

## 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 2020 (“**FY2020**”) with specific reference to the principles of the Code of Corporate Governance 2018 (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: The company is headed by an effective Board which is collectively responsible and works with Management for the long term success of the company.**

#### ***Provisions 1.1, 1.2 and 1.4***

#### ***Board roles, Board duties and Delegation to Board Committees***

#### **The Primary Functions of the Board**

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 shareholders’ 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 Group 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, social and governance 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 development budgets, major funding proposals, investments and divestments proposals, including material capital compliance;
- Assuming responsibility for corporate governance; and
- Reviewing Management performance.

Each member of the Board has a fiduciary duty to discharge his or her duties and responsibilities in the best interests of the Company at all times.

The Board is guided by Code of Conduct and Ethics which prescribed the standards of ethical behaviour. Any director of the Company facing conflicts of interests will recuse himself or herself from discussions and decisions involving the issues of conflict.



## CORPORATE GOVERNANCE REPORT

### A. BOARD MATTERS (cont'd)

#### **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 corporate 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.

All new Directors appointed on the Board, if any, will also be provided with a formal letter of appointment setting out the director's duties and obligations.

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

The Board is updated regularly on corporate governance, risk management, and key changes in the relevant regulatory requirements and financial reporting standards by the Management, Auditors and Company Secretary. Relevant news releases issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Accounting and Corporate Regulatory Authority and the Monetary Authority of Singapore are also circulated to the Board.

To keep pace with the fast-changing laws, regulations and commercial risks, Directors shall receive relevant training 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.

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 a Board and where applicable, as Board Committee members.

Directors may also attend other appropriate courses, conferences and seminars, at the Company's expense. These include programmes organised by the Singapore Institute of Directors ("**SID**"), Singapore Exchange Limited and Auditors. During the year, Directors attended briefings on changes to Singapore Financial Reporting Standards (International) by Auditors and key changes to the Mainboard Listing Rules by Company Secretary.

No new directors were appointed during the year under review.

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

#### ***Provision 1.3***

#### ***Internal guidelines on matters requiring Board's approval***

#### **Board Approval**

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 expenditures. 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, special and final dividends, and material transactions, namely, major acquisitions and disposals, joint ventures, strategic alliances, investment proposals, establishment of banking facilities and corporate restructuring.



## CORPORATE GOVERNANCE REPORT

**A. BOARD MATTERS** (cont'd)**Provision 1.5****Board and Board Committee meetings and attendance records**

The Board conducts meetings on a quarterly basis. Ad hoc meetings are also convened when circumstances warrant. For FY2020, the Board met four times. The report on the Directors' attendance for Board and Board Committees meetings is set out 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 Constitution provides for participation in meetings via telephone and/or video conference where Directors are unable to be physically present at such meetings. During FY2020, 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. To facilitate a more effective check on Management, Non-Executive Directors would meet amongst themselves without the presence of Management prior to the start of each Board meeting, where necessary.

**Directors' Attendance for Board and Board Committees Meetings**

Name of Director	Number of meetings attended in FY2020				
	Board	AC	NC	RC	General Meeting
Neil Bush	4	–	–	–	1
Celine Tang	4	–	–	–	1
Mao Jinshan	4	–	–	–	1
Gn Hiang Meng	4	4	1	1	1
Hwang Soo Chin	4	4	1	1	1
See Yen Tarn (resigned w.e.f 24.06.2020)	4	4	1	1	1
Yang Manlin	4	–	–	–	1
Number of meetings held in FY2020	4	4	1	1	1

**Provision 1.6****Access to Information****Complete and Timely Information and Access to Management**

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 cognisant of the decisions and actions of the Group's executive management. All the Directors have unrestricted access to the Group's records and information. Board papers are prepared by Management for each meeting of the Board and include sufficient information 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 management executives in the Group and are encouraged to speak to other employees to seek additional information.



## CORPORATE GOVERNANCE REPORT

### A. BOARD MATTERS (cont'd)

#### ***Provisions 1.7***

#### ***Company Secretary/ Independent professional advice***

##### **Company Secretary**

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, Code of Corporate Governance and all other rules and regulations of the Listing Manual of the SGX-ST.

The Company Secretary attends all 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.

##### **Independent Professional Advice**

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 at the expense of the Company.

### **Principle 2: Board Composition and Guidance**

#### ***Provisions 2.1, 2.2 and 2.3***

#### ***Independence of Directors, Composition of Independent Directors on the Board and Proportion of Non-Executive Directors***

##### **Board Independence**

When there are changes to the Board, the NC will take into account the appropriateness of the board size and composition. The Board presently comprises six (6) directors. All members of the Board, except for the Group Managing Director and Managing Director of the US Operations, are Non-Executive Directors. Three (3) of the Directors are Independent Non-Executive Directors.

There is a strong and independent element on the Board with Independent Non-Executive directors making up half of the Board and no individual or small group of individuals should be allowed to dominate the Board's decision making. The Company is in the midst of sourcing for a candidate to replace Mr. See Yen Tarn who has resigned as an Independent Non-executive Director of the Company on 24 June 2020 to fill the vacancy in the Board.

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 5% substantial 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 Directors will review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

The Company does not have any Independent Non-Executive Directors who have served on the Board beyond nine years from the date of his or her first appointment.



## CORPORATE GOVERNANCE REPORT

### A. BOARD MATTERS (cont'd)

#### **Provisions 2.4**

#### **Board composition and size**

##### **Board Composition and Size**

The composition of the Board is reviewed annually. The Board is also taking steps to ensure that the Board has sufficient Independent Non-Executive 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 currently includes two (2) female Directors who have served for different tenures. The members of the Board 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 experiences and contributions are invaluable to the Company.

##### **Board Diversity**

The Company also has a board diversity policy in place to set out the approach to achieve diversity on the board composition and support the attainment of the Company's strategic objectives and its sustainable development.

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-Independent/Non-Executive Chairman
Celine Tang	–	Group Managing Director
Mao Jinshan	–	Managing Director of the US Operations
Gn Hiang Meng	–	Lead Independent Non-Executive Director
Hwang Soo Chin	–	Independent Non-Executive Director
Yang Manlin	–	Independent Non-Executive Director

Key information on the Directors' particulars and background can be found in the "Board of Directors" section of the Annual Report. The Notice of Annual General Meeting ("**AGM**") sets out the directors proposed for re-election at the forthcoming AGM.

### **Principle 3: Chairman and Group Managing Director**

#### **Provisions 3.1 and 3.2**

#### **Separation of the role of Chairman and Group Managing Director**

The Board is chaired by Mr. Neil Bush, Non-Independent and Non-Executive Chairman ("**Chairman**"). Mrs. Celine Tang, Group Managing Director ("**GMD**") is assisted by Mr. Gregory Sim Chee Wah, Deputy Chief Executive Officer ("**Deputy CEO**") and Mr. Mao Jinshan, Managing Director of the US Operations.

There is a clear separation of responsibilities between the 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 and there is no immediate family relationship between them. The Company has in place a set of written Terms of Reference of Chairman and the GMD.



## CORPORATE GOVERNANCE REPORT

### A. BOARD MATTERS (cont'd)

The responsibilities of the Board Chairman are as follows:

- Leading the Board in a strategic effective and decisive way;
- Setting the agenda and ensuring (with the assistance of the Company Secretary) that adequate time is available to discuss all agenda items, in particular, strategic issues;
- Promoting a culture of openness and debate within the Board;
- Ensuring (with the assistance of Management and Company Secretary) that the Directors of the Company receive complete, adequate and timely information;
- Ensuring effective communication with the shareholders and other stakeholders;
- Encouraging constructive relationships within the Board and between the Board and Management;
- Ensuring Non-Executive Directors contribute effectively and that their contributions are taken into account by the Board; and
- Promoting high standards of corporate governance.

The responsibilities of the GMD are as follows:

- Developing, with the Board, a consensus for the Company's vision and mission;
- Making strategic proposals of the Company and the Group to the Board;
- Implementing and executing the Group's strategies and policies;
- Assuming the executive responsibility to the day-to-day management of the Group, with the support of the Group's key management personnel; and
- Ensuring that the Board is informed about key company activities and issues.

#### **Provision 3.3**

#### **Lead Independent Director**

Mr. Gn Hiang Meng ("**Mr. Gn**"), the Lead Independent Non-Executive Director ("**Lead ID**") serves as a sounding board to 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 guided by Terms of Reference established by the Board.

The duties of the Lead ID are as follows:

- To be available to shareholders and other stakeholders where they have concerns and for which contact through the normal channels of communication with the Board Chairman, the GMD or the Chief Financial Officer ("**CFO**") (or equivalent) has failed to resolve the matter or the result has been inappropriate;
- To attend meetings with major shareholders to listen to, and understand, their concerns in a way that will assist the Board in making balanced decisions;
- To arrange, lead and chair periodic/regular meetings of the Non-Executive Directors and/or Independent Directors as appropriate, without the presence of Executive Directors and Management, and provide feedback from these meetings to the Board and/or the Board Chairman as appropriate;
- To provide a communication channel for Independent Directors and Non-Executive Directors for private discussions about their concerns regarding Board affairs if they feel these concerns have not been properly considered or addressed by the Board;
- To work with the Board Chairman in leading the Board and, if required, to chair the Board;
- To be a mediator for other Directors of the Company to resolve conflicts as and when necessary;
- To help the NC conduct the annual performance evaluation and to develop the succession planning for the Board Chairman and the GMD, if requested to do so by the Board; and
- To help the Remuneration Committee design and assess the remuneration of the Board Chairman, if requested to do so by the Board.



## CORPORATE GOVERNANCE REPORT

### A. BOARD MATTERS (cont'd)

#### Principle 4: Board membership

##### ***Provisions 4.1 and 4.2***

##### ***NC membership and key terms of reference***

##### **The Composition and Role of NC**

The NC currently comprises two Independent Non-Executive Directors, namely Mr. Hwang Soo Chin and Mr. Gn. The NC met once in FY2020. The Company is the midst of sourcing for a candidate to replace Mr. See Yen Tarn who was the Chairman of the NC.

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;
- 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;
- To make recommendations to the Board on candidates it considers appropriate for appointment;
- To review succession plans for the Chairman, directors, GMD and members of key management personnel; and
- To review the training and professional development programmes for the Board.

##### ***Provision 4.3***

##### ***Selection, appointment and re-appointment of Directors***

##### **Re-appointment of Directors**

The NC reviews and evaluates re-appointment of Directors to the Board, evaluating the performance of the Directors and the Board as a whole and its Board Committees, assessing 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 Constitution 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.

##### **Criteria and Process for Nomination and Selection of New Directors**

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 existing Board. 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.



## CORPORATE GOVERNANCE REPORT

### A. BOARD MATTERS (cont'd)

#### ***Provision 4.4***

##### ***Continuous review of Directors' independence***

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 5% substantial 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.

The Company does not have any Alternate Director on the Board.

#### ***Provision 4.5***

##### ***Multiple directorships***

##### **Directors' Time Commitment**

The NC takes into account the competing time commitments faced by Directors with multiple board representations and/or other principal commitments when considering the re-appointment of Directors. Directors must ensure that they are able to give sufficient time and attention to the affairs of the Company, which is evident in their level of attendance and participation at Board and Committee Meetings. As part of its review process, the NC decides whether or not the directors are able to commit and whether they have been adequately carrying out their 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 commitments for each varies, and thus should not be prescriptive.

Details of the Directors' principal commitments and outside directorships are set out on pages 10 to 12 of this Annual Report.

### **Principle 5: Board Performance**

#### ***Provisions 5.1 and 5.2***

##### ***Board evaluation process, Board performance criteria and individual Director evaluation***

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. The performance assessment forms were completed 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.

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



# CORPORATE GOVERNANCE REPORT

## B. REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

#### **Provisions 6.1, 6.2 and 6.3**

#### **Remuneration Committee composition, Terms of reference and Developing remuneration framework**

#### **The Composition and Role of RC**

The RC comprises two members, namely Mr. Hwang Soo Chin (Chairman) and Mr. Gn (all of whom are independent). All of the members of the RC are Non-Executive Directors. The Company is the midst of sourcing for a candidate to replace Mr. See Yen Tarn who was a member of the RC. The RC met once in FY2020.

The RC is regulated by a set of Terms of Reference and its principal functions are to inter alia:

- recommend to the Board a general framework of remuneration for Board members and KMP; and
- to review and determine the specific remuneration packages and terms of employment for each of the Executive Directors and KMP, including termination clauses, to ensure it is fair and reasonable.

The RC sets compensation to ensure that the Company is competitive and can attract, retain and motivate Directors and KMP of the required experience and expertise to run the Company successfully. In setting remuneration packages for Directors and KMP, the remuneration and other conditions within the industry and 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. The RC also aims to be fair and avoids rewarding poor performance.

#### **Provision 6.4**

#### **RC's access to advice on remuneration matters**

The RC has explicit authority to investigate any matter within its terms of reference and to seek external expert advice on remuneration matters should such a need arise at the Company's expense. In this regard, the RC draws on pool of independent consultants for diversified views and specific expertise to ensure that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

The Company did not engage any external remuneration consultant in FY2020.

### Principle 7: Level and Mix of Remuneration

#### **Provision 7.1, 7.2 and 7.3**

#### **Remuneration of Directors and Key Management Personnel ("KMP")**

Fees payable to the Independent and Non-Executive Directors are proposed at the AGM as aggregated fees of the Directors, subject to the approval of shareholders of the Company at its forthcoming AGM. The remuneration of Directors takes into account their level of contribution and respective responsibilities, including attendance, time and contribution at Board meetings and Board Committees meetings.

The Company has adopted a remuneration policy for Executive Directors and KMP 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 employees under the Scheme (as defined below) that is designed to motivate employees towards strategic business objectives and for retention of employees.

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 at the extraordinary general meeting held on 29 July 2013. Please refer to page 135 of this annual report for details of the Scheme.



## CORPORATE GOVERNANCE REPORT

**B. REMUNERATION MATTERS** (cont'd)**Principle 8: Disclosure on Remuneration****Provision 8.1 and 8.3****Disclosure of Remuneration and Details of all forms of remuneration and other payments and benefits paid to Directors and KMP****Disclosure of Remuneration**

The compensation packages for employees including the GMD, Executive Director and KMP comprised fixed component (in the form of a base salary and fixed allowances), a variable component (which would normally include year-end and variable bonuses), where applicable taking into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

No termination, retirement or post-employment benefits were granted to any Director or KMP by the Company and its subsidiaries during FY2020.

**Remuneration of Directors for FY2020**

Name of Director	Directors' Fee %	Salary %	Bonus %	Others %	Total Remuneration %
<b>Below S\$250,000</b>					
Neil Bush	100%	–	–	–	100%
Celine Tang	–	87%	7%	6%	100%
Gn Hiang Meng	100%	–	–	–	100%
Hwang Soo Chin	100%	–	–	–	100%
See Yen Tarn (resigned w.e.f 24.06.2020)	100%	–	–	–	100%
Yang Manlin	100%	–	–	–	100%
Mao Jinshan	–	100%	–	–	100%

After careful 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 and the Board has decided to disclose remuneration in the bands of S\$250,000 with further breakdown in percentage. 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.

The Board believes that its current disclosure is consistent with the intent of Principle 8 of the Code as shareholders are provided with information on the level and mix of remuneration of each director in percentage terms and that the interests of shareholders will not be prejudiced as a result of such non-disclosure of the total remuneration in dollar terms for the Directors.

**Remuneration of KMP for FY2020 (inclusive of those who had resigned during the year)**

Remuneration Bands	Number of KMP (who are not Directors or the GMD or CEO)
Below S\$250,000	1
S\$250,000 to S\$499,999	2
S\$500,000 to S\$749,999	1
S\$750,000 to S\$999,999	–



## CORPORATE GOVERNANCE REPORT

### B. REMUNERATION MATTERS (cont'd)

The Company has only four (4) KMP (who are not directors or the GMD or CEO). After careful deliberation, the Company has decided not to disclose the names, amount and breakdown of remuneration of its top four (4) KMP as well as in aggregate the total remuneration (in percentage or dollar terms) paid to them, as the disadvantages to the Group's business interests would far outweigh the benefits of such disclosure, in view of the confidentiality and commercial sensitivity attached to executive remuneration matters.

During FY2020, there were no share options granted to the employees, directors and the controlling shareholders of the Company or their associates, or the parent company's directors or employees.

#### **Provision 8.2**

##### ***Remuneration of Directors' Immediate Family Members for FY2020***

Save for Mrs. Celine Tang, who is a substantial shareholder of the Company, the Company does not have any employee who is a substantial shareholder of the Company, an immediate family member of a Director or the GMD or a substantial shareholder of the Company, whose remuneration exceeds S\$100,000 during FY2020.

### C. ACCOUNTABILITY AND AUDIT

#### **Principal 9: Risk Management and Internal Controls**

##### **Provision 9.1**

##### ***Significant risks, objectives and value creation***

The Board determines the Group's levels of risk tolerance and risk policies. The Group has in place a set of internal controls which sets out approval limits for expenditure, investments and divestments and cheque signatory arrangements. Approval sub-limits are also provided at management and committee levels to facilitate operational efficiency.

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 the Board, the Board with the concurrence of the AC, is satisfied that the Group's risk management systems and internal controls are adequate and effective in addressing financial, operational, compliance and IT risks as at 31 March 2020.

The Board recognises the importance of maintaining a system of internal control processes to safeguard shareholders' interest 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 audits conduct by the internal auditors assess the effectiveness of the Group's internal control procedures and provides reasonable assurance to the AC and Management that the Group's risk management, controls and governance processes are adequate and effective.

The Company has an Enterprise Risk Management Framework in place for the Group. In view of the size and operations of the Company, the Company does not have a separate board risk management committee. The AC and Management will continually assess the adequacy and effectiveness of the risk management framework and processes.



## CORPORATE GOVERNANCE REPORT

### C. ACCOUNTABILITY AND AUDIT (cont'd)

#### **Provision 9.2**

#### **Assurance from GMD, Deputy CEO, CFO**

For FY2020, the GMD, Deputy CEO and CFO 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 SGX-ST Listing 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, Deputy CEO and CFO, 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 of the financial and business risks can be found on pages 138 to 150 of this Annual Report.

#### **Principle 10: Audit Committee**

#### **Provisions 10.1, 10.2 and 10.3**

#### **Composition, roles and expertise of the AC**

#### **The Composition and Role of the AC**

The AC consists of two Independent Non-Executive Directors, namely Mr. Gn (Chairman) and Mr. Hwang Soo Chin. The Company is the midst of sourcing for a candidate to replace Mr. See Yen Tarn who was a member of the AC. The AC members and the AC Chairman have recent and relevant accounting knowledge or related financial management expertise and experience to discharge their duties and responsibilities. None of the AC members were previous partners or directors of the Company's external auditors, KPMG LLP and the Company's internal auditors, Ernst & Young Advisory Pte. Ltd. ("E&Y"), within the last two years or hold any financial interest in KPMG LLP and E&Y. The Board is of the view that the AC members have several years of experience in senior management positions and are appropriately qualified to discharge their responsibilities. The AC met four times in FY2020.

The AC is regulated by a set of written Terms of Reference and its principal functions include, inter-alia:

- 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 financial reporting issues and judgements so as to ensure the integrity of the quarterly, half-yearly and full-year financial statements, and of announcements and press releases to SGX in relation to the company's financial performance and recommend changes;
- To review the assurance provided by the GMD and CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the company's operations and finances;
- To review the Enterprise Risk Management Framework in relation to financial reporting and other financial-related risks and recommend such to the Board for approval;
- To review the adequacy of internal audits in respect of cost, scope and performance;
- To ensure, at least annually, the independence, adequacy and the effectiveness of the internal audit function;
- To review interested person transactions in accordance with the requirements of Chapter 9 of the Listing Rules;
- 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 Listing Rules.
- To ensure that policies and arrangements are in place by which staff may safely raise concerns about possible improprieties in financial reporting or other matters; and
- To review reports on all whistleblowing incidents and ensure that they will be appropriately dealt with.



## CORPORATE GOVERNANCE REPORT

### C. ACCOUNTABILITY AND AUDIT (cont'd)

The AC may also examine any other aspects of the Company's affair, 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.

During the year, the results of the AC's review are reported to the Board.

#### **Whistle-Blowing Policy**

The Company has in place a whistleblowing policy which encourages employees and external parties such as vendors, clients, contractors and other stakeholders to raise concerns, in confidence, on possible irregularities to the AC. It aims to provide an avenue for employees and external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith within the ambit of the law.

The AC oversees the administration of the whistleblowing 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 whistleblowing policy are subject to the recommendation of the AC and approval by the Board prior to implementation. Changes will be notified when they are implemented. There were no reported incidents during FY2020. Report can be lodged via email at [acm@singhaiyi.com](mailto:acm@singhaiyi.com). This policy has been published on the Company's website.

#### **External Auditors**

The external auditors, KPMG LLP, provide periodic updates to the AC members on changes to the accounting standards to enable AC members to keep abreast of such changes and its corresponding impact on the financial statements, if any, and these are discussed at the AC meetings. The AC met with the external auditors in AC meetings approving the quarterly/year-end results during the year.

The AC, from time to time, considers the appropriateness of continuing with the existing external auditors or appointment of new external auditors and factors taken into consideration include performance of the auditor, the technical competence of the audit team and the audit firm, ability to communicate issues and concerns to the AC, ability to meet deadlines and ability to work with Management while maintaining independence and objectivity. The Board and the AC consider it is appropriate to continue with the incumbent auditors.

The Group's external auditors, KPMG LLP, is an accounting firm registered with ACRA. The AC is satisfied that KPMG LLP and the audit engagement partner assigned to the audit have adequate resources and experience to meet its audit obligations. In this connection, the Company has complied with Listing Rules 712 and 715.

The AC has reviewed and is satisfied that the independence and objectivity of the external auditor has not been compromised by the provision of non-audit services. The amount of audit and non-audit fees paid/payable to the external auditor in respect of FY2020 amounted to S\$242,000 and S\$78,000 respectively. Accordingly, the AC has recommended to the Board the nomination of the external auditors, KPMG LLP, for re-appointment at the forthcoming AGM.



## CORPORATE GOVERNANCE REPORT

**C. ACCOUNTABILITY AND AUDIT** (cont'd)

The details of the remuneration of the external auditors of the Company during FY2020 are as follows:

	<b>FY2020 (S\$'000)</b>	<b>FY2019 (S\$'000)</b>
Auditor's remuneration paid/payable to:		
– Auditor of the Company	242	259
– Other auditor	57	28
Other fee paid/payable to:		
– Auditor of the Company	78	83

In carrying out its duties, the AC is guided by the Guidebook for Audit Committees in Singapore.

**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 Company's quarterly/full year results announcements and Annual Report. The Company has not obtained a general mandate from shareholders for interested person transactions.

The transactions with interested persons under Rule 905 & 906 of the Listing Manual of the SGX-ST are as follows:

<b>Name of interested person</b>	<b>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)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>
American Pacific International Capital, Inc. (“ <b>APIC</b> ”) <sup>(1)</sup>	S\$495,000 <sup>(2)</sup>	–
Interest paid/payable to APIC	S\$1,547,000 <sup>(3)</sup>	–
OKH Holdings Pte. Ltd. (“ <b>OKH</b> ”) <sup>(4)</sup>	S\$126,000 <sup>(5)</sup>	–
Huajiang International Corporation Pte. Ltd. (“ <b>HICPL</b> ”) <sup>(6)</sup>	S\$363,000 <sup>(7)</sup>	–
Huajiang Properties II Pte. Ltd. (“ <b>HPIL</b> ”) <sup>(6)</sup>	S\$142,000 <sup>(8)</sup>	–
Haiyi Wealth Pte Ltd. (“ <b>HWPL</b> ”) <sup>(6)</sup>	S\$1,747,000 <sup>(9)</sup>	–



## CORPORATE GOVERNANCE REPORT

**C. ACCOUNTABILITY AND AUDIT (cont'd)****Note:**

- <sup>(1)</sup> APIC is an entity controlled by Mr. Gordon Tang and Mrs. Celine Tang, who collectively own Haiyi Holdings Pte. Ltd. ("Haiyi"), the controlling shareholder of the Company.
- <sup>(2)</sup> This amount represents the consultancy fees to APIC. APIC provided consultancy services to the Company's subsidiaries.
- <sup>(3)</sup> This amount represents the total interest paid/payable to APIC for the provision of loan to a wholly-owned subsidiary of the Company.
- <sup>(4)</sup> OKH is a wholly-owned subsidiary of OKH Global Ltd, which is 44.3% held by Haiyi.
- <sup>(5)</sup> This amount represents the monthly rental received/receivable from OKH.
- <sup>(6)</sup> HICPL, HPIL and HWPL are entities controlled by Mr. Gordon Tang and Mrs. Celine Tang, who collectively own Haiyi.
- <sup>(7)</sup> This amount represents the project management fee paid/payable to SingHaiyi Development Pte Ltd ("SHPL"), a wholly owned subsidiary of the Company. The provision of the project management service is in respect of the development of The Gazania which SingHaiyi Properties Pte. Ltd. ("SPPL"), a wholly owned subsidiary of the Company and HICPL, each took up a 50% equity interest in the development.
- <sup>(8)</sup> This amount represents the project management fee paid/payable to SHPL, a wholly owned subsidiary of the Company. The provision of the project management service is in respect of the development of The Lilium which Corporate Bridge Pte. Ltd. ("CBPL"), a wholly owned subsidiary of the Company and HPIL, each took up a 50% equity interest in the development.
- <sup>(9)</sup> This amount represents the project management fee paid/payable to SHPL, a wholly owned subsidiary of the Company. The provision of the project management service is in respect of the development of Parc Clematis which SingHaiyi Land Pte. Ltd. ("SLPL"), a wholly owned subsidiary of the Company and HWPL, each took up a 50% equity interest in the development.

The transactions with interested persons under Rule 916 (2) of the Listing Manual of the SGX-ST are as follows:

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)
Transactions with HICPL	S\$8,000,000 <sup>(1)</sup>	—
Transactions with HPIL	S\$4,300,000 <sup>(2)</sup>	—
Transactions with HWPL	S\$71,358,000 <sup>(3)</sup>	—

**Note:**

- <sup>(1)</sup> This amount represents the shareholders' loan in respect of the development of The Gazania by SPPL and HICPL.
- <sup>(2)</sup> This amount represents the shareholders' loan in respect of the development of The Lilium by CBPL and HPIL.
- <sup>(3)</sup> This amount represents the shareholders' loan in respect of the development of Parc Clematis SLPL and HWPL.

**Provision 10.4****Internal Audit****Role and Responsibilities of Internal Auditor**

The internal audit function of the Company has been outsourced to an independent accounting and auditing firm, E&Y. The AC has reviewed and confirmed that E&Y is a suitable professional service firm to meet the Company's internal audit obligations, having regard to the adequacy of resources and experience of the firm and the assigned engagement partner, number and experience of supervisory and professional staff assigned to internal audits. The Internal Auditor is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditor.



## CORPORATE GOVERNANCE REPORT

### C. ACCOUNTABILITY AND AUDIT (cont'd)

The internal auditor reports to the AC Chairman on internal audit matters. Internal auditor's performance and remuneration are reviewed by the AC. 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 auditor 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 AC also reviews the independence, adequacy and effectiveness of the internal audit function annually. The Board and the AC are of the view that the internal audit function is adequately resourced, effective and has the appropriate standing within the Group.

#### **Provision 10.5**

##### ***Independent meeting with external and internal auditors***

The AC has full access to the internal and 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 or professionals to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC has met the external auditors and the internal auditor without the presence of Management during FY2020.

### D. SHAREHOLDER RIGHTS AND ENGAGEMENT

#### **Principle 11: Shareholder Rights and Conduct of General Meetings**

##### **Provision 11.1**

##### ***Providing opportunity for shareholders to participate and vote at general 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 Chairman of the AC, NC and RC, as well as the external auditor 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](http://www.singhaiyi.com) for information on the Company.

Under the alternative arrangements for conducting general meetings during the Safe Management Period in the Covid-19 situation ("**Alternative Meeting Arrangements**"), the Chairman of the meeting can only be appointed as the sole proxy by shareholders to attend, speak and vote on their behalf at the forthcoming AGM. Under normal circumstances, the Constitution of the Company currently allows a shareholder of the Company to appoint up to two proxies to attend and vote in his stead at general meetings, and shareholders who are a "relevant intermediary" (as defined under Section 181 of the Companies Act) may also appoint multiple proxies pursuant to the Companies Act. The Company encourages shareholder participation at general meetings. Information on shareholder meeting is disseminated through notice in the annual reports or circular sent to shareholders. The notices are also released through SGXNET and published in the newspapers, as well as posted on the Company's website.

##### **Provision 11.2**

##### ***Separate resolutions at general meetings***

All resolutions put to every shareholders' meeting of the Company are voted separately unless the resolutions are interdependent and linked so as to form one significant proposal. Voting at the forthcoming AGM shall be conducted by poll. Under the Alternative Meeting Arrangements, the votes will be pre-counted based on the proxy forms received at least 48 hours before the AGM and the poll results will be verified by the independent scrutineer. Votes cast, for or against, and the respective percentages on each resolution are tallied and instantaneously announced at the meeting and announced via SGXNET on the same day of the meeting.



## CORPORATE GOVERNANCE REPORT

### D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

#### ***Provision 11.3***

##### ***Attendees at general meetings***

In FY2020, the Chairman of the Board and the Chairman of each Board Committee, and the KMP attended all the general meetings to address issues raised by shareholders.

The Company's external auditor were also present at the meetings to address relevant queries from shareholders. The attendance of the Directors attending the general meetings is set out under Provision 1.5 of this Report.

#### ***Provision 11.4***

##### ***Absentia voting at general meetings***

Provision has been made under Article 76 of the Constitution, allowing for shareholders to vote in absentia. Examples of absentia voting are voting via mail, electronic mail or facsimile at the general meetings. However, such methods may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web is not compromised. Therefore, at this point in time, the Company does not allow a shareholder to vote in absentia at general meetings, except through the appointment of a proxy, attorney or in the case of a corporation, a corporate representative, to cast their vote in the stead.

#### ***Provision 11.5***

##### ***Minutes of general meetings***

The Company prepares minutes of general meeting with details of the proceedings, questions raised by shareholders and answers given by the Board and Management and the voting results of each resolution. Under the Alternative Meeting Arrangements, Minutes of the AGM will be published via the Company's website and SGXNet within one month from the date of the AGM.

#### ***Provision 11.6***

##### ***Dividend Policy***

The Company has a dividend policy in place. The form, frequency and amount of dividends declared will depend on the Company's earnings, general financial and business condition, results of operations, projected capital requirements for business growth, cash flow, development plans and other factors as the Directors may deem appropriate.

### E. ENGAGEMENT WITH SHAREHOLDERS

#### **Principle 12: Communication with Shareholders**

##### ***Provision 12.1, 12.2 and 12.3***

##### ***Communication with shareholders***

The Company is committed to maintaining sustainable and effective communications with its shareholders and investment community.

The Company has an investor relations policy in place. The policy outlines the channels and processes of the Company to ensure timely, effective, unbiased and transparent communication with its shareholders and investment community.



## CORPORATE GOVERNANCE REPORT

### E. ENGAGEMENT WITH SHAREHOLDERS (cont'd)

The Company actively engages its shareholders and the investment community via:

- AGM and Extraordinary General Meeting (“**EGM**”) if necessary;
- quarterly and full year financial results announced via SGXNet to SGX-ST and posted on the Company’s website;
- site and property visits;
- roadshows;
- media interviews;
- analyst briefings;
- annual reports;
- press releases and statements;
- Notices of and explanatory notes for AGMs and EGMs;
- Company’s website ([www.singhaiyi.com](http://www.singhaiyi.com))

Shareholders and investment community are also encouraged to contact or write to the Company’s investor relations as follows:

Citigate Dewe Rogerson Singapore Pte Ltd  
105 Cecil Street  
#09-01 The Octagon  
Singapore 069534  
Tel: +65 6534 5122  
Email: [IR@singhaiyi.com](mailto:IR@singhaiyi.com)  
Ms. Chia Hui Kheng  
Ms. Samantha Koh  
Mr. Justin Teh

### F. MANAGING STAKE HOLDERS RELATIONSHIP

#### Principle 13: Engagement with Stakeholders

##### ***Provision 13.1, 13.2 and 13.3***

##### ***Managing stakeholder relationships***

The Company has appropriate channels in place to identify and engage with its material stakeholders groups. It recognises the importance of having intimate knowledge of its business and regular interactions with its stakeholders to determine material issues for its business.

The Company’s approach to stakeholders’ engagement and materiality assessment can be found under “Sustainability Report” section of this Annual Report.

The Company has a corporate website to communicate and engage with all stakeholders.

### G. 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, officers and relevant employees. During FY2020, the Company sent out memoranda and e-mails to its Directors, officers and relevant employees to remind them that the Directors, officers and relevant employees 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. With effect from 7 February 2020, the Company is qualified not to do quarterly reporting. As such, the Company is required to send out such memoranda and emails to its Directors, officers and relevant employees one month before the announcement of the Company’s half year and full year results and ending the date of announcement of the relevant results.



## CORPORATE GOVERNANCE REPORT

**G. DEALINGS IN COMPANY'S SECURITIES** (cont'd)

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

Directors are required to report to the Company Secretary whenever they deal in the Company's shares and the latter or the Company will make the necessary announcements in accordance with the requirements of the SGX-ST's Listing Rules and the Securities and Futures Act, Chapter 289.

**H. CODE OF CONDUCTS**

The Company has an Employee Code of Conduct that sets the standards and ethical conduct expected of employees. The Employee Code of Conduct provides guidance on issues such as conflict of interest, the Company's stance against fraud and bribery, and safeguarding of Company's assets, proprietary information and intellectual property. Employees are required to observe and maintain high standards of integrity, as well as compliance with laws and regulations, and company policies. The Company has in place practices covering data protection and workplace health and safety, and clear guidelines on how to handle workplace harassment and grievances. The Employee Code of Conduct, policies and guidelines are printed and given to all employees.

**I. MATERIAL CONTRACTS**

Save for the IPTs as disclosed above, there were no material contracts entered into between the Company or any of its subsidiaries with any Director or controlling shareholder in FY2020.

**J. 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 gross proceeds of S\$193.01 million be utilised to pursue the property investment in the US.

**a. Rights Issue in July 2013**

	<b>S\$ million</b>
Proceeds from Rights Issue	193.01
<b>Use of proceeds in accordance with the intended use stated in circular dated 13 June 2013:</b>	
(1) Professional fees and related expenses of the Rights Issue	0.35
(2) Payment of bid price of 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
(4) Partial payment of secured debt of US\$29.8 million in relation to acquisition of Vietnam Town ("VT")	8.59
(5) Capital expenditure on TCM	7.88
(6) Development costs on 5TM	14.15
(7) Transaction costs in relation to TCM	1.95
(8) Transaction costs in relation to VT	0.99
(9) Transaction costs in relation to 5TM	0.57
(10) General working capital	10.41
<b>Balance of net proceeds as at date of this report</b>	<b>61.14</b>

The breakdown of general working capital presented are as follows:

1. Professional fees	0.46
2. Financing costs	8.78
3. Marketing and Administrative expenses	1.17
General working capital	<b>10.41</b>



## CORPORATE GOVERNANCE REPORT

**J. USE OF PROCEEDS** (cont'd)

The Company had on 14 March 2018 completed the issuance of 1,435,148,925 new Shares pursuant to a Rights issue in January 2018. It was intended that the gross proceeds of S\$143.51 million be utilised to pursue property investments either through direct acquisition of real estate or the acquisition of vehicles holding the real estate and for general corporate and working capital purposes.

**b. Rights Issue in March 2018**

	<b>S\$ million</b>
Gross proceeds from Rights Issue	143.51
Less: Professional fees and related expenses of the Rights Issue	(0.35)
Net proceeds from Rights Issue	<u>143.16</u>

**Use of proceeds in accordance with the intended use stated in Offer Information Statement dated 19 February 2018**

	<b>Amount utilised (S\$ million)</b>
1. Payment for acquisition of The Gazania	27.10
2. Payment for acquisition of Parc Clematis	101.74
3. General working capital	14.32
<b>Balance of net proceeds as at date of this report</b>	<u><u>—</u></u>

The breakdowns of the use of proceeds for general working capital are as follows:

1. Professional fees	0.10
2. Financing costs	13.16
3. Marketing and Administrative expenses	1.06
General working capital	<u><u>14.32</u></u>