fai	-	-	-	13,239,677
<i>(No. of options)</i>				
Yeo Wee Kiong	52,087,824 [#]	52,087,824		-

[#] the share options convertible into 26,043,912 new shares at S\$0.01211 and 26,043,912 new shares at S\$0.01385 respective.

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Mr Gordon Tang and Mdm Chen Huaidan are deemed to have interests in shares of the subsidiaries held by the Company.

The directors' interests in the ordinary shares and debenture of the Company as at 21 April 2013 were as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 21 April 2013	At 21 April 2013	At 21 April 2013	At 21 April 2013
The Company				
<i>(No. of ordinary shares)</i>				
Chen Huaidan	-	-	8,006,957,000	-
Gordon Tang	-	-	8,006,957,000	-
<i>(No. of options)</i>				
Yeo Wee Kiong	52,087,824	52,087,824	-	-

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

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' REPORT

For the financial year ended 31 March 2013

SHARE OPTIONS

The Company had a share option scheme known as the SingXpress Share Option Scheme ("**2011 Scheme**") which was adopted by the Shareholders on 2 March 2011. As announced by the Company on 14 July 2011, the Company had terminated the 2011 Share Option Scheme. At an Extraordinary General Meeting held on 29 July 2012, shareholders approved the adoption a share option scheme known as the SingXpress Share Option Scheme 2012 ("**2012 Scheme**"). No options have been granted by the Company under the 2012 Scheme since the adoption of the scheme.

There were 52,087,824 share options as at 31 March 2013, which were granted on 10 August 2011 to Mr Yeo Wee Kiong in connection with his appointment as business adviser to the Company; of these, 26,043,912 share options are convertible into 26,043,912 new shares at S\$0.01211 per share and the remaining 26,043,912 share options are convertible into 26,043,912 new shares at S\$0.01385 per share at any time from the date of grant to 9 August 2016.

AUDIT COMMITTEE

The Audit Committee ("AC") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

- Reviews the audit plans of the external auditors of the Company and ensures the adequacy of the Company's system of accounting controls and the assistance given by the Company's management to the external auditors;
- Reviews the annual financial statements and the Auditors' report on the annual financial statements of the Company before their submission to the Board of Directors;
- Reviews effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management;
- Meets with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the cost effectiveness and the independence and objectivity of the external auditors;
- Reviews the nature and extent of non-audit services provided by the external auditors;
- Recommends to the Board of Directors the external auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit;
- Reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

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

DIRECTORS' REPORT

For the financial year ended 31 March 2013

INDEPENDENT AUDITOR

Messrs. Audit Alliance LLP, the Company's auditor, will retire at the forthcoming annual general meeting and will not seek re-appointment. An ordinary resolution will be proposed at the forthcoming annual general meeting for appointing Messrs. KPMG LLP as the new auditor of the Company in place of Messrs. Audit Alliance LLP.

On behalf of the Board of Directors

Chan Heng Fai
Director

Gordon Tang
Director

Date: 28 June 2013

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2013

In the opinion of the directors,

- (a) The statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 51 to 100 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2013 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Chan Heng Fai
Director

Gordon Tang
Director

Date: 28 June 2013

INDEPENDENT AUDITORS' REPORT

To the Members of SingHaiyi Group Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of **SingHaiyi Group Ltd (formerly known as SingXpress Land Ltd)** (the "Company") and its subsidiaries (the "Group") set out on pages 51 to 100, which comprise the statements of financial position of the Group and the Company as at 31 March 2013, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at **31 March 2013**, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

AUDIT ALLIANCE LLP

Public Accountants and Certified Public Accountants

Singapore, 28 June 2013

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2013

	Notes	Group	
		2013 \$'000	2012 \$'000 (restated)
Revenue	4	17,056	888
Cost of sales		(11,305)	-
Gross profit		<u>5,751</u>	888
Other operating income	5	720	119
Fair value loss on financial assets at fair value through profit or loss		-	(1)
Fair value gain on investment properties		3,657	2,321
Administrative expenses		(3,750)	(1,869)
Profit from operations		<u>6,378</u>	1,458
Finance costs		(490)	(1,419)
Profit before income tax	6	<u>5,888</u>	39
Income tax expense	8(a)	(793)	-
Profit for the year		<u>5,095</u>	39
Attributable to:			
Equity holders of the Company		4,291	43
Non-controlling interests		804	(4)
		<u>5,095</u>	39
Earnings per share	9	0.060 cents	0.003 cents
- Basic		0.060 cents	0.003 cents
- Diluted			

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2013

Notes	Group	
	2013	2012
	\$'000	\$'000
		(restated)
Profit for the year	5,095	39
Other comprehensive income/(loss):		
Currency translation differences arising from consolidation	10	(16)
Other comprehensive income/(loss) - net of tax	10	(16)
Total comprehensive income for the year	5,105	23
Total comprehensive income attributable to:		
Equity holders of the Company	4,301	23
Non-controlling interests	804	-
	5,105	23

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

STATEMENT OF FINANCIAL POSITION - GROUP

As at 31 March 2013

		Group		
	Notes	2013 \$'000	2012 \$'000 (restated)	2011 \$'000 (restated)
ASSETS				
Current assets				
Cash and cash equivalents	10	85,873	13,989	4,387
Deposits and prepayments	11	428	398	2,297
Amount due from an associate		23,620	-	-
Amount due from a minority shareholder of a subsidiary		1,167	-	178
Financial assets at fair value through profit or loss	12	2	2	3
Properties under development for sale	13	198,117	178,072	23,061
		309,207	192,461	29,926
Non-current assets				
Investment properties	14	25,774	26,157	23,565
Property, plant and equipment	15	6,914	257	88
Investment in associates	17	300	-	-
		32,988	26,414	23,653
Total assets		342,195	218,875	53,579
LIABILITIES				
Current liabilities				
Trade and other payables	18	24,141	12,148	647
Amount due to minority shareholders of subsidiaries		13,758	10,966	-
Amount due to a related company		-	17,933	2,541
Current income tax liabilities	8(b)	793	-	-
Borrowings	19	22,218	804	736
		60,910	41,851	3,924
Non-current liabilities				
Borrowings	19	123,682	133,108	35,187
Total liabilities		184,592	174,959	39,111
NET ASSETS		157,603	43,916	14,468
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	22	145,974	54,202	24,974
Retained profit/(accumulated losses)		9,938	(16,229)	(16,272)
Other reserves	23	391	5,447	5,466
		156,303	43,420	14,168
Non-controlling interests		1,300	496	300
Total equity		157,603	43,916	14,468

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

STATEMENT OF FINANCIAL POSITION - COMPANY

As at 31 March 2013

	Notes	Company	
		2013 \$'000	2012 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	10	67,233	168
Deposits and prepayments	11	67	61
Amount due from subsidiaries		74,571	62,611
Amount due from an associate		113	-
Financial assets at fair value through profit or loss	12	2	2
		141,986	62,842
Non-current assets			
Property, plant and equipment	15	398	189
Investment in subsidiaries	16	1,801	1,700
		2,199	1,889
Total assets		144,185	64,731
LIABILITIES			
Current liabilities			
Trade and other payables	18	206	186
Amount due to a related company		-	17,933
Borrowings	19	44	22
		250	18,141
Non-current liabilities			
Borrowings	19	252	9,179
Total liabilities		502	27,320
NET ASSETS		143,683	37,411
EQUITY			
Capital and reserves			
Share capital	22	145,974	54,202
Accumulated losses		(2,310)	(21,876)
Other reserves	23	19	5,085
Total equity		143,683	37,411

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

STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 March 2013

	← Attributable to equity holders of the Company →						
	Share Capital	(Accumulated losses)/ retained earnings	Currency translation reserve	Equity component of convertible bonds	Total reserves	Non- controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
2013							
Beginning of financial year, as previously reported	54,202	(17,372)	383	5,085	5,468	496	42,794
Effect of adopting FRS 12	-	1,143	(21)	-	(21)	-	1,122
Beginning of financial year, as restated	54,202	(16,229)	362	5,085	5,447	496	43,916
Issuance of new shares	5,054	-	-	-	-	-	5,054
Conversion of convertible bonds	14,194	-	-	(5,066)	(5,066)	-	9,128
Capital reduction (with effect from 21.9.2012)	(21,876)	21,876	-	-	-	-	-
Issuance and conversion of CCPS	94,400	-	-	-	-	-	94,400
Total comprehensive income for the year	-	4,291	10	-	10	804	5,105
End of financial year	145,974	9,938	372	19	391	1,300	157,603
Group							
2012							
Beginning of financial year, as previously reported	24,974	(17,034)	399	5,085	5,484	300	13,724
Effect of adopting FRS 12	-	762	(18)	-	(18)	-	744
Beginning of financial year, as restated	24,974	(16,272)	381	5,085	5,466	300	14,468
Issuance of new shares	29,228	-	-	-	-	-	29,228
Acquisition of a subsidiary	-	-	-	-	-	200	200
Total comprehensive income for the year	-	43	(19)	-	(19)	(4)	20
End of financial year	54,202	(16,229)	362	5,085	5,447	496	43,916

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

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the financial year ended 31 March 2013

	Share Capital \$'000	Accumulated losses \$'000	Equity component of convertible bonds \$'000	Total reserves \$'000	Total equity \$'000
Company					
2013					
Beginning of financial year	54,202	(21,876)	5,085	5,085	37,411
Issuance of new shares	5,054	-	-	-	5,054
Conversion of convertible bonds	14,194	-	(5,066)	(5,066)	9,128
Capital reduction	(21,876)	21,876	-	-	-
Issuance and conversion CCPS	94,400	-	-	-	94,400
Total comprehensive loss for the year	-	(2,310)	-	-	(2,310)
End of financial year	145,974	(2,310)	19	19	143,683
Company					
2012					
Beginning of financial year	24,974	(19,848)	5,085	5,085	10,211
Issuance of new shares	29,228	-	-	-	29,228
Total comprehensive loss for the year	-	(2,028)	-	-	(2,028)
End of financial year	54,202	(21,876)	5,085	5,085	37,411

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2013

Note	<u>Group</u>	
	2013 \$'000	2012 \$'000 (restated)
Cash flows from operating activities		
Profit before income tax	5,888	39
Adjustments for:		
- Depreciation	212	43
- Fair value loss of financial assets held at fair value through profit or loss	-	1
- Gain on disposal of investment properties	(711)	-
- Net fair value gain on revaluation of investment properties	(3,657)	(2,321)
- Interest expenses	247	1,418
- Interest income	(9)	(6)
	<u>1,970</u>	<u>(826)</u>
Change in working capital, net of effects from		
- Deposits and prepayments	(30)	1,899
- Properties under development for sale	(20,045)	(155,011)
- Trade and other payables	11,993	11,501
Cash used in operations	<u>(6,112)</u>	<u>(142,437)</u>
Interest received	9	6
Net cash used in operating activities	<u>(6,103)</u>	<u>(142,431)</u>
Cash flows from investing activities		
Additions to investment properties	-	(299)
Proceeds from disposal of investment properties	4,637	-
Additions to property, plant and equipment	(6,869)	(212)
Advance to a minority shareholder of a subsidiary	(1,167)	-
Net cash outflow on acquisition of an associate	(300)	-
Net cash used in investing activities	<u>(3,699)</u>	<u>(511)</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2013

Note	<u>Group</u>	
	2013 \$'000	2012 \$'000 (restated)
Cash flows from financing activities		
	21,015	96,777
Proceeds from bank borrowings		
Proceeds from issuance of CCPS	94,400	-
Interest paid	(146)	(206)
(Repayment to)/advance from a related company	(17,933)	15,392
(Advance to)/advance by associates	(23,620)	178
Advance from minority shareholders of subsidiaries	2,792	10,966
Proceeds from private placements	5,054	29,228
Cash contribution from minority shareholders of a subsidiary	-	200
Net cash provided by financing activities	81,562	152,535
Net increase in cash and cash equivalents	71,760	9,593
Cash and cash equivalents at beginning of financial year	13,989	4,387
Effect of foreign exchange rate changes, net	124	9
Cash and cash equivalents at end of financial year	85,873	13,989

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

SingHaiyi Group Ltd (formerly known as SingXpress Land Ltd) (the “Company”) is a limited liability, which is incorporated and domiciled in Singapore and publicly traded on the Singapore Exchange Securities Trading Limited.

On 12 March 2013, the Company changed its name to SingHaiyi Group Ltd and that the name SingHaiyi Group Ltd is substituted for SingXpress Land Ltd.

The address of its principal place of business and registered office is 81 Ubi Avenue 4, #02-20 UB. One, Singapore 408830.

The principal activities of the Company are those of investment holding and securities trading and investment. The principal activities of the subsidiaries are described in Note 16 to the financial statements.

The Company’s immediate and ultimate holding company is Haiyi Holdings Pte Ltd.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2012

On 1 April 2012, the Group adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application from that date. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the adoption of amendment to FRS 12, the effects of which are disclosed below.

The Group has adopted the amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets on 1 April 2012. The amended FRS 12 has introduced a presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted.

Previously, the Group accounted for deferred tax on fair value gains on investment property on the basis that the asset would be recovered through use. Upon adoption of the amendment, such deferred tax is measured on the basis of recovery through sale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

The effects on adoption are as follows:

	Statement of financial position	
	At 31 March 2012	At 1 April 2011
	Increase/(Decrease)	
	\$'000	\$'000
Deferred income tax liabilities	(1,122)	(744)
Foreign currency translation reserve	(21)	(18)
Retained earnings	1,143	762
	<hr/>	
	Statement of comprehensive income	
	<u>for the year ended 31 March 2012</u>	
	\$'000	
Income tax expenses	<hr/>	
	381	
	<hr/>	

The adoption of amended FRS 12 does not have any material impact on the basic and fully diluted EPS of the Group.

2.2 Revenue recognition

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

Properties under development for sale

For properties under development for sale under progressive payment scheme in Singapore, whereby the legal terms in the sale contracts result in continuous transfer of work-in-progress to the purchasers, revenue is recognised based on the percentage of completion method. Under the percentage of completion method, profit is brought into profit or loss only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by the proportion of the construction costs incurred to date to the estimated total construction costs for each project.

For property under development for sale which under Design, Build and Sell Scheme (DBSS) and Executive Condominium (EC) in Singapore, the revenue will be recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers.

Rental income

Rental income receivable under operating leases is recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Revenue recognition (cont'd)

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grants will be received and the Group will comply with all the attached conditions.

Government grants receivables are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.4 Group accounting

(a) *Subsidiaries*

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gain on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' shares of changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are attributed to the equity holders of the Company, unless the minority has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority are attributed to the equity holders of the Company until the minority's share of losses previously absorbed by the equity holders of the Company has been recovered.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Group accounting (cont'd)

(b) *Transactions with minority interest*

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recognised in the profit or loss. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the Group's incremental share of the carrying value of the identifiable net assets of the subsidiary.

(c) *Associated companies and joint ventures*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Joint ventures are entities over which the Group has contractual arrangements to jointly share control over the economic activity of the entities with one or more parties. Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associate/joint venture over the Group's share of the fair value of the identifiable net assets of the associate/joint venture and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated companies' and joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make payments on behalf of the associated company or joint venture.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Group accounting (cont'd)

(c) *Associated companies and joint ventures (continued)*

(ii) *Equity method of accounting (continued)*

Unrealised gains on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group's interest in the associated companies and joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of associated companies and joint ventures to ensure consistency of accounting policies with those of the Group.

(iii) *Disposal*

Investments in associated companies and joint ventures are derecognised when the Group loses significant influence and joint control respectively. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary and associated companies, and joint ventures" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.5 Investment properties

Investment properties are held for long term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

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

On disposal of an investment property, the difference between the disposal proceeds and carrying amount is recognised in profit or loss.

2.6 Properties under development and for sale

Properties under development for sale are stated at cost plus estimated profits to-date less progress billings. Allowance for foreseeable losses is made when it is anticipated that the net realisable value has fallen below cost.

Costs includes cost of land and construction, related overhead expenditure and financing charges incurred up to the completion of construction. Financing charges incurred to finance the development of such properties are capitalised during the period that is required to complete and prepare each property for its sale. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. Developments are considered completed upon the issue of Temporary Occupation Permit. When completed, properties under development for sale are transferred to completed properties held for sale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Properties under development and for sale (cont'd)

Profit on properties under development for sale is recognised on partly completed projects which have been sold and is based on the accounting policy in Note 2. The expected profit is assessed having regard to the sales procured less attributable total costs including the cost of land, construction and interest and after making due allowance for known potential costs over-runs and allowance for contingencies.

Progress claims from purchasers of residential units for sale are shown as a deduction from the cost of the properties under development for sale.

2.7 Property, plant and equipment

(a) *Measurement*

(i) *Building*

Leasehold buildings are initially recorded at costs. Leasehold buildings are subsequently stated at fair value less accumulated depreciation and accumulated impairment losses.

Fair values of buildings are revalued by an independent professional valuer on a triennial basis and whether their carrying amounts are likely to differ materially from their fair values. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Revaluation surpluses are taken to the asset revaluation reserve, unless they offset previous revaluation losses of the same asset that were taken to the profit or loss. Revaluation losses are taken to the asset revaluation reverse, to the extent that they offset previous revaluation surpluses of the same asset that were taken to the asset revaluation reserve. Other revaluation surpluses or losses are taken to the profit or loss.

(ii) *Property, plant and equipment*

All property, plant and equipment are initially recognized at cost less accumulated depreciation and accumulated impairment losses.

(iii) *Components of costs*

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Property, plant and equipment (cont'd)

(b) *Depreciation*

Depreciation on all items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follow:

	<u>Useful lives</u>
Leasehold buildings	over remaining lease terms
Leasehold improvement	5 years
Office equipment	5 years
Furniture and fittings	5 years
Computer	3 years
Motor vehicle	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognized in the profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other and maintenance expense is recognised in the profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties. This includes those costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalization rate to construction or development expenditures that are financed by general borrowings.

2.9 Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, joint ventures and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of non-financial assets

Property, plant and equipment

Investments in subsidiaries, joint ventures and associated companies

Property, plant and equipment and investments in subsidiaries companies, joint ventures and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.11 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Financial assets, at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial assets (cont'd)

(a) *Classification (cont'd)*

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group's commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group's has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is reclassified to profit or loss.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expense.

(d) *Subsequent measurement*

Financial assets, at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

(e) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial assets (cont'd)

(e) *Impairment (cont'd)*

Loans and receivables (cont'd)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(f) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

(a) *Borrowings*

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(b) *Convertible bonds*

When convertible bonds are issued, the total proceeds are allocated to the liability component and the equity component, which are separately presented on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Borrowings (cont'd)

(b) *Convertible bonds (cont'd)*

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount will be transferred to the share capital account. When the conversion option lapses, its carrying amount will be transferred to retained profits.

2.14 Provision for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

2.15 Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.16 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Leases

(a) *When the Group is the lessee:*

The Group leases plant and equipment under operating leases from non-related parties.

Lessee – finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance lease are recognised on the statement of financial position as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(b) *When the Group is the lessor:*

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

Lessor – operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.18 Income taxes

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Income taxes (cont'd)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss.

2.19 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Singapore Dollar.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, unless they arise from net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency translation different from the presentation currency are translated into the presentation currency as follow:

- (i) assets and liabilities are translated at the closing exchange rates at the date of the statement of financial position;
- (ii) income and expenses are translated at average exchange rate (unless the average is not a reasonable approximation of the cumulative affect of the rates prevailing on the transactions dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in the currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.21 Cash and cash equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Uncertain tax positions*

The Company is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expense ("uncertain tax positions") at each tax jurisdiction. As management believes that the tax positions are sustainable.

(b) *Impairment of loans and receivables*

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded in profit or loss. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

4. REVENUE

	<u>Group</u>	
	2013	2012
	\$'000	\$'000
Sales of properties under development	16,199	-
Rental income	826	882
Other income	31	6
Total revenue	<u>17,056</u>	<u>888</u>

5. OTHER OPERATING INCOME

	<u>Group</u>	
	2013	2012
	\$'000	\$'000
Gain on disposal of investment properties	711	-
Others	9	119
	<u>720</u>	<u>119</u>

6. PROFIT BEFORE INCOME TAX

	<u>Group</u>	
	2013	2012
	\$'000	\$'000
Auditors' remuneration		
- audit services	96	82
Depreciation of property, plant and equipment	212	43
Employee benefits expense	1,982	818
Net fair value gain on investment properties	<u>(3,657)</u>	<u>(2,321)</u>

7. EMPLOYEE BENEFITS

	<u>Group</u>	
	2013	2012
	\$'000	\$'000
Salaries and wages	1,789	767
Central provident fund contributions	113	38
Other short-term benefits	80	13
	<u>1,982</u>	<u>818</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

8. INCOME TAX

(a) *Income tax expense*

	<u>Group</u>	
	2013	2012
	\$'000	\$'000
		(restated)
Tax expense attributable to profit is made up of:		
- Current income tax	793	-

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	<u>Group</u>	
	2013	2012
	\$'000	\$'000
		(restated)
Profit before income tax	5,888	39
Tax calculated at a tax rate of 17% (2012:17%)	1,001	7
Effects of:		
- Income not subject to tax	(761)	(346)
- Different tax rates in other countries	(17)	(10)
- Expense not deductible for tax purpose	10	46
- Utilisation of tax losses previously not recognised	(52)	-
- Deferred tax asset not recognised	612	267
Tax charge	793	-

(b) *Movements in current income tax liabilities*

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	-	-	-	-
Tax payable for the year	793	-	-	-
End of financial year	793	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

9. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	Group	
	2013	2012 (restated)
Net profit attributable to equity holders of the Company (\$'000)	4,291	43
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	7,145,027	1,477,879
Basic earnings per share (cents per share)	0.060	0.003

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and share options.

Convertible bonds are assumed to have been converted into ordinary shares at issuance and the net profit is adjusted to eliminate the interest expense less the tax effect.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

Diluted earnings per attributable to equity holders of the Company are calculated as follows:

	Total	
	2013	2012 (restated)
Net profit attributable to equity holders of the Company (\$'000)	4,291	43
Interest expense on convertible bonds, net of tax (\$'000)	-	1,212
Net profit used to determine diluted earnings per share (\$'000)	4,291	1,251
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	7,145,026	1,477,879
Adjustments for ('000)		
- Convertible bonds	-	1,157,255
- Share options*	13,269	-
	7,158,295	2,635,134
Diluted earnings per share (cents per share)	0.060[^]	0.003 [^]

* : 52,087,824 of share options granted to Mr Yeo Wee Kiong were excluded from the calculation of diluted earnings per share as they are out-of-money as at 31 March 2012

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

10. CASH AND CASH EQUIVALENTS

	<u>Group</u>		<u>Company</u>	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash and bank balances	24,783	13,740	7,065	1
Short-term bank deposits	61,090	249	60,168	167
	85,873	13,989	67,233	168

The carrying amounts of cash and cash equivalents approximate their fair value.

Short-term deposits are made for varying periods of between one day and one month (2012: one day and one month) depending on the immediate cash requirements of the Group and earns interest at the respective short-term deposit rates. Interest rates range from 0.00% to 4.11% (2012: 0.00% to 4.11%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Singapore Dollar	84,670	13,663	67,065	1
United States Dollar	38	38	38	38
Hong Kong Dollar	1,036	162	8	9
Australia Dollar	129	126	122	120
	85,873	13,989	67,233	168

11. DEPOSITS AND PREPAYMENTS

	<u>Group</u>		<u>Company</u>	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Deposit and prepayments	428	398	67	61

The carrying amounts of deposits and prepayments approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

11. DEPOSITS AND PREPAYMENTS (CONT'D)

Deposits and prepayments are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Singapore Dollar	419	398	67	61
Hong Kong Dollar	9	-	-	-
	<u>428</u>	<u>398</u>	<u>67</u>	<u>61</u>

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>Group and Company</u>	
	2013 \$'000	2012 \$'000
Quoted securities	2	2
Equity-linked notes	-	-
	<u>2</u>	<u>2</u>

13. PROPERTIES UNDER DEVELOPMENT FOR SALE

	<u>Group</u>	
	2013 \$'000	2012 \$'000
Beginning of financial year	178,072	23,061
Additions	31,350	155,011
Contract expenses recognised in profit or loss	(11,305)	-
End of financial year	<u>198,117</u>	<u>178,072</u>
Aggregate costs incurred and profits recognised (less losses recognised) to date on uncompleted construction contracts	16,199	-
Less: Progress billings	(39,861)	11,008
	<u>(23,662)</u>	<u>(11,008)</u>
Presented as:		
Advance receipts on construction contract	<u>(23,662)</u>	<u>(11,008)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

13. PROPERTIES UNDER DEVELOPMENT FOR SALE (CONT'D)

The properties under development for sale held by the Group, comprise:

Location	Description/ Existing use	Land Area (sq. ft)	Gross floor area (sq. ft)	Stage of completion	Expected completion date	Tenure	Percentage interest
No. 1 Charlton Road Singapore 539548	Land held for development	34,154	62,054	Structural and architectural works in Progress	2014	Freehold	80%
235 Balestier Road, Singapore 329699	Land held for development	11,384	31,875	Piling completed	2016	Freehold	90%
Pasir Ris Central / Pasir Ris Drive 1	Land held for development	176,400	441,000	Structural works in Progress	2015	Leasehold	80%

14. INVESTMENT PROPERTIES

	<u>Group</u>	
	2013	2012
	\$'000	\$'000
Beginning of financial year	26,157	23,565
Addition	-	299
Disposal	(3,926)	-
Net fair value gains recognised in profit or loss	3,657	2,321
Exchange realignment	(114)	(28)
End of financial year	<u>25,774</u>	<u>26,157</u>

Investment properties are carried at fair values at the balance sheet date as determined by the independent professional valuers. Valuations are made annually based on the properties' highest-and-the-best-use using the Direct Market Comparison Method.

As at 31 March 2013, all investment properties of the Group are of a leasehold tenure.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

14. INVESTMENT PROPERTIES (CONT'D)

The investment properties held by the Group, comprise:

Location	Description	Area (sq. ft)	Tenure
Amoy Gardens, No. 77 Ngau Tau Kok Road, Kowloon Bay, Kowloon, Hong Kong	4 residential units	1,821	until 30 June 2047
Parkland Villas, No. 1 Tuen On Lane Tuen Mun, New Territories, Hong Kong	5 residential units	2,781	commencing from 6 September 1994 to 30 June 2047
Beneville, No. 18 Tuen Kwai Road Tuen Mun, New Territories, Hong Kong	4 residential units	2,304	50 years commencing from 1 March 2002
Affluence Garden, No. 33 Tsing Chung Koon Road Tuen Mun, New Territories, Hong Kong	2 residential unit	1,015	commencing from 9 February 1987 to 30 June 2047
Tsuen Wan Centre, Nos. 88-105 Tsuen King Circuit Tsuen Wan, New Territories, Hong Kong	3 residential units	1,297	99 years commencing from 1 July 1898 and thereafter statutorily extended until 30 June, 2047
Flat E on 15 th Floor, Block A Tsuen Tak Gardens, No. 208 Tsuen King Circuit Tsuen Wan, New Territories, Hong Kong	residential unit	427	99 years commencing from 1 July 1898 and thereafter statutorily extended until 30 June, 2047
Flat H on 11 th Floor, Block 8, Phase 2, Tai Hing Garden, Tuen Mun, New Territories, Hong Kong	residential unit	535	99 years commencing from 1 July 1898 and thereafter statutorily extended until June 30, 2047

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

14. INVESTMENT PROPERTIES (CONT'D)

The investment properties held by the Group, comprise: (cont'd)

Location	Description	Area (sq. ft)	Tenure
Flat G8 on 29th Floor, Block G, Tak Bo Garden No. 3 Ngau Tau Kok Road, Kowloon Bay Kowloon, Hong Kong	residential unit	343	75 years renewed for a further term of 24 years commencing from 1 July 1898 and thereafter statutorily extended until 30 June, 2047
Flat H on 18th Floor, Block B, Shaukiwan Centre No. 7 Factory Street, Shau Kei Wan, Hong Kong	residential unit	378	999 years commencing from 3 January 1860
Flat C on 10th Floor The Platinum, No. 76A Fa Yuen Street Mongkok, Kowloon, Hong Kong	residential unit	347	75 years renewed for a further term of 75 years commencing from 24 March 1923
No. 883 North Bridge Road Southbank, Singapore 198785	5 home office units	6,028	99 years commencing from 27 January 2006
No.8 Eu Tong Sen Street #23-81 The Centre Singapore 059818	office unit	1,195	99 years commencing from 21 January 2001

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

The following amounts are recognised in profit or loss

	<u>Group</u>	
	2013	2012
	\$'000	\$'000
Rental income	<u>826</u>	<u>882</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

15. PROPERTY, PLANT AND EQUIPMENT

	<u>Leasehold buildings</u> \$'000	<u>Leasehold improvements</u> \$'000	<u>Furniture and fittings</u> \$'000	<u>Office equipment</u> \$'000	<u>Motor vehicle</u> \$'000	<u>Computers</u> \$'000	<u>Total</u> \$'000
Group							
2013							
Cost							
Beginning of financial year	-	33	58	15	193	50	349
Additions	6,095	502	54	12	197	41	6,901
Disposal	-	(36)	(4)	-	-	-	(40)
Foreign exchange difference	-	_*	_*	-	-	-	_*
End of financial year	6,095	499	108	27	390	91	7,210
Beginning of financial year	-	10	32	12	14	24	92
Depreciation charge	80	67	14	2	32	17	212
Disposal	-	(6)	(2)	-	-	-	(8)
Foreign exchange difference	-	_*	_*	-	-	-	_*
End of financial year	80	71	44	14	46	41	296
Net book value							
End of financial year	6,015	428	64	13	344	50	6,914

* Less than \$1,000.

	<u>Leasehold improvements</u> \$'000	<u>Furniture and fittings</u> \$'000	<u>Office equipment</u> \$'000	<u>Motor vehicle</u> \$'000	<u>Computers</u> \$'000	<u>Total</u> \$'000
Group						
2012						
Cost						
Beginning of financial year	66	51	14	-	50	181
Additions	9	8	1	193	-	211
Disposal	(42)	(1)	-	-	-	(43)
Foreign exchange difference	_*	_*	_*	-	_*	_*
End of financial year	33	58	15	193	50	349
<i>Accumulated depreciation</i>						
Beginning of financial year	44	26	11	-	11	92
Depreciation charge	8	7	1	14	13	43
Disposal	(42)	(1)	-	-	-	(43)
Foreign exchange difference	_*	_*	_*	-	_*	_*
End of financial year	10	32	12	14	24	92
Net book value						
End of financial year	23	26	3	179	26	257

* Less than \$1,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	<u>Furniture and fittings</u> \$'000	<u>Office equipment</u> \$'000	<u>Motor vehicle</u> \$'000	<u>Computers</u> \$'000	<u>Total</u> \$'000
Company					
2013					
<i>Cost</i>					
Beginning of financial year	8	4	193	3	208
Additions	19	-	197	32	248
Disposal	-	-	-	-	-
End of financial year	27	4	390	35	456
<i>Accumulated depreciation</i>					
Beginning of financial year	2	1	15	1	19
Depreciation charge	3	1	32	3	39
Disposal	-	-	-	-	-
End of financial year	5	2	47	4	58
Net book value					
End of financial year	22	2	343	31	398

	<u>Leasehold improvements</u> \$'000	<u>Furniture and fittings</u> \$'000	<u>Office equipment</u> \$'000	<u>Motor vehicle</u> \$'000	<u>Computers</u> \$'000	<u>Total</u> \$'000
Company						
2012						
<i>Cost</i>						
Beginning of financial year	42	4	3	-	3	52
Additions	-	4	1	193	-	198
Disposal	(42)	-	-	-	-	(42)
End of financial year	-	8	4	193	3	208
<i>Accumulated depreciation</i>						
Beginning of financial year	41	1	-	-	-	42
Depreciation charge	1	1	1	15	1	19
Disposal	(42)	-	-	-	-	(42)
End of financial year	-	2	1	15	1	19
Net book value						
End of financial year	-	6	3	178	2	189

- (a) The carrying amount of motor vehicle of the Company held under finance leases are \$343,000 (2012: \$178,000) at the balance sheet date (Note 18).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

16. INVESTMENT IN SUBSIDIARIES

	<u>Company</u>	
	2013 \$'000	2012 \$'000
<i>Equity investment at cost</i>		
Beginning of financial year	1,700	1,700
Acquisition	101	-
	1,801	1,700
Allowance for impairment of investment	-*	-*
End of financial year	1,801	1,700

* Less than \$1,000.

Details of the subsidiaries are as follows:

<u>Name of subsidiary</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Proportion of ownership interest</u>	
			2013 %	2012 %
Held by the Company				
Corporate Bridge International Pte Ltd ^(a)	Investment holding	Singapore	100	100
Corporate Residences Pte Ltd ^(a)	Building construction and real estate development	Singapore	90	90
Sansui Resorts Ltd ^(b)	Properties investment	Hong Kong	100	100
SingXpress Development Pte Ltd ^(a)	Property development advisory services	Singapore	100	100
SingXpress Travel Holdings Pte Ltd ^(a)	Investment holding	Singapore	100	100
Charlton Residences Pte Ltd ^(a)	Building construction and real estate development	Singapore	80	80
SingXpress Land (Pasir Ris) Pte Ltd ^(a)	Investment holding	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiary are as follows: (cont'd)

<u>Name of subsidiary</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Proportion of ownership interest</u>	
			2013 %	2012 %
<u>Held by the Company</u>				
SingXpress Property Development Pte Ltd ^(a)	Investment holding	Singapore	81.6	-
Angel Investment Management Pte Ltd ^(a)	Properties holding	Singapore	100	-
International Commerce Center Pte. Ltd ^(c)	Inactive	Singapore	100	-
International Singapore Center Pte. Ltd. ^(c)	Inactive	Singapore	100	-
<u>Held by the SingXpress Travel Holdings Pte Ltd</u>				
SingXpress Capital Pte Ltd ^(a)	Properties investment	Singapore	100	100
SingXpress Properties Limited ^(b)	Properties investment	Hong Kong	100	100
<u>Held through Corporate Bridge International Pte Ltd</u>				
Corporate Bridge Pte Ltd ^(a)	Inactive	Singapore	100	100
SingHaiyi Properties Pte. Ltd. (formerly known as IFC Singapore Pte Ltd and Corporate Bridge Investments Pte Ltd)	Inactive	Singapore	100	100
SXL Model Productions Pte Ltd ^(a) (formerly known as Singapore Credit Pte Ltd.)	Properties holding	Singapore	100	100
SingXpress Realtors Limited ^(b)	Properties agencies	Hong Kong	100	100
<u>Held by the SingXpress Land (Pasir Ris) Pte Ltd</u>				
SingXpress Kaylim Pte Ltd ^(a)	Building construction and real estate development	Singapore	80	80

^(a) audited by Audit Alliance LLP, Singapore.

^(b) audited by ZHONGLEI (HK) CPA Company Limited, Hong Kong.

^(c) unaudited as these companies only incorporated in February 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

17. INVESTMENT IN ASSOCIATES

	<u>Group</u>	
	2013 \$'000	2012 \$'000
<i>Equity investment at cost</i>		
Beginning of financial year	- *	- *
Acquisition	300	- *
End of financial year	<u>300</u>	<u>- *</u>

* Less than \$1,000.

Details of the associated companies are as follows:

<u>Name of associated companies</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Proportion of ownership interest</u>	
			2013 %	2012 %
<u>Held by the Corporate Bridge International Pte Ltd</u>				
SingXpress Realtors Pte Ltd ^(a) (formerly known as BMI Realtors Pte Ltd)	Properties agencies	Singapore	49	49
<u>Held by the SingXpress Property Development Pte Ltd</u>				
Tampines EC Pte Ltd ^(b)	Building construction and real estate development	Singapore	30	-

^(a) audited by L.W. Ong & Co, Singapore.

^(b) audited by Audit Alliance LLP, Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

18. TRADE AND OTHER PAYABLES

	<u>Group</u>		<u>Company</u>	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade payables				
- non-related corporations	-*	-*	-	-
Other payables				
- non-related corporations	320	991	135	108
Advance receipts	23,662	11,008	-	-
Accrued charges	159	149	71	78
	24,141	12,148	206	186

* Less than \$1,000.

Trade and other payables due to non-related corporations are unsecured, interest free and repayable on demand.

The carrying amounts of trade and other payables approximate their fair value.

Trade and other payables are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Singapore Dollar	24,030	11,988	206	186
Hong Kong Dollar	111	160	-	-
	24,141	12,148	206	186

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

19. BORROWINGS

	<u>Group</u>		<u>Company</u>	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<i>Current</i>				
Bank borrowings	22,174	782	-	-
Finance leases liabilities (note 21)	44	22	44	22
	22,218	804	44	22
<i>Non-current</i>				
Convertible bonds (note 20)	39	9,066	39	9,066
Finance leases liabilities (note 21)	213	114	213	113
Bank borrowings	123,430	123,928	-	-
	123,682	133,108	252	9,179
	145,900	133,912	296	9,201

The exposure of the borrowings of the Group and Company to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	<u>Group</u>		<u>Company</u>	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Not later than one year	22,218	804	44	22
Between one and five years	113,598	133,082	215	9,153
Later than five years	10,084	26	37	26
	145,900	133,912	296	9,201

(a) *Security granted*

Bank borrowings of the Group are secured by its investment properties and properties under development and corporate guarantee by the Company.

(b) *Fair value of non-current borrowings*

	<u>Group</u>		<u>Company</u>	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Bank borrowings	123,430	123,928	-	-
Convertible bonds	39	9,066	39	9,066
Finance leases liabilities	213	114	213	113

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

19. BORROWINGS (CONT'D)

(b) Fair value of non-current borrowings (cont'd)

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Company as follows:

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
Bank borrowings	2.8%	1.9%	-	-
Convertible bonds	15.1%	15.1%	15.1%	15.1%
Finance leases liabilities	1.9%	1.9%	1.9%	1.9%

20. CONVERTIBLE BONDS

On 9 November 2010, the Company issued 0% convertible bonds denominated in Singapore Dollars with a nominal value of \$16,320,240. The bonds are due for repayment four years from the issue date at their nominal value of \$16,320,240 or conversion into shares of the Company at the holder's option at the rate of a share per \$0.03 nominal value of the bonds.

The fair value of the liability components, included in non-current borrowings, is calculated using a market interest rate for an equivalent non-convertible bond at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserve (note 23).

The carrying amount of liability component of the convertible bonds at the balance sheet date is derived as follows:

	<u>Group and Company</u>	
	2013	2012
	\$'000	\$'000
Beginning of financial year	9,066	7,854
Conversion to share capital	(9,128)	-*
Interest expense	101	1,212
End of financial year	39	9,066

* Less than \$1,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

21. FINANCE LEASE LIABILITIES

The Company leases certain motor vehicle from non-related parties under finance lease. The lease agreements do not have renewal clauses but provide the Company with options to purchase the leased assets at nominal values at the end of lease term.

	<u>Group and Company</u>	
	2013 \$'000	2012 \$'000
Minimum lease payments due		
- Not later than one year	44	22
- Between one and five years	176	87
- Later than five years	37	27
Present value of finance lease liabilities	<u>257</u>	<u>136</u>

22. SHARE CAPITAL

	<u>Group and Company</u>			
	2013		2012	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Beginning of financial year	3,348,108	54,202	372,004	24,974
Conversion from convertible bonds	1,152,980	14,194	-*	-*
Issuance and conversion of preference shares	8,000,000	94,400	-	-
Capital reduction	-	(21,876)	-	-
Share issued	366,000	5,054	2,976,104	29,228
End of financial year	<u>12,867,088</u>	<u>145,974</u>	<u>3,348,108</u>	<u>54,202</u>

* Less than 1,000.

All issued ordinary shares are fully paid.

Fully paid ordinary shares carry one vote per share and carry a right to dividend as and when declared by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

23. OTHER RESERVES

	<u>Group</u>		<u>Company</u>	
	2013 \$'000	2012 \$'000 (restated)	2013 \$'000	2012 \$'000
(a) <u>Compositions:</u>				
Currency translation reserve	372	362	-	-
Equity component of convertible bonds	19	5,085	19	5,085
	<u>391</u>	<u>5,447</u>	<u>19</u>	<u>5,085</u>
(b) <u>Movements:</u>				
(i) <u> Currency translation reserve</u>				
Beginning of financial year	383	399	-	-
Effect of adopting FRS 12	(21)	(18)	-	-
Net effect of exchange difference arising from translation of financial statements of foreign subsidiaries	10	(19)	-	-
End of financial year	<u>372</u>	<u>362</u>	<u>-</u>	<u>-</u>
(ii) <u> Equity components of convertible bonds</u>				
Convertible bond – equity component	5,085	5,085	5,085	5,085
Conversion to share capital	(5,066)	-*	(5,066)	-*
End of financial year	<u>19</u>	<u>5,085</u>	<u>19</u>	<u>5,085</u>

* Less than \$1,000.

24. KEY MANAGEMENT REMUNERATION

The key management's remuneration is as follows:

	<u>Group</u>	
	2013 \$'000	2012 \$'000
Key management's remuneration	<u>1,208</u>	<u>474</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

25. COMMITMENTS

Operating lease commitments – where the company is a lessor

The Group lease out properties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	<u>Group</u>	
	2013	2012
	\$'000	\$'000
Not later than one year	620	442
Between one and five years	292	226
	<u>912</u>	<u>668</u>

Capital Commitment

	<u>Group</u>	
	2013	2012
	\$'000	\$'000
Estimated development expenditure contracted but not provided for in the financial statements	<u>86,961</u>	<u>97,281</u>

26. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk, market price risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. Such policies and procedures are executed by the Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

(a) *Market risk*

(i) *Currency risk*

The Group has no transitional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Singapore Dollar, Hong Kong Dollar and United States Dollar.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

26. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Group's sales and costs are denominated in the respective functional currencies of the Group entities. The Group's trade receivables and trade payables at the balances sheet date have similar exposures.

The Group and the Company also hold cash and cash equivalents denominated in respective functional currencies for working capital purposes.

The operating entities of the group has no significant currency exposures on any individual transaction for which payments is anticipated more than one month after the Group has entered into a firm commitment for a sale or a purchase.

The Group is also exposed to currency translation risk arising from its net investments in quoted shares, equity-linked notes and in foreign operations in Hong Kong. The Group's net investments in these countries are not hedged.

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in USD, HKD and AUD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Profit net of tax	
	2013	2012
	\$'000	\$'000
USD/SGD		
- strengthened 5% (2012: 5%)	2	2
- weakened 5% (2012:5%)	(2)	(2)
HKD/SGD		
- strengthened 5% (2012: 5%)	(121)	(313)
- weakened 5% (2012:5%)	121	313
AUD/SGD		
- strengthened 5% (2012: 5%)	6	6
- weakened 5% (2012:5%)	(6)	(6)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

26. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Price risks

The Group is exposed to other price risks arising from listed investments classified as financial assets at fair value through profit or loss.

Management's best estimate of the effect on the Group's profit after tax due to a reasonably possible change in the relevant stock market index, with all other variables held constant, at the balance sheet date is as follows:

	2013 \$'000	2012 \$'000
Increase/(decrease) in profit after tax		
Hong Kong – Hang Seng Index		
+10%	-*	-*
-10%	-*	-*
	<hr/>	<hr/>

* Less than \$1,000.

(iii) Interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

The Group's credit risk is primarily attributable to bank deposits as well as instalments, rental and other trade receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Regular review and follow-up actions are carried out on overdue amounts of instalments receivable from sale of properties which enable management to assess their recoverability and to minimise the exposure to credit risk. In respect of rental income from leasing properties, monthly rents are received in advance and sufficient rental deposits are held to cover potential exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

26. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(i) Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents, other investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired.

(c) Liquidity risk

The Group and Company manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flow:

	Less than <u>1 year</u> \$'000	Later than <u>1 year</u> \$'000
Group		
2013		
Trade and other payables	24,141	-
Amount due to non-controlling equity holders	13,758	-
Tax payable	793	-
Borrowings	22,218	123,682
	60,910	123,682
2012		
Trade and other payables	12,148	-
Amount due to non-controlling equity holders	10,966	-
Amount due to a related company	17,933	-
Borrowings	804	133,108
	41,851	133,108

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

26. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flow:

	Less than <u>1 year</u> \$'000	Later than <u>1 year</u> \$'000
Company		
2013		
Trade and other payables	206	-
Borrowings	44	252
	250	252
2012		
Trade and other payables	186	-
Amount due to a related company	17,933	-
Borrowings	22	9,179
	18,141	9,179

(d) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or obtain new borrowings to reduce borrowings.

The Board of Directors monitors its capital based on net debt and total capital. Net debt is calculated as borrowings plus trade and other payables, amount due to related company and minority shareholders of subsidiaries and less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Net debt	97,926	160,970	-#	27,152
Total equity	157,603	43,916	143,683	37,411
Total capital	255,529	204,886	143,683	64,563

The Company has net cash position.

The Group and Company are in compliance with all externally imposed capital requirements for the financial year ended 2013 and 2012.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

26. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group and Company				
2013				
Financial assets:				
Fair value through profit or loss				
- Quoted securities	2	-	-	2
End of financial year	2	-	-	2

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group and Company				
2012				
Financial assets:				
Fair value through profit or loss				
- Quoted securities	2	-	-	2
End of financial year	2	-	-	2

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- (iii) Level 3 – Inputs for the assets or liability that are not based on the observable data (unobservable inputs)

Quoted securities

Fair value is determined directly by the reference to their published market bid price at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

27. SEGMENT INFORMATION

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Business segments

The Group is organised on a worldwide basis into three main operating divisions:

Investment	: Investment holding and financial services
Property trading and Investment	: Investment in properties and property trading
Property development	: Development of properties for sales

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

27. SEGMENT INFORMATION (CONT'D)

Business segments

The following table presents the revenue and profit, assets, liabilities and other segment information regarding the Group's business segments for the year ended 31 March 2013 and 31 March 2012.

	<u>Investment</u> S\$'000	<u>Property trading and investment</u> S\$'000	<u>Property development</u> S\$'000	<u>Adjustment</u> ^{(a)(b)} S\$'000	<u>Total</u> S\$'000
2013					
Segment revenue					
Sales to external customers	1	826	16,199	30	17,056
Segment results					
Depreciation	3	34	-	175	212
Segment profit/ (loss)	(1,038)	4,701	3,207	(2,579)	4,291
Assets:					
Addition to non-current assets	9	73	-	6,819	6,901
Segment assets	68	27,004	240,655	74,468	342,195
Segment liabilities	(231)	(9,699)	(169,844)	(4,818)	(184,592)
	<u>Investment</u> S\$'000	<u>Property trading and investment</u> S\$'000	<u>Property development</u> S\$'000	<u>Adjustment</u> S\$'000	<u>Total</u> S\$'000
2012					
Segment revenue					
Sales to external customers	1	882	-	5	888
Segment results					
Depreciation	2	23	-	18	43
Other non-cash expenses	-	381	-	2	383
Segment profit/ (loss)	(347)	2,339	(6)	(2,326)	(340)
Assets:					
Addition to non-current assets	-	14	-	197	211
Segment assets	432	29,652	188,372	419	218,875
Segment liabilities	(2,061)	(13,268)	(150,429)	(9,201)	(174,959)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

27. SEGMENT INFORMATION (CONT'D)

Business segments (cont'd)

Notes Nature of adjustment and eliminations to arrive at amounts reported in the consolidated financial statements

- (a) The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	<u>Group</u>	
	2013 \$'000	2012 \$'000
Property, plant and equipment	6,833	189
Short-term bank deposits	67,332	168
Trade and other receivables	303	63
	<u>74,468</u>	<u>420</u>

- (b) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

	<u>Group</u>	
	2013 \$'000	2012 \$'000
Trade and other payables	9	-
Borrowings	4,513	-
Finance lease payables	257	135
Convertible bonds	39	9,066
	<u>4,818</u>	<u>9,201</u>

Geographical segments

The following table presents revenue, capital expenditure and certain assets information regarding the Group's geographical segments as at and for the year ended 2013 and 2012.

	Segmental revenue from external customers		Segment assets		Capital expenditure	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Singapore	16,664	6	330,555	208,293	30	205
Hong Kong	392	882	11,640	10,583	6,871	7
	<u>17,056</u>	<u>888</u>	<u>342,195</u>	<u>218,876</u>	<u>6,901</u>	<u>212</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

28. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2013 or later periods and which the Group has not early adopted:

- FRS 110 Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014)

FRS 110 replaces all of the guidance on control and consolidation in IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess. The Group has yet to assess the full impact of FRS 110 and intends to apply the standard from 1 J January 2014.

- FRS 111 Joint Arrangements (effective for annual periods beginning on or after 1 January 2014).

FRS 111 introduces a number of changes. The "types" of joint arrangements have been reduced to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations currently.

The Group has yet to assess the full impact of FRS 111 and intends to adopt the standard from 1 January 2014.

- FRS 112 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014)

FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities. The Group has yet to assess the full impact of FRS 112 and intends to adopt the standard from 1 January 2014.

- FRS 113 Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013)

FRS 113 provides consistent guidance across IFRSs on how fair value should be determined and which disclosures should be made in the financial statements. The Group has yet to assess the full impact of FRS 113 and intends to adopt the standard from 1 April 2013.

29. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of **SINGHAIYI GROUP LTD (formerly known as SingXpress Land Ltd)** on 28 June 2013.

SHAREHOLDERS' INFORMATION

AS AT 21 JUNE 2013

Class of equity securities	Number of equity securities	Voting Rights
Ordinary	12,867,569,621	One vote per share

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

STATISTICS OF SHAREHOLDINGS

<u>Size of Shareholding</u>	<u>Number of Shareholders</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
1 - 999	93	2.62	5,400	0.00
1,000 - 10,000	400	11.29	1,761,290	0.01
10,001 - 1,000,000	2,817	79.49	683,571,688	5.31
1,000,001 and above	234	6.60	12,182,231,243	94.68
	3,544	100.00	12,867,569,621	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Haiyi Holdings Pte. Ltd.	8,006,957,407	62.23	-	-
Gordon Tang ⁽¹⁾	-	-	8,006,957,407	62.23
Chen Huaidan ⁽²⁾	-	-	8,006,957,407	62.23
Hai Run Pte. Ltd	1,560,000,000	12.12	-	-
Yang Dehe ⁽³⁾	-	-	1,560,000,000	12.12

Notes:

- (1) Mr Gordon Tang has a controlling interest in Haiyi. He is therefore deemed interested in the 8,006,957,407 Shares held by Haiyi by virtue of Section 7 of the Companies Act, Chapter 50.
- (2) Mdm Chen Huaidan is entitled to exercise or control the exercise of not less than 20% of the votes attached to the shares held by her in Haiyi. She is therefore deemed interested in the 8,006,957,407 Shares held by Haiyi by virtue of Section 7 of the Companies Act, Chapter 50.
- (3) Yang Dehe has a controlling interest in Hai Run Pte.Ltd. He is therefore deemed interested in the 1,560,000,000 Shares held by Hai Run Pte.Ltd. by virtue of Section 7 of the Companies Act, Chapter 50.

SHAREHOLDERS' INFORMATION

AS AT 21 JUNE 2013

TWENTY LARGEST SHAREHOLDERS

<u>No.</u>	<u>Name</u>	<u>No. of Shares</u>	<u>%</u>
1	Citibank Nominees Singapore Pte Ltd	8,037,333,000	62.46
2	Phillip Securities Pte Ltd	1,968,125,431	15.30
3	DBS Nominees Pte Ltd	823,422,087	6.40
4	Maybank Kim Eng Securities Pte Ltd	190,973,000	1.48
5	DBS Vickers Securities (S) Pte Ltd	80,179,000	0.62
6	United Overseas Bank Nominees Pte Ltd	77,237,000	0.60
7	Bank of East Asia Nominees Pte Ltd	53,000,000	0.41
8	HL Bank Nominees (S) Pte Ltd	32,000,000	0.25
9	Bank of Singapore Nominees Pte Ltd	30,100,000	0.23
10	Ng Cheng Hye Vincent (Weng Qinghai)	27,862,000	0.22
11	UOB Kay Hian Pte Ltd	21,210,000	0.16
12	Mao Jinshan	20,378,000	0.16
13	Mayban Nominees (S) Pte Ltd	20,200,000	0.16
14	Jason Ng Kok Soon	19,000,000	0.15
15	CIMB Securities (Singapore) Pte Ltd	17,570,000	0.14
16	OCBC Securities Private Ltd	16,896,011	0.13
17	Raffles Nominees (Pte) Ltd	16,688,714	0.13
18	Ngen Poh Kim Debbie or Ang Chwee Chang	16,000,000	0.12
19	Tan Tai Sim	15,050,000	0.12
20	Chean Sock Hoon	15,000,000	0.12
	Total	<u>11,498,224,243</u>	<u>89.36</u>

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

25.49 % of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SingHaiyi Group Ltd. (the “Company”) will be held at Pan Pacific Singapore, Ocean 6, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Monday, 29 July 2013 at 10.00 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and the Audited Accounts of the Company for the year ended 31 March 2013 together with the Auditors’ Report thereon. **(Resolution 1)**

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

Mr Gordon Tang	(Retiring under Article 77)	(Resolution 2)
Mdm Chen Huaidan	(Retiring under Article 77)	(Resolution 3)
Mr Neil Bush	(Retiring under Article 77)	(Resolution 4)
Mr Mao Jinshan	(Retiring under Article 77)	(Resolution 5)

Mr Gordon Tang will, upon re-election as a Director of the Company, remain as a Non-Executive Director of the Company and will be considered non-independent.

Mdm Chen Huaidan will, upon re-election as a Director of the Company, remain as an Executive Director of the Company and will be considered non-independent.

Mr Neil Bush will, upon re-election as a Director of the Company, remain as the Non-Executive Chairman of the Company and will be considered non-independent.

Mr Mao Jinshan will, upon re-election as a Director of the Company, remain as a Managing Director of the Company and will be considered non-independent.

3. To note that Mr Tan Tai Soon, who is retiring pursuant to Article 95, has informed the Board that he does not wish to seek re-election and will cease to be a Director of the Company and a member of the Audit, Nominating and Remuneration Committees, at the conclusion of this Annual General Meeting.

4. To note that Mr Wong Tat Keung, who is retiring pursuant to Article 95, has informed the Board that he does not wish to seek re-election and will cease to be a Director of the Company and the chairman and member of the Audit, Nominating and Remuneration Committees, at the conclusion of this Annual General Meeting.

5. To approve the payment of Directors’ fees of S\$135,000.00 for the year ended 31 March 2013 (2012: S\$95,998.67). **(Resolution 6)**

6. To appoint Messrs KPMG LLP as the Auditors of the Company to hold office from the conclusion of this meeting and to authorise the Directors to fix their remuneration. [See Explanatory Note (i)] **(Resolution 7)**

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

NOTICE OF ANNUAL GENERAL MEETING

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

AS SPECIAL BUSINESS

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

8. Authority to issue shares

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

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

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

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

provided that:

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

NOTICE OF ANNUAL GENERAL MEETING

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

- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note (ii)] **(Resolution 8)**

9. The proposed share buy-back mandate

That:

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

(c) in this Resolution 9:

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

“Relevant Period” means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier, after the date of this Resolution 3 is passed;

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

NOTICE OF ANNUAL GENERAL MEETING

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

where:

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

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

- (d) the Directors of the Company and/or any of them be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorized by this Resolution. **(Resolution 9)**

By Order of the Board

Yeo Poh Noi Caroline
Company Secretary
Singapore, 12 July 2013

Explanatory Note:

- (i) The Ordinary Resolution 7 in item 6 above is to appoint Messrs KPMG LLP as the Company’s Auditors for the financial year ending 31 March 2014 in place of the retiring Auditors, Messrs Audit Alliance LLP. KPMG LLP have expressed their willingness to accept the appointment. The proposal for the appointment will be put to the shareholders’ approval at this Annual General Meeting. Details of the proposed change of Auditors are set out in the Appendix dated 12 July 2013.

The Company has received a nomination from a member of the Company for the appointment of KPMG as the Auditors at the AGM. The Company’s current Auditors, Audit Alliance LLP will not be reappointed at the AGM and will cease to hold the office of Auditors after the conclusion of the AGM. Taking into account the aforesaid notice of nomination, the Group’s expansion of real estate investment activities into the United States of America (“U.S.”), the credentials of KPMG and its overseas offices in U.S., the Audit Committee recommends the change of Auditors at the AGM. Audit Alliance LLP has confirmed to KPMG that it is not aware of any professional reasons why KPMG should not accept appointment as Auditors of the Group. In compliance with Rule 712(3) of the Listing Manual, the Company confirms that (a) there were no disagreements with Audit Alliance LLP on accounting treatments within the last twelve (12) months of the date of the Appendix; (b) it is not aware of any circumstances connected with the proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in the Appendix; and (c) it is in compliance with Rules 712 and 715 in relation to the appointment of KPMG as its new Auditors.

NOTICE OF ANNUAL GENERAL MEETING

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

- (ii) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.
- (iii) The Ordinary Resolution 9 in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to purchase or otherwise acquire its Shares on the terms of such mandate. Details of the proposed Share Buy-Back Mandate are set out in the Appendix dated 12 July 2013.

Notes:

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

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

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

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

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SINGHAIYI GROUP LTD.

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

IMPORTANT:

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

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____

of _____

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

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Pan Pacific Singapore, Ocean 6, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 29 July 2013 at 10.00 am and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

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

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 March 2013		
2	Re-election of Mr Gordon Tang as a Director		
3	Re-election of Mdm Chen Huaidan as a Director		
4	Re-election of Mr Neil Bush as a Director		
5	Re-election of Mr Mao Jinshan as a Director		
6	Approval of Directors' fees amounting to S\$135,000.00		
7	To approve the change of Auditors of the Company		
8	Authority to issue shares		
9	To approve the Proposed Share Buy-Back Mandate		

Dated this _____ day of _____ 2013

 Signature of Shareholder(s)
 or, Common Seal of Corporate Shareholder

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

Notes :

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

General:

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



SINGHAIYI
GROUP

SingHaiyi Group Ltd

Singapore Listed SGX: 5CE
(formerly SingXpress Land Ltd)

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

www.singhaiyi.com