

CORPORATE GOVERNANCE REPORT

SingHaiyi Group Ltd. (the “Company” and together with its subsidiaries, the “Group”) 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 practices during the financial year ended 31 March 2015 (“FY2015”) with specific reference to the principles of the Code of Corporate Governance 2012 (the “Code”). The Company is pleased to report that it has complied in all material aspects with the principles and guidelines set out in the Code. Deviations from the Code, if any, are explained under the respective sections.

Outlined below are the policies, processes and practices adopted by the Group in compliance with the principles and spirit of the Code.

A. BOARD MATTERS

Principle 1: Board’s Conduct of 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 the long-term shareholder value. The Board is collectively responsible for the setting of the overall strategy and the success of the Company. Currently, the Company is headed by an effective Board comprising a majority of non-executive Directors. The Board is supported by three Board Committees, namely the Audit Committee (“AC”), Remuneration Committee (“RC”) and Nominating Committee (“NC”). Each Board Committee is governed by clear terms of reference setting out the duties and authorities which have been approved by the Board.

The principal roles and responsibilities of the Board include:

- Providing entrepreneurial leadership, setting strategic objectives and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;
- Establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the company’s assets;
- Identifying the key stakeholder groups and recognising that their perceptions affect the company’s reputation;
- Setting the Company’s values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met;
- Considering sustainability issues (including environmental and social factors) as part of the Company’s overall strategy;
- Supervising the management of the business and affairs of the Group;
- Reviewing the financial performance of the Group;
- Approving the nominations of board directors and appointment of key personnel;
- Approving annual budgets, major funding proposals, investment and divestment proposals, including material capital compliance;
- Assuming responsibility for corporate governance; and
- Reviewing Management performance.

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The Company has adopted internal guidelines that require Board approval for investments, divestments and bank borrowings. The Company has adopted a framework of delegated authorisation, as set out in its limit of authority (“LOA”). The LOA defines the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditure. The LOA also contains a schedule of matters specifically reserved by the Board for approval. These include approval of annual business plans, operating budgets, statutory accounts, declaration of interim and final dividends, and material transactions, namely, major acquisitions, joint ventures, strategic alliances, investment proposals, establishment of banking facilities and corporate restructuring.

The Board conducts meetings at least on a quarterly basis. Ad hoc meetings are also convened when circumstances warrant. For the FY2015, the Board met four times. The report on the Directors’ attendance for Board and Board Committees meetings is set out on hereunder. Directors who are unable to attend Board or Board Committees meetings may convey their views to the Chairman or the Company Secretary. The Company’s Articles of Association provide for participation in meetings via telephone and/or video conference where Directors are unable to be physically present at such meetings. During FY2015, certain Directors participated in Board and Board Committees meetings via telephone conference. Where required, Directors may raise questions and seek clarification through discussion forums with Management in respect of significant matters passed via circular resolutions.

Directors’ Attendance for Board and Board Committees Meetings

Name of Director	Number of meetings attended in FY2015			
	Board	AC	NC	RC
Neil Bush	4	–	–	–
Tang Yigang @ Gordan Tang	4	–	–	1
Chen Huaidan @ Celine Tang	4	–	–	–
Yang Dehe	2	–	–	–
Yang Manlin ⁽¹⁾	1	–	–	–
Mao Jinshan	4	–	–	–
Gn Hiang Meng	4	4	1	1
David Hwang Soo Chin	4	4	1	1
Jason Lim Cheong Tiong	4	4	1	1
Number of meetings held in FY2015	4	4	1	1

⁽¹⁾ Appointed as Alternate Director to Mr Yang Dehe with effect from 1 August 2014.

Board Orientation and Training

The Company conducts an orientation programme for newly appointed directors to familiarise them with the businesses, operations and financial performance of the Group. They are also briefed on the governance practices, including board processes, policies on disclosure of interests in securities, prohibitions in dealing with the Company’s securities and restrictions on disclosure of price-sensitive information.

Directors are at liberty to request for further explanations, briefings or informal discussions on any aspect of the Group’s operations or business issues from Management.

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The Company also arranges for its Directors to be kept abreast of real estate industry-related matters in Singapore and the United States on a regular basis. To keep pace with the fast-changing laws, regulations and commercial risks, Directors have an on-going budget to receive further relevant training of their choice in connection with their duties as directors. They are also given unrestricted access to professionals for consultations as and when they deem it necessary at the expense of the Company.

During the year, the Board was continuously briefed and updated on directors' duties and responsibilities and corporate governance matters, so as to enable them to discharge their duties effectively as Board and where applicable, as Board Committee members. During the year, Ms Yang Manlin who was appointed as an alternate director to Mr Yang Dehe, was given detailed briefings and induction by the Management.

The Directors may also attend other appropriate courses, conferences and seminars, at the Company's expense. These include programmes run by the Singapore Institute of Directors.

The Nominating Committee is responsible for reviewing and recommending training programmes for the Board.

Principle 2: Board Composition and Guidance

During the year, the changes to the Board took into account the appropriateness of the board size and composition as a result of change of nature and scope of business of the Group's operations. The Board presently comprises of eight (8) directors with an alternate director. All members of the Board, except for the Group Managing Director and Managing Director, U.S. Operations are non-executive Directors. Four (4) of the Directors are independent non-executive Directors.

The independence of each of the Directors has been assessed by the Board (after taking into account the NC's views) in accordance with the requirements of the Code for assessing independence. Under the Code, an independent director is one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

The integrity and professionalism of the Directors have enabled and facilitated them to discharge their responsibilities with due care and diligence. Through active participation during Board meetings, the Directors constructively and judiciously challenge the proposals and assumptions of Management.

The composition of the Board is reviewed annually. The Board is also taking steps to ensure that the Board has sufficient independent Directors to comply with the recommendations of the Code. The Board is of the opinion that its current size is appropriate, taking into account the nature and scope of the Company's businesses, for effective decision making. The Board comprises Directors who as a group have the core competencies, such as accounting or finance, business or management experience, industry knowledge, corporate actions and strategic planning experience required for the Board to be effective in all aspects of its roles. The objective judgement of the Independent and non-executive Directors on corporate affairs and their collective experience and contributions are invaluable to the Company.

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The Board members comprise businessmen and professionals with 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
Tang Yigang @ Gordon Tang	-	Non-Executive Director
Chen Huaidan @ Celine Tang	-	Group Managing Director
Mao Jinshan	-	Managing Director of U.S. Operations
Gn Hiang Meng	-	Lead Independent Non-Executive Director
Yang Dehe	-	Independent Non-Executive Director
(Alternate Director, Yang Manlin)		
David Hwang Soo Chin	-	Independent Non-Executive Director
Jason Lim Cheong Tiong	-	Independent Non-Executive Director
Yang Manlin	-	Alternate Director to Mr Yang Dehe

Key information on the Directors' particulars and background can be found on pages 12 to 15 of the Annual Report. The Notice of Annual General Meeting sets out the directors proposed for re-election at the Annual General Meeting.

Principle 3: Chairman and Group Managing Director

The Board is chaired by Neil Bush, Non-Executive Chairman, in consultation with Management, sets the agenda for Board meetings and ensures that they are held regularly and whenever necessary. The Company does not have a Chief Executive Officer, instead Mdm Chen Huaidan @ Celine Tang, Group Managing Director ("GMD") and Mr Mao Jinshan, Managing Director of U.S. operations, focus their attention on the day-to-day running of the operations and also ensure information flow between Management and the Board.

There is a clear separation of responsibilities between the Non-Executive Chairman and the GMD, so as to maintain an appropriate balance of power and authority. The Chairman and the GMD are not related to each other.

The Chairman leading 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 Group Managing Director, 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 Group Managing Director, increases accountability and greater capacity of the Board for independent decision making.

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Mr Gn Hiang Meng is the Lead Independent Director (“Lead ID”), he serves as a sounding board for the Chairman and also as an intermediary between the Non-Executive Directors and the Chairman. Due to the seniority and extensive experience of Mr Gn, the Board is of the view that he is qualified to perform the role of the Lead ID. The Lead ID is available to the shareholders of the Company should they have concerns which cannot be resolved through the normal channel of the Non-executive Chairman, the GMD or the Chief Financial Officer or for which such contact is inappropriate.

B. BOARD COMMITTEES

Nominating Committee

Principle 4: Board Membership

Principle 5: Board Performance

The NC currently comprises three Independent Non-Executive Directors, namely Mr Jason Lim Cheong Tiong (Chairman), Mr David Hwang Soo Chin and Mr Gn Hiang Meng. The NC met once in FY2015.

The principal responsibilities of the NC include reviewing and evaluating nominations of Directors for appointment to the Board, evaluating the performance of the Directors and the Board as a whole and its Board Committees, assessing and being mindful of the independence of the Directors, reviewing the training and professional development programs for the Board and reviewing the retirement and re-election of Directors.

The NC reviews the Directors who are due to retire in accordance with the Company’s Articles of Association and make relevant recommendation on their re-election or re-appointment. All Directors are subject to re-election at regular intervals of at least once every three years.

The NC determines on an annual basis whether or not a director is independent, taking into account the Code’s guidance on what constitutes an “independent” director, and the existence of relationships or circumstance which would deem a director to be not independent. A Director who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment with a view to the best interest of the Company, is considered to be independent.

In its search and selection process, the NC reviews the composition of the Board including the mix of expertise, skills and attributes of existing Directors, so as to identify needed and/or desired competencies to supplement the Board’s existing attributes. In doing so, where necessary or appropriate, the NC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates. The NC then meets the shortlisted potential candidates before recommending the most suitable candidate to the Board for appointment as Director.

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;

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- 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;
- 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; and
- To make recommendations to the Board on candidates it considers appropriate for appointment.

The NC assesses the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board. A formal appraisal process to assess the effectiveness of the Board and Board Committees has been implemented. The Board performance evaluation process includes a questionnaire designed to assess the performance of the Board and enhance the overall effectiveness of Directors. There is a self-performance assessment undertaken by each Director. The Company Secretary compiles Directors' responses to the questionnaire into a consolidated report. The report is discussed at an NC meeting and is also shared with the entire Board. In evaluating each Director's performance and that of the Board and the Board Committees, the NC considers, inter alia, the Directors' attendance, contribution and participation at Board and Board Committees meetings, Directors' individual evaluations and the overall effectiveness of the Board in steering and overseeing the conduct of the Company's businesses.

Directors must ensure that they are able to give sufficient time and attention to the affairs of the Company, and as part of its review process, the NC decides whether or not a director is able to do so and whether he has been adequately carrying out his duties as a director of the Company. The NC believes that setting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive.

The Directors have opportunities for continuing education in a number of areas including directors' duties, corporate governance, financial reporting, insider trading, the Companies Act and listing rules and real estate industry-related matters and other areas to enhance their performance as Board and Board Committees members.

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 Non-Executive 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.

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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 its 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”).

The Company Secretary attends all formal Board meetings 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. The Company Secretary was also involved in discussing and reviewing the announcements of the quarterly and full-year results for release to SGX-ST. Minutes of all Board and Board Committees meetings are circulated to the Board and Board Committees as appropriate. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Remuneration Committee

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

The RC comprises four members, namely Mr David Hwang Soo Chin (Chairman), Mr Jason Lim Cheong Tiong, Mr Gn Hiang Meng (all of whom are independent) and Mr Tang Yigang @ Gordan Tang. The RC met once in FY2015.

The principal functions of the RC are to *inter alia*:

- recommend to the Board a general framework of remuneration for Board members and also for key management personnel; and
- to review and determine the specific remuneration packages and terms of employment for each Executive Directors and key management personnel.

The RC sets compensation to ensure that the Company is competitive and can attract, retain and motivate Directors and key management personnel of the required experience and expertise to run the Company successfully. In setting remuneration packages for Directors and key management personnel, the remuneration and other conditions within the industry and in comparable companies are taken into consideration. While structured to attract and retain highly qualified people, the overall goal is to encourage sustained value-oriented management.

Fees payable to the Directors are proposed as a lump sum. The lump sum, subject to the approval of shareholders of the Company at its forthcoming Annual General Meeting, will be divided among the Directors, as the Board deems appropriate. The amount for each Director will take into account the level of responsibilities held. The compensation framework is made up of fixed pay and incentives. The Company links executive remuneration to corporate and individual performance, based on appraisal, performance assessment, competencies and potential of individuals. The remuneration of non-executive Directors takes into account their level of contribution and respective responsibilities, including attendance, time and effort at Board meetings and Board Committees meetings.

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A breakdown (in percentage terms) showing the level and mix of each Director's remuneration payable for FY2015 is shown below.

Disclosure on Directors' Remuneration for FY2015

Name of Director	Appointed	Salary %	Bonus %	Directors' Fee ⁽¹⁾ %	Others %	Total Remuneration %
Below S\$250,000						
Neil Bush		–	–	100%	–	100%
Tang Yigang @ Gordan Tang		–	–	100%	–	100%
Chen Huaidan @ Celine Tang		81%	7%	–	12%	100%
Mao Jinshan		86%	14%	–	–	100%
Yang Dehe		–	–	100%	–	100%
Gn Hiang Meng		–	–	100%	–	100%
David Hwang Soo Chin		–	–	100%	–	100%
Jason Lim Cheong Tiong		–	–	100%	–	100%
Yang Manlin (Alternate Director to Yang Dehe)	1/8/2014	–	–	–	–	–

⁽¹⁾ Directors' fee is subject to shareholders' approval at the forthcoming annual general meeting.

Note:

The Code recommends companies to fully disclose the remuneration of each individual director and the GMD on a named basis. After much deliberation, the Board is of the view that full disclosure of the specific remuneration of each individual director is not in the best interests of the Company or its shareholders. In arriving at this decision, the Board took into consideration, *inter alia*, the confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates in, and the negative impact such disclosure may have on the Group.

Directors and Key Management Personnel's Remuneration

Number of Directors and key management personnel of the Company in each remuneration band (inclusive of those who had resigned during the year):

Remuneration Bands	Number of Directors (including alternate director)	Number of Key Management Personnel (who are not also Directors or the GMD)
Below S\$250,000	9	6
S\$250,000 to S\$499,999	–	1
S\$500,000 to S\$749,999	–	–
S\$750,000 to S\$999,999	–	1

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The Code recommends companies to fully disclose the names and remuneration of at least the five key management personnel (who are not directors or the GMD) in the bands of S\$250,000 with further breakdown. In addition, the Company is required to disclose in aggregate the total remuneration paid to the top five key management personnel (who are not Directors or the GMD). After careful deliberation, the Company has decided not to disclose the names and remuneration of its top five key management personnel as well as in aggregate the total remuneration paid to its top five key management personnel, as the disadvantages to the Group's business interests would far outweigh the benefits of such disclosure, in view of the confidentiality of and commercial sensitivity attached to executive remuneration matters.

The Company does not have any employee who is an immediate family member of a Director or the GMD.

No termination, retirement or post-employment benefits were granted to directors, the GMD or key management personnel of the Company during FY2015, or may be granted to them.

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 (as defined below) that is designed to motivate staff towards strategic business objectives and for staff retention.

The RC also functions as the Administrative Committee of the SingHaiyi Share Option Scheme 2013 (the "Scheme"), the adoption of which was approved by the shareholders of the Company in the extraordinary general meeting convened on 29 July 2013. Please refer to pages 112 to 113 of this annual report for details of the Scheme.

There were 6,000,000 share options granted under the Scheme to the employees of the Company during FY2015. No options have been granted to the directors and the controlling shareholders of the Company or their associates, or the parent company's Directors or employees. No employee had received 5% or more of the total number of options available under the Scheme. In addition, no options had been granted under a discount.

The Board is of the view that it is not necessary to present the remuneration policy at the AGM for shareholders' approval.

Principle 10: Accountability

The Board is responsible for presenting a balanced and understandable assessment of the Company's performance, position and prospects to its shareholders, the public and the regulators. Management is accountable to the Board and provides the Board with quarterly and full-year results, which are then reviewed and approved by the Board for release to the SGX-ST.

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Principle 12: Audit Committee

The AC consists of three Independent Non-Executive Directors, namely Mr Gn Hiang Meng (Chairman), Mr David Hwang Soo Chin and Mr Jason Lim Cheong Tiong. All members of the AC have many years of experience in senior management positions. The Board is of the view that the AC members are appropriately qualified to discharge their responsibilities. The AC met four times in FY2015.

The principal functions of the AC include:

- 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;
- 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 results of the AC's review are reported to the Board.

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 quarterly/annual results during the year.

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The AC has reviewed and is satisfied that the independence and objectivity of the external auditors have not been compromised by the provision of non-audit services. The amount of audit and non-audit fees paid/payable to the external auditors in respect of FY2015 amounted to S\$239,000 and S\$104,000 respectively. Accordingly, the AC has recommended to the Board the nomination of the external auditors, Messrs KPMG LLP, for re-appointment at the forthcoming Annual General Meeting to be held on 20 July 2015. The AC has met the external auditors and with the internal auditors without the presence of Management during FY2015.

The details of the remuneration of the auditors of the Company during FY2015 are as follows:

	FY2015 (S\$'000)	FY2014 (S\$'000)
Auditors' remuneration paid/payable to :		
Auditors of the Company	239	234
Other auditors	50	31
Other fee paid/payable to :		
- Auditors of the Company	104	86
- Other auditors	–	38

In carrying out its duties, the AC is guided by the Guidebook for Audit Committees in Singapore. The external auditors, Messrs KPMG LLP, conducted a briefing on changes in financial reporting standards and updated the AC members on recent developments in accounting and governance standards.

Principle 11: Risk Management and Internal Controls

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 (“Baker”). The internal auditors report to the AC on internal audit matters. In FY2015, the AC commissioned Baker to perform an Enterprise Risk Management exercise to assess the significant business risks, and the strategies and internal controls to mitigate these risks. 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, compliance controls, information technology (“IT”) 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.

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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 the Board, the Board with the concurrence of the AC is of the opinion that the Group's risk management systems and internal controls are adequate in addressing financial, operational, compliance and IT risks as at 31 March 2015.

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 and outside parties such as vendors, clients, contractors and other stakeholders to raise concerns, in confidence, about possible irregularities to the whistle-blowing committee. It aims to provide an avenue for employees and outside parties 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 that 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 when they are implemented. There were no complaints received during FY2015. Report can be lodged via email at acm@singhaiyi.com.

For FY2015, the GMD and Chief Financial Officer have provided written confirmation to the Board that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and (b) the Company's risk management, compliance and internal control systems are effective. This certification covers the Company and subsidiaries which are under the Company's management control. In line with the Catalist Rules, the Board provides a negative assurance statement to shareholders in respect of the interim financial statements, which is supported by a negative assurance statement from the GMD and Chief Financial Officer, and which is in turn supported by a negative assurance confirmation from the various key business and operating/functional heads within the Group that nothing has come to their attention that would render the quarterly and year-end financial results to be false or misleading.

Further details on the Group's risk management philosophy and approach in respect to the financial and business risks can be found on pages 118 to 129 of this Annual Report.

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C. COMMUNICATION WITH SHAREHOLDERS

Principle 14: Shareholders Rights

Principle 16: Conduct of Shareholder Meetings

Shareholders are given the opportunity to communicate their views and encouraged to raise pertinent questions to the Board members and to vote at shareholders' meetings. The respective Chairmen of the AC, NC and RC, as well as the external auditors are also present at shareholders' meetings to address relevant questions raised by the Shareholders. Shareholders and potential investors are encouraged to visit the Company's website at www.singhaiyi.com for information on the Company. They are also encouraged to call or write to the Company's investor relations department if they have questions.

Voting at shareholders' meeting held in FY2015 was conducted by poll voting. At all such shareholders' meetings, the Company had in place the relevant administrative procedures to facilitate poll voting in the event that shareholders demand for resolutions to be voted upon by poll. The power to demand a poll by shareholders is, in any case, conferred under the Company's Articles of Association, which in turn, is consistent with the statutory position under the Companies Act.

The Company does not have a fixed dividend policy at present as it is currently in its growth phase. No dividend was declared in the respect of the financial year ended 31 March 2015 as the Company has taken into consideration its earnings, general financial condition, projected capital requirements for business growth, cash position, positive cash flow generated from operations, general business condition and development plans.

Principle 15: Communication with Shareholder

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 the 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.

The Company holds briefings with analysts and the media to coincide with the release of the Group's quarterly and full year results. Media presentation slides are also released via the SGXNET and made available on the Company's website. In addition, the Company takes an active role in investor relations by participating in roadshows.

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D. INTERESTED PERSON TRANSACTIONS

The Company has established procedures to monitor and review Interested Person Transactions (“IPTs”), including ensuring compliance with the provisions of the Listing Manual related to IPTs. The AC and the Board review the IPTs on a quarterly basis. Any IPTs requiring disclosure are found in the Annual Report. The Company has not obtained a general mandate from shareholders for interested person transactions.

The interested person transactions for FY2015 are as below:

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\$100,00)
American Pacific International Capital Inc. (“APIC”) ⁽¹⁾	S\$658,000	-
David Hwang ⁽²⁾	S\$120,000	-

Note:

- ⁽¹⁾ APIC is an entity controlled by the controlling shareholders of the Company, APIC provided consultancy services to the Company’s subsidiaries.
- ⁽²⁾ David Hwang Soo Chin, an independent non-executive director of the Company provided consultancy services to the Company.

E. DEALINGS IN COMPANY’S SECURITIES

The Company has issued guidelines on dealing in the Company’s securities. This point to the existence of insider trading laws and the rules and regulations with regard to dealings in the Company’s securities by its Directors and officers. The Company sends out memoranda and e-mails to its Directors and officers to remind them that the Directors, key executives of the Group and their connected persons are prohibited from dealing in the Company’s shares two weeks before the announcement of the Company’s quarterly results and one month before the announcement of the Company’s full-year results and ending on the date of announcement of the relevant results.

In addition, the Company also discourages the Directors and officers from dealing in the Company’s securities on short-term considerations.

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F. MATERIAL CONTRACTS

There were no material contracts entered into between the Company or any of its subsidiaries with any Director or controlling shareholder in FY2015.

G. NON-SPONSOR FEES

There was no non-sponsor fees paid to SAC Capital Private Limited for the financial year ended 31 March 2015.

H. USE OF PROCEEDS

- The Company had on 2 August 2013 completed the issuance of 12,867,569,621 new Shares pursuant to a Rights Issue in July 2013. It was intended that the net proceeds of S\$193.01 million be utilized to pursue the property investment in the U.S.A.

	<u>S\$ million</u>
Proceeds from Rights Issue	193.01
Use of proceeds in accordance with the intended use stated in circular dated 13 June 2013:	
1) Professional fees and related expenses of the Rights Issue	0.35
2) Payment of bid price (“US\$45.0 million”) for acquisition of Tri-County Mall (“TCM”)	56.57
3) Payment for the acquisition of 5 Thomas Mellon (“5TM”) for US\$24.4 million	30.41
3) Repayment of secured debt (“US\$29.8 million”) in relation to acquisition of VT	8.59
4) Transaction costs in relation to TCM	1.95
5) Transaction costs in relation to VT	0.99
6) Transaction costs in relation to 5TM	0.57
7) General working capital	1.47
Balance of net proceeds	<u>92.11</u>