IMPORTANT NOTICE

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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Confirmation of your Representation: In order to be eligible to view this Information Memorandum or make an investment decision with respect to the securities, investors must not be located in the United States. This Information Memorandum is being sent at your request and by accepting the e-mail and accessing this Information Memorandum, you shall be deemed to have represented to us that (1) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and, to the extent you purchase the securities described in the Information Memorandum, you will be doing so pursuant to Regulation S under the Securities Act and (2) you consent to delivery of such Information Memorandum and any amendments and supplements thereto by electronic transmission. By accepting this document, if you are an investor in Singapore, you (1) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), a relevant person as defined under Section 275(2) of the SFA or persons to whom an offer is being made, as referred to in Section 275(1A) of the SFA, and (2) agree to be bound by the limitations and restrictions described herein.

You are reminded that this Information Memorandum has been delivered to you on the basis that you are a person into whose possession this Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Information Memorandum to any other person.

The materials relating to the offering of securities to which this Information Memorandum relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the lead manager or any affiliate of the lead manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the lead manager or such affiliate on behalf of Wing Tai Holdings Limited in such jurisdiction.

This Information Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Wing Tai Holdings Limited, DBS Bank Ltd. or any person who controls any of them or any director, officer, employee or agent of any of them or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Information Memorandum distributed to you in electronic format and the hard copy version available to you on request from DBS Bank Ltd.

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Information Memorandum dated 20 June 2017

WING TAI HOLDINGS LIMITED

(Incorporated with limited liability in the Republic of Singapore on 9 August 1963)
Company Registration Number: 196300239D

S$150,000,000 4.08 per cent. Senior Perpetual Capital Securities

Issue price: 100 per cent.

The S$150,000,000 4.08 per cent. Senior Perpetual Capital Securities (the "**Securities**") will be issued by Wing Tai Holdings Limited (the "**Issuer**"). The Securities confer a right to receive distributions (each a "**Distribution**"), at a rate (the "**Distribution Rate**") of (i) in respect of the period from (and including) 28 June 2017 (the "**Issue Date**") to (but excluding) 28 June 2022 (the "**First Reset Date**"), 4.08 per cent. per annum, (ii) in respect of the period from (and including) the First Reset Date to (but excluding) 28 June 2027 (the "**Step-Up Date**"), the applicable Reset Distribution Rate (as defined in "*Terms and Conditions of the Securities*") and (iii) in respect of the period from (and including) the Step-Up Date and each Reset Date (as defined in "*Terms and Conditions of the Securities*") falling thereafter to (but excluding) the immediately following Reset Date, the applicable Reset Distribution Rate, Provided always that in the event that a Change of Control Event (as defined in "*Terms and Conditions of the Securities*") has occurred, if the Issuer has not redeemed the Securities in accordance with the Terms and Conditions of the Securities, the then prevailing Distribution Rate shall be increased by one per cent. per annum with effect from (and including) the Distribution Payment Date immediately following the date on which the Change of Control Event occurred (or, if the Change of Control Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date). The Securities will be issued on or about the Issue Date and will be constituted by a trust deed to be dated on or before the Issue Date between the Issuer and DBS Trustee Limited as trustee (the "**Trustee**"). Subject to the provisions of the Securities relating to deferral of Distributions (see "*Terms and Conditions of the Securities — Distribution Deferral*"), Distributions shall be payable semi-annually in arrear on 28 June and 28 December in each year (each a "**Distribution Payment Date**").

The Issuer may, at its sole discretion, elect to defer any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date by giving notice of such election to the holders of the Securities (the "**Securityholders**") not less than 10 nor more than 20 business days (as defined in "*Terms and Conditions of the Securities*") prior to the relevant Distribution Payment Date unless a Compulsory Distribution Payment Event (as defined in "*Terms and Conditions of the Securities*") has occurred during the 12 months ending on the day before such Distribution Payment Date. Any Distribution so deferred shall constitute "**Arrears of Distribution**". If, on any Distribution Payment Date, payment of Distributions (including Arrears of Distribution and Additional Distribution Amount (as defined in "*Terms and Conditions of the Securities*")) scheduled to be made on such date is not made in full, the Issuer and its subsidiaries will be subject to the restrictions as described in "*Terms and Conditions of the Securities — Distribution Deferral — Distribution and Capital Stopper*". Each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Securities at the Distribution Rate. The Issuer may further defer any Arrears of Distributions by complying with the foregoing notice requirement and is not subject to any limit as to the number of times Distributions and Arrears of Distribution can be deferred. See "*Terms and Conditions of the Securities — Distribution Deferral*".

The Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves, and at least *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

The Securities are perpetual securities and have no fixed final redemption date. The Securities may be redeemed at the option of the Issuer, in whole, but not in part, at any time on 28 June 2022 or any Distribution Payment Date thereafter, on giving not less than 30 nor more than 60 days' irrevocable notice to the Securityholders, the Agents and the Trustee. The Securities may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) upon the occurrence of; *inter alia*: (i) a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms, *inter alia*, that the Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations, (ii) any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment is made public on or after the Issue Date such that the Issuer has or will become obliged to pay additional amounts in respect of the Securities and such obligations cannot be avoided by the Issuer taking reasonable measures available to it; (iii) any change in, or amendment to, the Singapore Financial Reporting Standards ("**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer resulting in the Securities not being recorded as "equity" of the Issuer; (iv) a Tax Deductibility Event (as defined in "*Terms and Conditions of the Securities*"); (v) a Change of Control Event or (vi) the aggregate principal amount of the Securities outstanding being less than 10 per cent. of the aggregate principal amount originally issued. See "*Terms and Conditions of the Securities – Redemption and Purchase*". Payment on the Securities will be made without deduction for or on account of taxes of Singapore to the extent described under "*Terms and Conditions of the Securities — Taxation*".

Approval in-principle for the listing and quotation of the Securities on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") has been obtained. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Information Memorandum. Approval in-principle for the listing and quotation of the Securities is not to be taken as an indication of the merits of the Securities, the Issuer and/or its subsidiaries.

For a discussion of certain investment considerations relating to the Securities, see "*Risk Factors*".

The Securities will be issued in registered form in the denomination of S$250,000. The Securities will be represented by a global certificate (the "**Global Certificate**") in registered form which will be registered in the name of The Central Depository (Pte) Limited (the "**Depository**") on or about the Issue Date. Individual certificates (the "**Certificates**") evidencing holdings of Securities will be available only in certain limited circumstances described under "*Summary of the Provisions Relating to the Securities while in Global Form*".

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Securities are being offered in offshore transactions outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and, subject to certain exceptions, may not be offered or sold within the United States.

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("MAS"). Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

The Securities are not, and are not expected to be, rated by any rating agency.

Sole Lead Manager and Bookrunner

DBS

The Issuer accepts responsibility for the information contained in this Information Memorandum. This Information Memorandum contains all information with respect to the Issuer and the Group (as defined below) and to the Securities that is material in the context of the issue and offering of the Securities (including all information required by applicable laws and the information that, according to the particular nature of the Issuer and of the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of the rights attaching to the Securities). The statements contained in this Information Memorandum relating to the Issuer and to the Group are in all material respects true and accurate and not misleading, the opinions and intentions expressed in this Information Memorandum with regard to the Issuer and to the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and there are no other facts in relation to the Issuer, the Group or the Securities the omission of which would, in the context of the issue and offering of the Securities, make any statement in this Information Memorandum misleading in any material respect. All reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States. The Issuer and DBS Bank Ltd. (the "**Lead Manager**") reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the issue and offering of the Securities may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Lead Manager, the Trustee or the Agents (as defined herein) to subscribe for or purchase the Securities and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

None of the Lead Manager, the Trustee, any of the Agents or any of their respective affiliates has separately verified the information contained in this Information Memorandum. None of the Issuer, the Lead Manager, the Trustee, the Agents or any of their respective officers or employees is making any representation, warranty or undertaking, express or implied, as to the merits of the Securities or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, the Lead Manager, the Trustee and the Agents make no representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information contained in this Information Memorandum or any other information supplied in connection with the Securities (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provision of the SFA). Each person receiving this Information Memorandum acknowledges that such person has not relied on the Lead Manager, the Trustee, the Agents or on any person affiliated with the Lead Manager, the Trustee or the Agents in connection with its investigation of the accuracy of such information or its investment decision.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Lead Manager, the Trustee or the Agents that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities. Each potential purchaser of the Securities shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer, its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer, its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Lead Manager, the Trustee, the Agents or any of its officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Lead Manager, the Trustee or any of the Agents. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any).

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the Lead Manager of the Securities. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the Lead Manager as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The distribution of this Information Memorandum and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restriction. The Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, Securities may not be offered or sold within the United States or to U.S. persons (as defined in Regulation S). For a description of certain restrictions on offers and sales of Securities and on distribution of this Information Memorandum, see "*Subscription and Sale*".

This Information Memorandum does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Lead Manager to subscribe for, or purchase, any Securities.

To the fullest extent permitted by law, none of the Lead Manager, the Trustee or the Agents accepts any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Lead Manager, the Trustee or the Agents or on its behalf in connection with the Issuer or the issue and offering of the Securities. The Lead Manager and the Trustee and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Subscription Agreement (as defined herein) and the issue of the Securities by the Issuer pursuant to the Subscription Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Lead Manager, the Trustee or the Agents) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Subscription Agreement.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under "Subscription and Sale" on pages 81 to 83 of this Information Memorandum.

Any person(s) who is invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and its subsidiaries (the "**Group**") (including the financial forecasts, profit projections, statements as to the expansion plans of the Group, expected growth in the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors are discussed in greater detail under the section "*Risk Factors*".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Group to be materially different from the results, performance or achievements expected, expressed or implied by the forward-looking statements in this Information Memorandum, undue reliance must not be placed on such forward-looking statements. None of the Group, the Lead Manager, the Trustee or the Agents represents nor warrants that the actual future results, performance or achievements of the Group will be as discussed in those statements. Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of any Securities shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Group disclaims any responsibility, and undertakes no obligation, to update or revise any forward-looking statement contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which such statements are based.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless otherwise stated, all financial and other data regarding the Issuer's business and operations presented herein is on a consolidated basis. The Issuer has included, in the "Index to Financial Statements" section of this Information Memorandum, its consolidated financial statements for the financial years ended 30 June 2015 and 30 June 2016, prepared in accordance with Singapore Financial Reporting Standards ("**SFRS**") and audited by PricewaterhouseCoopers LLP, the Independent Auditors. The auditors' report for the financial years ended 30 June 2015 and 30 June 2016 and the unaudited financial statements announcement for the nine months ended 31 March 2017 are attached thereto.

The financial statements for the nine months ended 31 March 2017 and 31 March 2016 have been derived from the Issuer's unaudited financial statements announcement for the nine months ended 31 March 2017. The Issuer has prepared the unaudited financial statements on the same basis as its audited financial statements, except for the adoption of the new/amended Financial Reporting Standards and Interpretation of FRS which are mandatory for application from 1 July 2011.

In this Information Memorandum, unless otherwise specified or the context otherwise requires, all references to "**Singapore**" are references to the Republic of Singapore and all references to the "**U.S**." and "**United States**" are references to the United States of America. All references to the "**Government**" herein are references to the government of the Republic of Singapore. References herein to "**Singapore dollars**" and "**S$**" are to the lawful currency of Singapore and all references to "**U.S. dollars**" and "**U.S.$**" are to the lawful currency of the United States of America.

In this Information Memorandum, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth the selected consolidated financial information of the Group as at and for the periods indicated. The Group's financial statements are reported in Singapore dollars.

The selected consolidated financial information as of and for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 and the nine months ended 31 March 2016 and 31 March 2017 has been derived from the Group's financial statements included in this Information Memorandum and should be read together with those financial statements and the notes thereto. The Group's audited financial statements for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 contained in this Information Memorandum were prepared and presented in accordance with then applicable Singapore Financial Reporting Standards.

CONSOLIDATED INCOME STATEMENTS

*Audited consolidated income statements for the financial years ended 30 June 2016, 30 June 2015 and 30 June 2014 and unaudited consolidated income statements for the nine months ended 31 March 2017 ("**9M2017**") and the nine months ended 31 March 2016 ("**9M2016**")*

	9M2017 S$'000	9M2016 S$'000	2016 S$'000	2015 S$'000	2014 S$'000
Revenue	204,568	403,846	544,531	676,715	803,393
Cost of sales	(100,534)	(243,372)	(347,443)	(417,348)	(449,593)
Gross profit	104,034	160,474	197,088	259,367	353,800
Other gains – net	11,639	7,614	6,356	41,884	42,913
Expenses					
- Distribution	(50,492)	(69,225)	(88,457)	(106,160)	(120,255)
- Administrative and other	(64,029)	(67,223)	(87,471)	(91,744)	(78,864)
Operating profit	1,152	31,640	27,516	103,347	197,594
Finance costs	(30,253)	(33,348)	(45,542)	(47,335)	(39,897)
Share of profits of associated and joint venture companies	41,250	29,515	59,399	119,283	154,774
Profit before income tax	12,149	27,807	41,373	175,295	312,471
Income tax credit / (expense)	1,399	(15,621)	(25,712)	(9,352)	(36,129)
Total profit	13,548	12,186	15,661	165,943	276,342
Attributable to:					
Equity holders of the Company	10,625	5,202	7,079	150,304	254,390
Non-controlling interests	2,923	6,984	8,582	15,639	21,952
	13,548	12,186	15,661	165,943	276,342
Earnings per share attributable to equity holders of the Company (cents)					
Basic	1.37	0.67	0.91	19.16	32.39
Diluted	1.37	0.67	0.87	19.03	32.15

CONSOLIDATED BALANCE SHEETS

Audited consolidated balance sheets as at 30 June 2016, 30 June 2015 and 30 June 2014 and unaudited consolidated balance sheets as at 31 March 2017 and 31 March 2016

	As at 31 March 2017 S$'000	As at 31 March 2016 S$'000	As at 30 June 2016 S$'000	As at 30 June 2015 S$'000	As at 30 June 2014 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	748,039	793,666	722,883	880,611	834,762
Trade and other receivables	39,809	24,790	45,359	28,637	79,972
Inventories	17,149	19,509	21,568	20,015	28,039
Development properties	1,050,376	1,217,957	1,228,769	1,265,103	1,482,874
Tax recoverable	5,458	6,220	3,698	6,482	8,532
Other current assets	49,612	32,919	29,061	40,477	43,711
Assets held for sales	-	-	495,512	-	-
	1,910,443	2,095,061	2,546,850	2,241,325	2,477,890
Non-current assets					
Available-for-sale financial assets	23,948	6,321	6,276	6,267	3,189
Trade and other receivables	225,963	652,450	216,157	400,111	382,068
Derivative financial instruments	9,269	16,654	15,178	4,769	-
Investments in associated and joint venture companies	1,574,815	1,550,870	1,496,998	1,530,251	1,313,513
Investment properties	610,108	582,588	577,732	585,527	575,263
Property, plant and equipment	112,798	111,655	116,444	119,310	131,491
	2,556,937	2,920,538	2,428,785	2,646,235	2,405,524
Total assets	4,467,380	5,015,599	4,975,635	4,887,560	4,883,414
LIABILITIES					
Current liabilities					
Derivative financial instruments	-	-	-	-	8,564
Trade and other payables	101,272	108,254	133,056	176,878	260,369
Current income tax liabilities	32,452	35,471	38,905	51,222	57,206
Borrowings	4,716	41,393	87,348	35,984	186,365
	138,440	185,118	259,309	264,084	512,504
Non-current liabilities					
Borrowings	951,152	1,373,417	1,289,158	1,155,375	1,115,858
Deferred income tax liabilities	42,874	61,359	65,167	64,010	72,694
Other non-current liabilities	20,854	35,380	29,475	41,890	39,544
	1,014,880	1,470,156	1,383,800	1,261,275	1,228,096
Total liabilities	1,153,320	1,655,274	1,643,109	1,525,359	1,740,600
NET ASSETS	3,314,060	3,360,325	3,332,526	3,362,201	3,142,814

	As at 31 March 2017 S$'000	As at 31 March 2016 S$'000	As at 30 June 2016 S$'000	As at 30 June 2015 S$'000	As at 30 June 2014 S$'000
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	838,250	838,250	838,250	838,250	838,250
Other reserves	(20,582)	14,649	(33,657)	76,717	56,985
Retained earnings	2,291,615	2,297,063	2,318,116	2,258,202	2,074,420
	3,109,283	3,149,962	3,122,709	3,173,169	2,969,655
Non-controlling interests	204,777	210,363	209,817	189,032	173,159
TOTAL EQUITY	3,314,060	3,360,325	3,332,526	3,362,201	3,142,814

Please refer to the section "Index to Financial Statements" in this Information Memorandum for the audited financial statements for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 and the unaudited financial statements announcements for the nine months ended 31 March 2016 and 31 March 2017.

FINANCIAL REVIEW

9M2017 v 9M2016

For the nine months ended 31 March 2017 ("**3Q2017 period**"), the Group recorded a total revenue of S$204.6 million. This is a 49% decrease from the S$403.8 million revenue recorded in the nine months ended 31 March 2016 ("**3Q2016 period**"). This decrease was largely due to the lower contributions from development properties.

The 3Q2017 period revenue from development properties was mainly attributable to the progressive sales recognized from The Tembusu and the additional unit sold in Le Nouvel Ardmore in Singapore.

The Group's operating profit decreased by 96% from S$31.6 million in the 3Q2016 period to S$1.2 million in the 3Q2017 period, largely due to the lower contributions from development properties.

The Group's share of profits of associated and joint venture companies increased by 40% to S$41.2 million in the 3Q2017 period from S$29.5 million in the 3Q2016 period mainly due to the higher contributions from WTP in Hong Kong and Uniqlo in both Singapore and Malaysia.

In the 3Q2017 period, the Group's net profit attributable to shareholders was S$10.6 million, an increase of 104% over the S$5.2 million net profit recorded in the 3Q2016 period.

The Group's net asset value per share as at 31 March 2017 was S$4.02 as compared to S$4.04 as at 30 June 2016. The Group's net gearing ratio as at 31 March 2017 was 0.07 times as compared to 0.21 times as at 30 June 2016.

FY2016 v FY2015

For the financial year ended 30 June 2016 ("**FY2016**"), the Group recorded a total revenue of S$544.5 million. This represented a 20% decrease from the S$676.7 million revenue recorded in the previous year. Revenue for FY2016 was mainly attributable to the progressive sales recognised from The Tembusu and the additional units sold in Le Nouvel Ardmore in Singapore, The Lakeview in China as well as the contribution from Phase 2 of Jesselton Hills in Penang. The Group's operating profit decreased by 73% from S$103.3 million to S$27.5 million in FY2016.

The Group's share of profits of associated and joint venture companies decreased by 50% to S$59.4 million in FY2016 from S$119.3 million in the previous year, largely due to the lower fair value gains on investment properties of WTP in Hong Kong.

The Group's net profit attributable to shareholders for FY2016 was S$7.1 million, a decrease of 95% over the net profit of S$150.3 million recorded in the previous year.

The Group's net asset value per share as at 30 June 2016 was S$4.04 as compared to S$4.07 as at 30 June 2015. The Group's net gearing ratio increased to 0.21 times as at 30 June 2016 from 0.10 times as at 30 June 2015.

FY2015 v FY2014

For the financial year ended 30 June 2015 ("**FY2015**"), the Group recorded a total revenue of S$676.7 million. This represented a 16% decrease from the S$803.4 million revenue recorded in the previous year. Revenue for FY2015 was mainly attributable to the progressive sales recognized from The Tembusu, the additional units sold in Le Nouvel Ardmore, Foresque Residences and Helios Residences in Singapore and The Lakeview in China.

The Group's operating profit decreased by 48% from S$197.6 million to S$103.3 million, in line with the lower revenue. In FY2015, the Group's operating profit included fair value gains on investment properties of S$12.5 million, as compared to S$11.1 million gains in the previous year.

The Group's share of profits of associated and joint venture companies decreased by 23% to S$119.3 million in FY2015. This decrease was primarily due to the lower share of profit from WTP in Hong Kong.

The Group's net profit attributable to shareholders for FY2015 was S$150.3 million, a decrease of 41% over the net profit of S$254.4 million recorded in the previous year.

The Group's net asset value per share as at 30 June 2015 was S$4.07 as compared to S$3.78 as at 30 June 2014. The Group's net gearing ratio was reduced to 0.10 times as at 30 June 2015 from 0.16 times as at 30 June 2014.

SUMMARY OF THE OFFERING

*The following is a general summary of the offering of the Securities. This summary is partly derived from and should be read in conjunction with the full text of the terms and conditions of the Securities (the "**Conditions**"), the Trust Deed (the "**Trust Deed**") and the Agency Agreement (the "**Agency Agreement**") relating to the Securities. The Conditions, the Trust Deed and the Agency Agreement will prevail to the extent of any inconsistency with the terms set out in this summary. Capitalised terms used herein and not otherwise defined have the respective meanings given to such terms in the Conditions.*

Issuer: Wing Tai Holdings Limited.

Description: S$150,000,000 4.08 per cent. Senior Perpetual Capital Securities.

Issue Date: 28 June 2017.

Status of the Securities: The Securities will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves, and at least *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

Issue Price: 100 per cent. of the principal amount of the Securities.

Form and Denomination: The Securities will be issued in registered form in the specified denomination of S$250,000.

Distributions: Subject to Condition 5, the Securities confer a right to receive distribution (each a "**Distribution**") from and including the Issue Date at the applicable Distribution Rate (as defined below), payable semi-annually in arrear on 28 June and 28 December in each year (each a "**Distribution Payment Date**") with the first payment of distribution being made on 28 December 2017 (the "**First Distribution Payment Date**") in respect of the period from (and including) the Issue Date to (but excluding) the First Distribution Payment Date.

Distribution Rate: The rate of distribution (the "**Distribution Rate**") applicable to the Securities shall be:

(i) in respect of the period from (and including) the Issue Date to (but excluding) 28 June 2022 (the "**First Reset Date**"), 4.08 per cent. per annum;

(ii) in respect of the period from (and including) the First Reset Date to (but excluding) 28 June 2027 (the "**Step-Up Date**"), the applicable Reset Distribution Rate (as defined below); and

(iii) in respect of the period from (and including) the Step-Up Date and each Reset Date (as defined below) falling thereafter to (but excluding) the immediately following Reset Date, the applicable Reset Distribution Rate, Provided always that in the event that a Change of Control Event (as defined below) has occurred, if the Issuer has not redeemed the Securities in accordance with Condition 6(f), the then prevailing Distribution Rate shall be increased by one per cent. per annum (the "**Step-Up Margin**") with effect from (and including) the Distribution Payment Date immediately following the date on which the Change of Control Event occurred (or, if the Change of Control Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purposes of this section:

(1) "**Reset Date**" means the First Reset Date and each date falling every five years after the First Reset Date; and

(2) "**Reset Distribution Rate**" means:

   (i) (in respect of the period from (and including) the First Reset Date to (but excluding) the Step-Up Date) the Swap Offer Rate (as defined in the Conditions) with respect to the relevant Reset Date plus the Initial Spread (as defined in the Conditions);

   (ii) (in respect of the period from (and including) the Step-Up Date and each Reset Date falling thereafter to (but excluding) the immediately following Reset Date) the Swap Offer Rate with respect to the relevant Reset Date plus the Initial Spread plus the Step-Up Margin;

Optional Deferral of Distributions:

The Issuer may, at its sole discretion, elect to defer any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Deferral Notice**") of such election to the Securityholders in accordance with Condition 16, the Trustee and the Agents not less than 10 nor more than 20 business days prior to the relevant Distribution Payment Date unless, during the 12 months ending on the day before such Distribution Payment Date, either or both of the following (each such event, a "**Compulsory Distribution Payment Event**") have occurred:

(i) a dividend, distribution or other payment has been paid or declared by the Issuer or any of its subsidiaries on or in respect of any of the Junior Obligations or (except on a *pro rata* basis with the Securities) any of its Specified Parity Obligations; or

(ii) any of the Junior Obligations has been redeemed, reduced, cancelled, bought-back or acquired for any consideration by the Issuer or any of its subsidiaries or (except on a *pro rata* basis with the Securities) any of its Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration.

For the purposes of this section:

(1) "**Junior Obligation**" means (A) any ordinary shares of the Issuer and (B) any class of the Issuer's share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Securities; and

(2) "**Specified Parity Obligations**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (A) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities and (B) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

Arrears of Distribution:

Any Distribution deferred pursuant to Condition 5(a) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect (in the circumstances set out in Condition 5(a)) to further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distributions can or shall be deferred pursuant to Condition 5 except that Condition 5(d) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Securities at the Distribution Rate and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to Condition 5 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

The Issuer:

(i) may satisfy any Arrears of Distribution (in whole or in part) at any time together with any Additional Distribution Amount by giving notice of such election to the Securityholders (in accordance with Condition 16), the Trustee and the Agents not less than 10 nor more than 20 business days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy all Arrears of Distribution (in whole but not in part) on the earliest of:

(1) the date of redemption of the Securities in accordance with Conditions 6(b), 6(c), 6(d), 6(e), 6(f) or 6(g);

(2) the next Distribution Payment Date on the occurrence of a breach of Condition 5(e); and

(3) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer.

Any partial payment of outstanding Arrears of Distribution or any Additional Distribution Amount by the Issuer shall be shared by the Securityholders on a *pro rata* basis.

Restrictions in the case of a Deferral:

If, on any Distribution Payment Date, payment of Distributions (including Arrears of Distribution and Additional Distribution Amount) scheduled to be made on such date is not made in full by reason of Condition 5, the Issuer shall not and shall procure that none of its subsidiaries shall:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on any of the Junior Obligations or (except on a *pro rata* basis with the Securities) any of its Specified Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of its Junior Obligations or (except on a *pro rata* basis with the Securities) any of its Specified Parity Obligations,

unless and until the Issuer (1) has satisfied in full all outstanding Arrears of Distribution and Additional Distribution Amount; or (2) is permitted to do so by an Extraordinary Resolution.

Maturity Date:

The Securities are perpetual securities in respect of which there is no fixed redemption date.

Redemption at the Option of the Issuer:

The Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Securityholders, the Agents and the Trustee, redeem all (and not some only) of the Securities on 28 June 2022 or any Distribution Payment Date thereafter. Any such redemption of Securities shall be at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption).

Redemption for Taxation Reasons:

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Agents and the Trustee (which notice shall be irrevocable), at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(1) the Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(2) the Distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date, and such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due.

Prior to the publication of any notice of redemption pursuant to Condition 6(b), the Issuer shall deliver to the Trustee:

(A) a certificate signed by two directors of the Issuer stating that the obligation referred to in (ii) above cannot be avoided by the Issuer taking reasonable measures available to it; and

(B) an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment to the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

Redemption for Accounting Reasons:

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Agents and the Trustee (which notice shall be irrevocable), at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if the Securities must not or must no longer be recorded as "equity" of the Issuer as a result of any change in, or amendment to, the Singapore Financial Reporting Standards ("**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), which change or amendment becomes effective on or after the Issue Date.

Prior to the publication of any notice of redemption pursuant to Condition 6(d), the Issuer shall deliver to the Trustee:

(A) a certificate signed by two directors of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(B) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

Redemption for Tax Deductibility Reasons:

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Agents and the Trustee (which notice shall be irrevocable), at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

    (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;

    (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the

publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or

(3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is issued or announced before the Issue Date,

the Distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer would no longer, or within 90 days of the date of the opinion referred to in paragraph (B) below would not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA (the "**Tax Deductibility Event**"); or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the Distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to Condition 6(e), the Issuer shall deliver or procure that there is delivered to the Trustee:

(A) a certificate signed by two directors of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(B) an opinion of the Issuer's independent tax or legal advisers of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in which event it shall be conclusive and binding on the Securityholders.

Redemption upon a Change of Control:

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Agents and the Trustee (which notice shall be irrevocable), at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Change of Control Event.

For the purposes of this section:

(1) "**Change of Control Event**" means:

  (i) any Person or Persons (acting together with its related corporations) (other than Permitted Holders) acquires or acquire Control of the Issuer, if such Person or Persons does not or do not have, and would not be deemed to have, Control over the Issuer on the Issue Date; or

  (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person or Persons (acting together with its related corporations) (other than Permitted Holders), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Issuer or the successor entity;

(2) "**Control**" means:

  (i) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer; or

  (ii) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

(3) "**Immediate Family**" has the meaning ascribed to it under the section entitled "*Definitions and Interpretation*" of the Listing Manual of the Singapore Exchange Securities Trading Limited;

(4) "**Permitted Holder**" means any Person or group of Persons who is or are the Immediate Family of any Person or group of Persons who has Control of the Issuer on the Issue Date;

(5) "**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality; and

(6) "**related corporation**" has the meaning ascribed to it in the Companies Act, Chapter 50 of Singapore.

Prior to the publication of any notice of redemption pursuant to Condition 6(f), the Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by two directors of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

Redemption in the case of Minimal Outstanding Amount:	The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Agents and the Trustee (which notice shall be irrevocable), at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.
Limited right to institute proceedings in relation to the Securities:	Notwithstanding any of the provisions in Condition 9, the right to institute winding-up proceedings is limited to circumstances where payment under the Securities has become due. In the case of any Distribution (including any Arrears of Distribution or any Additional Distribution Amount), such Distribution will not be due if the Issuer has elected to defer such Distribution pursuant to Condition 5.
Enforcement Events:	If (i) the Issuer fails to pay the principal of or any Distributions (including any Arrears of Distribution and any Additional Distribution Amount) on any of the Securities when due and such failure continues for a period of 10 business days in the case of Distributions (including any Arrears of Distribution and any Additional Distribution Amount) or two business days in the case of principal or (ii) an order is made or an effective resolution is passed for the Winding-Up or dissolution of the Issuer (together, the "**Enforcement Events**"), the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may, subject to the provisions of Condition 9(a), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment. For the purposes of the Conditions, "**Winding-Up**" means, with respect to the Issuer, a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer.
Clearing System:	The Securities will be represented by beneficial interests in the Global Certificate, which will be registered in the name of the Depository, and deposited on the Issue Date with the Depository. Beneficial interests in the Global Certificate will be shown on and transfers thereof will be effected only through records maintained by the Depository. Except as described herein, certificates for Securities will not be issued in exchange for beneficial interests in the Global Certificate.

Taxation:	All payments in respect of the Securities by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Securityholders of such amounts as would have been received by them had no such withholding or deduction been required, except in the circumstances specified in Condition 8.
Selling Restrictions:	For a description of the selling restrictions on offer, sale and delivery of the Securities, see "*Subscription and Sale*".
Listing and Trading of the Securities:	Approval in-principle for the listing and quotation of the Securities on the SGX-ST has been obtained. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Information Memorandum. Approval in-principle for the listing and quotation of the Securities is not to be taken as an indication of the merits of the Securities, the Issuer and/or its subsidiaries. For so long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the Securities will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 or its equivalent in foreign currencies.
Rating:	The Securities are not, and are not expected to be, rated by any rating agency.
Trustee:	DBS Trustee Limited.
Principal Paying Agent, Transfer Agent, Calculation Agent and Registrar:	DBS Bank Ltd.
Governing Law:	The Securities will be governed by, and construed in accordance with, the laws of Singapore.
Use of Proceeds:	The net proceeds from the issue of the Securities will be used by the Group for the furtherance of its business activities, including the financing of the Group's business expansion and general working capital.

RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider all the information set forth in this Information Memorandum including the investment considerations and risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risks that may be involved in the business, assets, financial condition, performance or prospects of the Issuer and its subsidiaries or the properties owned by the Group or any decision to purchase, own or dispose of the Securities. Additional risks which the Issuer is currently unaware of or currently deems immaterial may also impair its and/or the Group's business, assets, financial condition, performance or prospects. If any of the following risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Securities may be adversely affected. Further, the market price of the Securities could decline, and investors may lose all or part of their investments in the Securities. The investment considerations and risk factors discussed below also include forward-looking statements and the Issuer's and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and investment considerations and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor may require in investigating the Issuer or the Group, prior to making an investment decision in relation to the Securities

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the offering of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Lead Manager, the Trustee or the Agents that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries or its associated companies (if any), the Lead Manager, the Trustee or the Agents or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group, the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

Risks Associated with the Group's Business and Operations

The Group's property development business is heavily dependent on the performance of the real estate market in Singapore

Most of the Group's existing properties and development projects are located in Singapore. The success of the Group's property development business therefore depends heavily on the continued growth of the real estate market in Singapore. The Group's financial condition, results of operation and profitability may be materially and adversely affected by any adverse development in the supply of or demand for property or property prices in Singapore.

The Group may be affected by changing market conditions

The property market is subject to changes in economic outlook and financial market volatilities. Rapidly changing market conditions, including changes in customer preferences, market prices and the desirability of a location, may adversely affect the Group's business. Timing the launch of new projects is therefore key to securing sales of units at optimal sales prices. A downturn in the property market leading to lower property values may result in the Group having to delay the launches of new developments. This will result in increased holding costs until the development properties are sold. Furthermore, property development requires significant capital outlays and returns on capital are not achieved until cash is received from pre-sales, sales or leases. The size of the capital outlays and the number of parties involved in a property development project make it difficult to change property development plans once set. As a result, the Group may not be able to adjust its plans or reallocate its resources to adapt to rapidly changing market conditions.

The Group faces increasing competition

The Group's real estate business competes with both domestic and international companies with respect to factors such as location, pricing, concept and design. Intensified competition between real estate developers may result in increased costs for land acquisition, lower profit margins and a slowdown in the approval process for new property developments by the relevant government authorities, all of which may adversely affect the Group's property development business. As a result, there can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to the Group's activities will not have a material adverse effect on its business and financial condition.

The Group's business may be affected by changes in government policies

The Singapore residential property market is subject to varying degrees of government regulations over, and policies on, among other things, land and title acquisition, development planning and design and construction and mortgage financing and refinancing. The Singapore Government is actively involved in the development, construction and sale of housing to middle and lower-income families through its public housing scheme. The Singapore Government is also a major supplier of land to private developers. The Singapore Government has exercised and continues to exercise significant influence over Singapore's economy in general and the property industry in particular, and the policies of the Singapore Government concerning the economy or the real estate sector, or any change therein, could have a material adverse effect on the business of the Group. For example, changes to the Master Plan guidelines relating to zoning and micro-planning restrictions on land use, and changes in laws relating to sustainable development, environmental controls, building codes, property tax, income tax and capital gains tax, could adversely affect the profitability of the Group.

In recent years, the Singapore government has implemented a series of measures to cool the Singapore property market and to seek to maintain a stable and sustainable property market where prices move in line with economic fundamentals. For instance, on 13 January 2011, the Singapore government announced the extension of the holding period for imposition of the seller's stamp duty ("**SSD**") on residential properties from three years to four years based on SSD rates ranging from 4% to 16% which were imposed on residential properties acquired (or purchased) on or after 14 January 2011 and disposed of (or sold) within four years of acquisition. On 10 March 2017, the Singapore government announced the reduction of the holding period for imposition of the SSD on residential properties from four years to three years, based on lowered rates. Ranging from 4% to 12%, the lowered SSD rates will be imposed on residential properties which are acquired (or purchased) on or after 11 March 2017 and disposed of (or sold) within three years of acquisition.

In December 2011, the Singapore government introduced the additional buyer's stamp duty ("**ABSD**"), which was further enhanced in January 2013. ABSD ranging from 5% to 15% is to be paid by certain groups of people who buy or acquire residential properties (including residential land). Further, the Group may, where necessary, apply for ABSD remission and if granted, the Inland Revenue Authority of Singapore may impose conditions on the Group. If such conditions are not met, ABSD with interest will be payable. While the Group is not currently affected by ABSD, it will be subject to such ABSD and interest for future residential land acquisition which the Group may undertake.

In addition, the loan-to-value limits on housing loans granted by financial institutions have been tightened for individuals who already have at least one outstanding loan, as well as for non-individuals such as companies. Besides tighter loan-to-value limits, the minimum cash down payment for individuals applying for a second or subsequent housing loan has also been raised. In June 2013, the Monetary Authority of Singapore introduced a new total debt servicing ratio ("**TDSR**") framework for property loans granted by financial institutions to individuals. The TDSR framework requires financial institutions to take into consideration borrowers' other outstanding debt obligations when granting property loans. The TDSR is the percentage of total monthly debt obligations to gross monthly income and the general position is that a property loan extended by a financial institution will not exceed a TDSR threshold of 60%. On 10 March 2017, the Singapore government announced that the TDSR framework will no longer apply to mortgage equity withdrawal loans with loan-to-value ratios of 50% and below with effect from 11 March 2017. Existing and any further legislation or policies to encourage financial prudence which may be introduced by the Singapore government to moderate the property market in Singapore, may affect the purchasing power of potential buyers of residential properties and may dampen the general sentiments of the residential property market, resulting in reduced demand for and consequently fewer sales of residential property units in Singapore.

There is no assurance that the Singapore government will abolish the existing legislation or policies intended to cool the property market. There is also no assurance that the Singapore government will not introduce further legislation or policies or amend existing legislation or policies to further regulate the growth of the Singapore property market.

All these measures may have an adverse effect on the business, financial condition, results of operations and/or prospects of the Group.

The Group is subject to risks associated with the development of residential properties

The Group is primarily involved in the development of residential properties. Property developments typically require substantial capital outlay during the land acquisition and construction phases and may take one or more years before positive cashflows may be generated through pre-sales or sales of a completed property development. Depending on the size of the development, the time span for completing a property development usually lasts for more than a year. Consequently, changes in the business environment during the length of the project may affect the revenue and cost of the development, which in turn has a direct impact on the profitability of the projects. Factors that may affect the profitability of a project also include the risk that the receipt of government approvals may take more time than expected, the failure to complete construction according to original specifications, schedule or budget, and lacklustre sales of the properties. The sales and the value of a property development project may be adversely affected by a number of factors, including but not limited to the international, regional and local political and economic climate, local real estate conditions, perceptions of property buyers, competition from other available properties, changes in market rates for comparable sales and increased business and operating costs. If any of the property development risks described above materialises, the Group's returns on investments may be lower than originally expected and the Group's financial performance may be materially and adversely affected.

Certain construction risks may arise during the building of any new property

The construction of new developments entails significant risks, including shortages of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, litigation, weather interference, floods or unforeseen cost increases, any of which could give rise to delayed completions or cost overruns. Difficulties in obtaining the requisite licences, permits, allocations or authorisations from regulatory authorities could also increase the cost, or delay the construction or opening of, new developments. All of these factors may adversely affect the Group's business, financial condition and results of operations.

The Group's operations are subject to various regulatory requirements

The Group's operations are subject to various regulatory requirements. Failure to comply with these requirements could result in the imposition of fines or other penalties by governmental authorities, which may include the revocation of governmental licences. This may also result in delays to the completion of the Group's property development projects. Any penalties imposed by governmental authorities may materially and adversely affect the business of the Group.

The Group relies on independent contractors to provide property development products and services

The Group engages independent third party contractors to provide significant property development services, including construction, piling and foundation, building and property fitting-out work, interior decoration and installation of air-conditioning units and elevators. There can be no assurance that the services rendered by any such independent contractor or any subcontractor will be completed in a timely manner or be of satisfactory quality. If these services are not timely or of acceptable quality, the Group may incur substantial costs to complete the projects and to remedy any defects and the Group's reputation could be significantly harmed. The Group is also exposed to the risk that a contractor may require additional funds in excess of the fixed cost to which they committed contractually and the Group may have to bear such additional amounts. Furthermore, any contractor that experiences financial or other difficulties, including labour disputes with its employees, may be unable to carry out such construction or related work, resulting in delay in the completion of the Group's development projects or resulting in additional costs. The Group believes that any problems with the Group's contractors, individually or in the aggregate, may materially and adversely affect the Group's financial condition, results of operations or reputation. There is no assurance that such problems with the Group's contractors will not occur in the future.

The Group may be involved in legal and other proceedings arising from its operations from time to time

The Group may from time to time be involved in disputes with various parties involved in the development and sale of the Group's properties such as contractors, sub-contractors, suppliers, construction companies, purchasers and other partners. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and delays. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject the Group to administrative proceedings and unfavourable decrees that could result in financial losses or delay the construction or completion of the Group's projects.

The Group's performance may be affected by changes in commodity prices

The Group faces risks in relation to changes in commodity prices due to the consumption of large quantities of building materials, including raw iron, steel, sand, granite and concrete in its property development operations. As a property developer, in general, the Group enters into fixed or guaranteed maximum price construction contracts with independent construction companies, each of which concerns the development of a significant part of its overall development project. These contracts typically cover both the supply of the building materials and the construction of the facility during the construction period. In accordance with industry practice, the Group or its contractors may amend existing construction contracts, including fixed or maximum price terms, to take into account significant price movements of construction materials. Therefore, should the price of building materials increase significantly prior to the Group entering into a fixed or guaranteed maximum price construction contract, or should its existing contractors fail to perform under their contracts, the Group may be required to pay more to existing or prospective contractors, which could materially and adversely affect the Group's results of operations and financial condition.

The Group is subject to risks in relation to pre-sold properties

The Group faces risks relating to the pre-sale of properties. For example, the Group may fail to complete a fully or partially pre-sold property development, in which case, the Group may be liable for potential losses that buyers may suffer as a result. There can be no assurance that these losses would not exceed the purchase price paid in respect of the pre-sold units. In addition, if a pre-sold property development is not completed on time, the buyers of such pre-sold units may be entitled to compensation for late delivery. Failure to complete a property development on time may be attributed to factors such as the time taken and the costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining the requisite licences, permits or approval from government agencies or authorities, shortages of labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents and changes in government priorities and policies. If the delay extends beyond the contractually specified period, these buyers may even be entitled to terminate the pre-sale agreements and claim damages. There is no assurance that the Group will not experience any significant delays in completion or delivery or that the Group will not be subject to any liabilities for any such delays.

The Group's property development business may be subject to risks in investing outside Singapore

The Group's property operations in foreign countries could expose it to political, economic, regulatory and social risks and uncertainties specific to those countries. These investments may also be adversely affected by a number of local real estate market conditions in these countries, such as oversupply, the performance of other competing properties or reduced demand. Any changes in the political environment and the policies by the governments of these countries, which include, *inter alia,* restrictions on foreign currency conversion or remittance of earnings, the requirement for approval by government authorities, changes in laws, regulations and interpretation thereof and changes in taxation could adversely affect the Group's future results and investments, which may also be exposed to currency fluctuations when they are converted to Singapore dollars. Such unfavourable events in such foreign countries will have an adverse impact on the Group's distributable income and asset value.

The Group may not be able to generate adequate returns on its properties held for long-term purposes

Property investment is subject to varying degrees of risks. The investment returns available from investments in real estate depend, to a large extent, on the amount of capital appreciation generated, income earned from the rental of the relevant properties as well as the expenses incurred. Maximising yields from properties held for long-term investment also depends to a large extent on active ongoing management and maintenance of the properties. The ability to eventually dispose of investment properties will also depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuation in the case of certain types of commercial properties. The revenue derived from and the value of property investment may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to collect rent due to bankruptcy or insolvency of tenants and the costs resulting from periodic maintenance, repair and re-letting. If the Group expands the property investment aspect of the Group's business but is unable to generate adequate returns, the Group's financial condition and results of operations may be adversely affected.

The Group may experience limited availability of funds

In recent years, credit markets worldwide have experienced significant volatility including a reduction in liquidity levels, increasing costs for credit protection and a general decline in lending activity between financial institutions and in commercial lending markets worldwide. Any deterioration or decline in lending activity may result in the Group incurring increasing financing costs associated with the Group's levels of debt. Furthermore, there can be no assurance that the Group will be able to raise financing on favourable terms or at all, which could have a material adverse effect on the Group. The Group's ability to meet its payment obligations and to fund planned capital expenditures will depend on the success of the Group's business strategy and the Group's ability to generate sufficient revenues to satisfy its obligations, which are subject to many uncertainties and contingencies beyond the Group's control.

The Group may suffer an uninsured loss

The Group maintains insurance cover appropriate to its risk profile after taking into account the level of retained risk the Group considers to be appropriate, relative to the cost of cover available in the market place. Not all risks are insured, either because the cover is not available in the market or that cover is not available on commercially viable terms. The Group is exposed to the risk of cover not being continually available. Availability may be influenced by factors outside the Group's control, which could reduce the markets' underwriting capacity, breadth of policy coverage or simply make the cost of cover too expensive. The Group could be exposed to uninsured third-party claims, loss of revenue or reduction of fixed asset values which may, in turn, have an adverse effect on Group profitability, cash flows and ability to satisfy banking covenants. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for the Group will be available in the future on commercially reasonable terms, at commercially reasonable rates or at all.

The outbreak of an infectious disease or any other serious public health concern in Singapore could adversely impact the business, results of operations and financial conditions of the Group

As most of the Group's existing investment properties and development projects are located in Singapore, the outbreak of an infectious disease in Singapore such as the Zika virus, Severe Acute Respiratory Syndrome, H5N1 avian flu or the H1N1 swine flu, may result in an adverse development in the supply of or demand for property or property prices which would in turn have a material and adverse effect on the Group's business, results of operations and financial conditions. There can be no assurance that any precautionary measures taken against such infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concern in Singapore could seriously harm the Group's business.

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business and results of operations of the Group.

The economies of the countries the Group operates in and the international financial markets could be affected by terrorist activities, acts of violence or war and adverse political developments. This may, in turn, affect the operations, revenues and profitability of the Group. Due to their unpredictable nature, the Group may not be able to foresee the consequences of such developments or put in place adequate measures to mitigate the possible adverse effects of such developments on the Group's businesses and operations.

The Group may be affected if it is unable to secure strategic locations for expansions in future

The Group's growth and business volume may be affected if it is unable to procure additional strategic locations for its retail outlets. There is no assurance that the Group will be able to continue to secure ideal locations to expand its businesses.

The Group depends on certain key personnel and the loss of any key personnel may adversely affect its operations

The Group's success depends, in part, upon the continued service and performance of the key management personnel and their teams. Although the Group has in place succession planning policies and strategies, the loss of any of these key employees could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Future performance of the Group depends largely on its ability to attract, train, retain and motivate high quality personnel. The loss of key employees without suitable replacements may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group operates in highly competitive industries and any failure by the Group to compete could result in the Group losing market share and revenue

The Group operates in the property and retail and fund management industries, all of which are highly competitive. Any failure by the Group to compete in these industries could result in it losing market share and revenue.

The property development industry in the jurisdictions in which the Group operates is highly competitive and this could adversely affect the Group's business if it fails to compete successfully in the market. Other property developers, some with greater resources and more lower-cost landbanks, compete with the Group in seeking prospective buyers. Competition from such property developers may adversely affect the Group's ability to sell its projects.

The retail market in Singapore is also highly competitive. These competitors include specialty branded retail shops, department stores, major chain stores and international retailers which offer related products. The industry players compete with one another based on, amongst other things, product variety, product design, image of stores, advertising and marketing, product quality and price. There is no assurance that the Group will be able to maintain its competitive edge in the future in light of the changing and competitive market environment. Increasing competition in the industry may affect the pricing and profitability of the Group's products. If the Group does not successfully compete against its competitors, its results of operations may be materially and adversely affected.

The Group may be affected by rental rates and the terms of its leases

Increase in rental rates may affect the Group's profit margin and hence its earnings. The Group also faces the risk of not being able to renew its existing leases or renewal on terms which are equal or more favourable than the terms of the existing leases, in which event, the Group's operations and profitability may be affected.

The Group may be affected by the conditions surrounding its retail outlets

The human traffic flow to the malls in which the Group's retail outlets are located may be affected by a number of factors, for example, the opening of a new or refurbished mall in the vicinity. Other factors include changes to the malls in which the Group's retail outlets are located, such as change in the anchor tenant or tenant mix in the malls, renovation or construction works affecting accessibility, or any adverse changes in the maintenance and condition of the mall. A decrease in human traffic flow to the Group's retail outlets may result in less sales thereby affecting the Group's revenue.

The accessibility of the Group's retail stores may be affected by regulatory changes

The Group recognises that business is largely dependent upon the accessibility of its retail stores (for example, locations with a high volume of human traffic). Therefore, the Group endeavours to establish retail stores in prime locations which are easily accessible to the public. However, in the event of changes to rules and regulations, such as public health and safety rules, access routes to the retail stores may be affected. This may result in a decrease in revenue for such stores (which may have high operating costs, such as high rental rates) and in turn result in losses to or a decline in profits for the Group.

The Group's business may be affected by non-renewal of leases, increase in rental of its retail outlets, failure to secure new leases at strategic locations or termination of leases prior to expiry

Some of the Group's retail outlets are located at strategic locations which are accessible to customers. A majority of these shops are leased from independent third parties. There is no assurance that each of these leases will be renewed upon expiry or on favourable terms and conditions. Failure to renew the existing leases upon expiry or on favourable terms and conditions may adversely affect the Group's performance and future development.

Should the Group fail to renew any of its leases upon expiry, the affected shops may need to be relocated. If the shops are relocated to less favourable areas, the Group's revenue may be adversely affected and the Group may have to incur costs for renovation and removal. Shops may face closure if the increase in rental is excessive or if the Group is unable to find alternative locations. In such cases, the Group may have to incur additional costs for closure and may face a decline in revenue.

The Group may be affected by the emergence of online retailing

With the advent of e-commerce and mobile technology, online retailing has emerged as the main challenge to conventional "bricks and mortar" retailing in recent years. With consumers increasingly preferring to shop online, retailers are developing their own online shopping platforms to decrease their dependence on traditional retail channels. Many retailers are as advanced as the consumers in adopting digital and mobile technology. The malls in which the Group's retail outlets are located may gradually lose their appeal and relevance for new age consumers and retailers, which may result in less sales thereby affecting the Group's revenue.

The Group may be affected by changing consumer tastes

The Group operates in a retail market that is subject to rapid changes in consumer tastes and preferences and fashion trends that are difficult to predict. The Group's sales depend on the popularity of its brands and the market perception and consumer acceptance of its products, which are, in large part, dependent on its ability to cater to different consumer tastes. The success and popularity of the Group's products depends on its ability to anticipate, identify and respond to such changes in a timely manner and to design marketable and appealing products accordingly. If the Group misjudges fashion trends and consumer preferences, or fail to anticipate or respond to higher consumer demand for design and quality, its revenue and operating profits may be adversely affected. Similarly, if the Group fails to appreciate the extent of any anticipated increase of consumer demand for our products, it may may experience a loss of sales opportunities, or if the Group underestimates any anticipated decrease in consumer demand, it may suffer losses, both scenarios may negatively impact the Group's profitability.

The Group may be adversely affected by a compulsory acquisition of property by the Singapore Government

The Land Acquisition Act, Chapter 152 of Singapore, *inter alia*, gives the Singapore Government the power to acquire any land in Singapore:

- for any public purpose;
- where the acquisition is required by any person, corporation or statutory board, for any work or undertaking which is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purpose.

In determining the amount of the compensation to be awarded pursuant to any such compulsory acquisition, the following matters, *inter alia*, would be considered: (i) the market value of the property as at the date of the publication in the Government Gazette of the notification of the intended acquisition of the land (provided that within six months from the date of publication of such notification, a declaration of acquisition is made by publication in the Government Gazette) or (ii) the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire in any other case.

Accordingly, if the market price of the property or part thereof which is acquired is greater than the lowest of the market values referred to above, the value of the properties will be reduced to below market level.

If any property development project of the Group is compulsorily acquired by the Singapore Government before temporary occupation permit is attained, it is not established under existing Singapore laws that the risk of compulsory acquisition lies with the respective buyers. Even if the risk resides with the respective buyers, an event of compulsory acquisition would conceivably lead to a high default rate of the buyers under their respective sale agreements and could in turn have an adverse effect on the Group's cashflow, business and financial position.

Risks Associated with the Securities

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Information Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;
- understand thoroughly the terms of the Securities; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

The Securities are perpetual securities and investors have no right to require redemption

The Securities are perpetual and have no maturity date. The Issuer is under no obligation to redeem the Securities at any time and the Securities can only be disposed of by sale. Securityholders who wish to sell their Securities may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Securities.

Securityholders may not receive Distribution payments if the Issuer elects to defer Distribution payments under the Conditions

The Issuer may, at its sole discretion and subject to certain conditions, elect to defer any scheduled Distribution on the Securities for any period of time. The Issuer is subject to certain restrictions in relation to the payment of dividends on its Junior Obligations and the redemption and repurchase of its Junior Obligations until all outstanding Arrears of Distribution and any Additional Distribution Amount are satisfied. The Issuer is not subject to any limits as to the number of times Distributions can be deferred pursuant to the Conditions, subject to compliance with certain restrictions. Although, following a deferral, Arrears of Distributions are cumulative, subject to the Conditions, the Issuer may defer their payment for an indefinite period of time by delivering the relevant deferral notices to the Securityholders.

Any deferral of Distribution will likely have an adverse effect on the market price of the Securities. In addition, as a result of the Distribution deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the financial condition of the Issuer.

The Securities may be redeemed at the Issuer's option on certain dates on or after five years after the Issue Date or the occurrence of certain other events

The Conditions provide that the Securities are redeemable at the Issuer's option, in whole but not in part, on the First Reset Date or on any Distribution Payment Date falling after the First Reset Date at their principal amount together with any Arrears of Distributions, Additional Distribution Amounts and Distribution accrued to (but excluding) the date fixed for redemption.

In addition, the Issuer also has the right to redeem the Securities, in whole but not in part, at their principal amount together with any Arrears of Distributions, Additional Distribution Amounts and Distribution accrued to (but excluding) the date fixed for redemption upon the occurrence of, *inter alia*: (i) a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms, *inter alia*, that the Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations, (ii) any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date such that the Issuer has or will become obliged to pay additional amounts in respect of the Securities and such obligations cannot be avoided by the Issuer taking reasonable measures available to it; (iii) any change in, or amendment to, the Singapore Financial Reporting Standards ("**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer resulting in the Securities not being recorded as "equity" of the Issuer; (iv) a Tax Deductibility Event; (v) a Change of Control Event or (vi) the aggregate principal amount of the Securities outstanding being less than 10 per cent. of the aggregate principal amount originally issued.

The date on which the Issuer elects to redeem the Securities may not accord with the preference of individual Securityholders. This may be disadvantageous to Securityholders in light of market conditions or the individual circumstances of the Securityholders. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Securities.

There are limited remedies for non-payment under the Securities

Any scheduled Distribution will not be due if the Issuer elects to defer that Distribution pursuant to the Conditions. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer is limited to circumstances where payment has become due and the Issuer fails to make the payment when due and such failure continues for a period of 10 business days in the case of Distributions (including any Arrears of Distribution and any Additional Distribution Amount) or two business days in the case of principal. The only remedy against the Issuer available to the Trustee or, where the Trustee has failed to proceed against the Issuer as provided in the Conditions, any Securityholder for recovery of amounts in respect of the Securities following the occurrence of a payment default after any sum becomes due in respect of the Securities will be instituting proceedings for the winding-up of the Issuer and/or proving in the winding-up of the Issuer and/or claiming in the liquidation of the Issuer in respect of any of the Issuer's payment obligations arising from the Securities.

An active trading market for the Securities may not develop

The Securities are a new issue of securities for which there is currently no trading market. Although an application has been made to the SGX-ST for the listing and quotation of the Securities on the SGX-ST, no assurance can be given that an active trading market for the Securities will develop or as to the liquidity or sustainability of any such market, the ability of Securityholders to sell their Securities or the price at which Securityholders will be able to sell their Securities. The Lead Manager is not obliged to make a market in the Securities and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Lead Manager. Accordingly, no assurance can be given as to the liquidity of, or trading market for, the Securities. Even if an active trading market were to develop, the Securities could trade at prices that may be lower than the initial offering price. Future trading prices of the Securities will depend on many factors, including, but not limited to:

- prevailing interest rates and interest rate volatility;
- the market for similar securities;
- the Issuer's operating and financial results;
- the publication of earnings estimates or other research reports and speculation in the press or the investment community;
- changes in the Issuer's industry and competition; and
- general market, financial and economic conditions.

The Issuer may raise other capital which affects the price of the Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders if an order is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or may increase the likelihood of a deferral of Distributions under the Securities. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Securities and/or the ability of Securityholders to sell their Securities.

The market value of the Securities may be subject to fluctuation

Trading prices of the Securities may be influenced by numerous factors, including (i) the market for similar securities, (ii) the respective operating results and/or financial condition of the Issuer, its subsidiaries (if any), associated companies (if any) and joint venture companies (if any), and (iii) political, economic, financial and any other factors that can affect the capital markets, the industry and the Issuer, its subsidiaries (if any), associated companies (if any) and joint venture companies (if any) generally. Adverse economic developments in Singapore as well as countries in which the Issuer, its subsidiaries (if any), associated companies (if any) and joint venture companies (if any) operate or have business dealings could have a material adverse effect on the business, financial performance and financial condition of the Issuer, its subsidiaries (if any), associated companies (if any) and joint venture companies (if any) and the market value of the Securities. As a result, the market price of the Securities may be above or below the Issue Price.

An investment in the Securities is subject to interest rate risk

Securityholders may suffer unforeseen losses (both realised and unrealised) due to fluctuations in interest rates. The Securities are securities which, subject to the Terms and Conditions, pay a fixed distribution amount and upon redemption of the Securities, pay a fixed redemption amount. Such securities may therefore see their price fluctuate due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Securities. The market value of the Securities may be similarly affected which may result in a capital loss for Securityholders. Conversely, when interest rates fall, the prices of the Securities and the prices at which the Securities trade may rise. Securityholders may enjoy a capital gain but distributions received may be reinvested at lower prevailing interest rates.

An investment in the Securities is subject to inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders may have an anticipated real rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual real returns.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Securities are legal investments for it, (ii) the Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

Securityholders are bound by decisions of defined majorities in respect of any modification and waivers

The terms and conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The terms and conditions of the Securities also provide that the Trustee may agree without the consent of the Securityholders to (i) any modification of any of the provisions of the Trust Deed or any of the Issue Documents (as defined in the Trust Deed) or the Securities which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the Depository and (ii) any other modification (except as mentioned in the Trust Deed or any of the Issue Documents or the Securities), and any waiver or authorisation of any breach or proposed breach, of any of the terms and conditions of the Securities or any of the provisions of the Trust Deed or any of the Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders.

The Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (pursuant to Condition 9), the Trustee may, at its discretion, request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may have an impact on when such actions can be taken, or at all. The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

The Securities will be represented by a Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the Depository

The Securities will be represented by a Global Certificate. Such Global Certificate will be deposited with or registered in the name of the Depository. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Certificates.

The Depository will maintain records of their accountholders in relation to the Global Certificate. While the Securities are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the Depository.

While the Securities are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Securities by making payments to the Depository, for distribution to their accountholders or, as the case may be, to the Principal Paying Agent for distribution to the holders as appearing in the records of the Depository. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the Depository to receive payments under the Securities. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the Depository to appoint appropriate proxies.

The performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee and/or any of the Agents of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Securityholders.

Securityholders are exposed to financial risks

Distribution payment, where applicable, and principal repayment for debts occur at specified periods (so long as not deferred) regardless of the performance of the Group. In the event that the Group suffers a deterioration in its financial condition (such as a serious decline in net operating cash flows), there is no assurance that the Issuer will have sufficient cash flow to meet payments under the Securities. Under such circumstances, the ability of the Issuer to meet payment expectations under the Trust Deed and the Securities may be adversely affected. The Issuer may be unable to make distribution payments, where applicable, or principal repayments under the Securities should the Group suffer serious decline in net operating cash flows.

Exchange rate risks and exchange controls may result in Securityholders receiving less distributions or principal than expected

The Issuer will pay distributions on the Securities in Singapore dollars. This presents certain risks relating to currency conversions if a Securityholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Singapore dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of Singapore dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Singapore dollars would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

Securityholders may be subject to Singapore taxation

The Securities are intended to be "qualifying debt securities" defined under the Income Tax Act, Chapter 134 of Singapore ("**ITA**"), subject to the fulfilment of certain conditions more particular described in the section entitled "*Singapore Taxation*". However, there is no assurance that such Securities will enjoy the tax concessions should the relevant tax laws be amended or revoked at any time or in the event that the Inland Revenue Authority of Singapore ("**IRAS**") takes the view that the Securities are an equity instrument for Singapore tax purposes.

IRAS may disallow tax deduction on Distributions made by the Issuer in respect of the Securities

The Singapore income tax treatment of the Securities as described in the section "*Singapore Taxation*" is subject to the agreement of the IRAS. The IRAS may regard the Securities as an equity instrument for Singapore income tax purposes. In that case, Distributions (including Arrears of Distribution) from the Securities should be regarded as dividends for Singapore income tax purposes. Under such circumstances, no tax deduction shall be allowed to the Issuer on the Distributions arising from the issue of the Securities.

From a Securityholder's perspective, where the Securities are regarded as an equity instrument for Singapore income tax purposes, the Distributions and Arrears of Distribution declared by the Issuer (a tax resident company in Singapore) should be regarded as one-tier tax exempt dividends and be exempted from Singapore income tax, subject to the Issuer having sufficient retained earnings to fund the Distributions. Notwithstanding the foregoing, the Additional Distribution Amounts may be regarded as interest for Singapore income tax purposes and taxable at the applicable tax rates in the hands of the Securityholders (unless otherwise exempt from tax).

In addition, the tax concession/exemption for qualifying debt securities may not be available if the IRAS regards the Securities as an equity instrument for Singapore income tax purposes.

For further details on the tax treatment of the Securities, see "*Singapore Taxation*".

The Securities are not secured

The Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves, and at least *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer. Accordingly, on a winding-up or insolvency of the Issuer, the Securityholders will not have recourse to any specific assets of the Issuer or its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Securities owed to the Securityholders. There can be no assurance that there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities owed to the Securityholders.

TERMS AND CONDITIONS OF THE SECURITIES

The following, subject to amendment, are the Terms and Conditions of the Securities, substantially as they will appear on the reverse of each of the definitive certificates evidencing the Securities:

The issue of the S$150,000,000 4.08 per cent. senior perpetual capital securities (the "**Securities**", which expression includes any further securities issued pursuant to Condition 15 and forming a single series therewith) was authorised by a resolution of the Board of Directors of Wing Tai Holdings Limited (the "**Issuer**") passed on 16 June 2017. The Securities are constituted by a Trust Deed (the "**Trust Deed**") dated 28 June 2017 (the "**Issue Date**") between (1) the Issuer and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons which are for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Securities.

Certain provisions of these terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Securities in definitive form and which also includes provisions which are not summarised herein. The Securities are issued with the benefit of a Deed of Covenant (the "**Deed of Covenant**") dated 28 June 2017 executed by the Issuer relating thereto. Payments in respect of the Securities will be made pursuant to an Agency Agreement (the "**Agency Agreement**") dated 28 June 2017 made between (1) the Issuer, (2) the Trustee, and (3) DBS Bank Ltd. as principal paying agent (in such capacity, the "**Principal Paying Agent**", which expression shall include such other principal paying agent as may be appointed by the Issuer from time to time under the Agency Agreement), registrar (in such capacity, the "**Registrar**", which expression shall include such other registrar as may be appointed by the Issuer from time to time under the Agency Agreement), calculation agent (in such capacity, the "**Calculation Agent**", which expression shall include such other calculation agent as may be appointed by the Issuer from time to time under the Agency Agreement) and transfer agent (in such capacity, the "**Transfer Agent**", which expression shall include such other transfer agent as may be appointed by the Issuer from time to time under the Agency Agreement).

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection during usual business hours at the principal office of the Trustee (presently at 12 Marina Boulevard, Level 44 Marina Bay Financial Centre Tower 3, Singapore 018982) and at the specified offices of the Principal Paying Agent for the time being and the other paying agents for the time being (the "**Paying Agents**", which expression shall include the Principal Paying Agent), the Registrar and any Transfer Agents. "**Agents**" means the Principal Paying Agent, the Calculation Agent, the Registrar, the Transfer Agents and any other agent or agents appointed from time to time with respect to the Securities. The Securityholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Covenant and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

All capitalised terms that are not defined in the Conditions will have the meanings given to them in the Trust Deed.

1 Form, Specified Denomination and Title

(a) Form and Denomination

The Securities are issued in the specified denomination of S$250,000.

The Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(a), each Certificate shall be numbered serially and represent the entire holding of Securities by the same holder.

(b) Title

(i) Title to the Securities shall pass by transfer and registration in the register that is to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Security shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

(iii) *For so long as any of the Securities is represented by the Global Certificate (as defined in the Trust Deed) and the Global Certificate is registered in the name of the Depository (as defined in the Trust Deed), each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of such Securities (in which regard any certificate or other document issued by the Depository as to the principal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Paying Agents, the Calculation Agent, the Transfer Agent and the Registrar as the holder of such principal amount of such Securities standing to the credit of its securities account for all purposes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through the Depository on such principal amount of such Securities, for which purpose the person whose name is shown on the Register shall be treated by the Issuer, the Trustee, the Paying Agents, the Calculation Agent, the Transfer Agent and the Registrar as the holder of such principal amount of such Securities in accordance with and subject to the terms of the Global Certificate (and the expressions "**Securityholder**", "**holder of Securities**" and "**holder**" and related expressions shall be construed accordingly). Securities which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the Depository.*

(iv) In these Conditions, "**Securityholder**" or "**holder of any Security**" or "**holder**" means the person in whose name a Security is registered (or, in the case of joint holders, the first named thereof).

2 Transfers of Securities

(a) Transfer

Subject to Conditions 2(c) and 2(d) below, one or more Securities may be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Securities to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. No transfer of title to any Security will be valid or effective unless and until entered on the Register. In the case of a transfer of part only of a holding of Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Securities to a person who is already a holder of Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Securities and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar, each Transfer Agent and the Trustee. A copy of the current regulations will be made available by the Registrar to any Securityholder upon request.

(b) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(a) shall be available for delivery within five business days of receipt of a duly completed form of transfer and surrender of the existing Certificate(s) for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(c) Transfer or Exercise Free of Charge

Transfers of Securities and Certificates on registration, transfer or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.

(d) Closed Periods

No Securityholder may require the transfer of a Security to be registered (i) during the period of 15 days ending on (and including) the due date for any payment of principal or Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities, (ii) during the period of 15 days prior to (and including) any date on which Securities may be called for redemption by the Issuer at its option pursuant to Condition 6(c), (iii) after any such Security has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date (as defined below).

(e) Regulations concerning transfers and registration

All transfers of Securities and entries on the Register are subject to the detailed regulations concerning the transfer of Securities scheduled to the Agency Agreement. The Issuer, with the prior written approval of the Registrar, each Transfer Agent and the Trustee, may, without the consent of the Securityholders, modify the regulations concerning the transfer of Securities. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Securityholder who requests in writing a copy of such regulations.

3 Status

The Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves, and at least *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

4 Distribution

(a) Accrual of Distribution

Subject to Conditions 5(a) and 5(d), the Securities confer a right to receive distribution (each a "**Distribution**") from and including the Issue Date at the applicable Distribution Rate (as defined in Condition 4(b)) in accordance with this Condition 4, payable semi-annually in arrear on 28 June and 28 December in each year (each a "**Distribution Payment Date**"), with the first payment of distribution being made on 28 December 2017 (the "**First Distribution Payment Date**") in respect of the period from (and including)the Issue Date to (but excluding) the First Distribution Payment Date.

Unless otherwise provided in these Conditions, each Security will cease to confer the right to receive any Distribution from the due date for redemption unless, upon surrender of the Certificate representing such Security, payment of principal is improperly withheld or refused. In such event Distribution shall continue to accrue at such rate (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Security up to that day are received by or on behalf of the relevant holder, and (ii) the day seven days after the Trustee or the Principal Paying Agent has notified Securityholders of receipt of all sums due in respect of all the Securities up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If a Distribution is required to be calculated for a period of less than one year, the relevant day–count fraction used will be the number of days in the relevant period, from (and including) the date from which Distributions begin to accrue to (but excluding) the date on which it falls due, divided by 365.

For so long as any of the Securities is represented by the Global Certificate and the Global Certificate is held by CDP, the Distributions (including Arrears of Distribution and Additional Distribution Amounts) payable on such Securities will be determined based on the aggregate holdings of Securities of each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Securities.

(b) Rate of Distribution

The rate of distribution (the "**Distribution Rate**") applicable to the Securities shall be:

(i) in respect of the period from (and including) the Issue Date to (but excluding) the First Reset Date, 4.08 per cent. per annum;

(ii) in respect of the period from (and including) the First Reset Date to (but excluding) the Step-Up Date, the applicable Reset Distribution Rate; and

(iii) in respect of the period from (and including) the Step-Up Date and each Reset Date falling thereafter to (but excluding) the immediately following Reset Date, the applicable Reset Distribution Rate,

Provided always that in the event that a Change of Control Event (as defined below) has occurred, if the Issuer has not redeemed the Securities within 60 days of the occurrence of a Change of Control Event in accordance with Condition 6(f), the then prevailing Distribution Rate shall be increased by the Change of Control Margin (as defined below) with effect from (and including) the Distribution Payment Date immediately following the date on which the Change of Control Event occurred (or, if the Change of Control Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

(c) Calculation of Reset Distribution Rate

The Calculation Agent will, on the second business day prior to each Reset Date, calculate the applicable Reset Distribution Rate or (if a Change of Control Event has occurred) the applicable Distribution Rate payable in respect of each Security. The Calculation Agent will cause the applicable Reset Distribution Rate determined by it to be notified to the Paying Agents, the Trustee, the Registrar, the Transfer Agents and the Issuer no later than the fourth business day thereafter. Notice thereof shall also be given by the Calculation Agent to the Securityholders as soon as possible in accordance with Condition 16. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Securityholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

For the purposes of these Conditions:

"**Change of Control Margin**" means 1.00 per cent. per annum;

"**First Reset Date**" means 28 June 2022;

"**Initial Spread**" means 2.37 per cent;

"**Reset Date**" means the First Reset Date and each date falling every five years after the First Reset Date;

"**Reset Distribution Rate**" means:

(i) (in respect of the period from (and including) the First Reset Date to (but excluding) the Step-Up Date) the Swap Offer Rate with respect to the relevant Reset Date plus the Initial Spread;

(ii) (in respect of the period from (and including) the Step-Up Date and each Reset Date falling thereafter to (but excluding) the immediately following Reset Date) the Swap Offer Rate with respect to the relevant Reset Date plus the Initial Spread plus the Step-Up Margin;

"**Reset Period**" means a period of five years;

"**Step-Up Date**" means 28 June 2027;

"**Step-Up Margin**" means 1.00 per cent; and

"**Swap Offer Rate**" means:

(i) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period on the second business day prior to the relevant Reset Date (the "**Reset Determination Date**");

(ii) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates (excluding the highest and the lowest rates) which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);

(iii) if on the Reset Determination Date, rates are not available on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and

(iv) if on the Reset Determination Date, no rate is available on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Calculation Agent with such quotation, such rate quoted by that Reference Bank,

provided that, in each case, in the event the Swap Offer Rate is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum;

(d) Publication of Reset Distribution Rate

The Calculation Agent shall cause notice of the then applicable Reset Distribution Rate in respect of the Step-Up Date and each Reset Date to be notified to the Paying Agents, the Trustee, the Registrar, the Transfer Agents and the Issuer no later than the fourth business day after determination thereof and (in accordance with Condition 16) to the Securityholders as soon as possible after determination thereof.

(e) Determination or Calculation by Trustee

If the Calculation Agent does not at any material time determine or calculate the applicable Reset Distribution Rate and no other bank is appointed pursuant to the provisions of the Agency Agreement to make such determination or calculation, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Security remains outstanding, there shall at all times be three Reference Banks and there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to calculate the Reset Distribution Rate, the Issuer shall notify the Trustee and (if different from the Calculation Agent) the Principal Paying Agent of this failure and promptly appoint another bank with an office in Singapore to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

For the purposes of this Condition 4, "**Reference Banks**" means three major banks selected by the Calculation Agent in the interbank market that is most closely connected with the Swap Offer Rate and "**Reference Bank**" means any of them.

5 Distribution Discretion

(a) Optional Deferral

The Issuer may, at its sole discretion, elect to defer any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Deferral Notice**") of such election to the Securityholders in accordance with Condition 16, the Trustee and the Agents not less than 10 nor more than 20 business days prior to the relevant Distribution Payment Date unless, during the 12 months ending on the day before such Distribution Payment Date, either or both of the following (each such event, a "**Compulsory Distribution Payment Event**") have occurred:

(i) a dividend, distribution or other payment has been paid or declared by the Issuer or any of its subsidiaries on or in respect of any of the Junior Obligations or (except on a *pro rata* basis with the Securities) any of its Specified Parity Obligations; or

(ii) any of the Junior Obligations has been redeemed, reduced, cancelled, bought-back or acquired for any consideration by the Issuer or any of its subsidiaries or (except on a *pro rata* basis with the Securities) any of its Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration.

For the purposes of these Conditions:

(1) "**Junior Obligation**" means (A) any ordinary shares of the Issuer and (B) any class of the Issuer's share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Securities; and

(2) "**Specified Parity Obligations**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (A) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities and (B) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(b) No Obligation to Pay

The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 5(a) and any failure to pay such Distribution shall not constitute an Enforcement Event.

(c) Requirements as to Notice

Each Optional Deferral Notice shall be accompanied, in the case of the notice to the Trustee, by a certificate signed by two directors of the Issuer confirming that no Compulsory Distribution Payment Event has occurred and is continuing and the Trustee shall be entitled to accept such certificate as sufficient evidence of the same, in which event it shall be conclusive and binding on the Securityholders.

(d) Cumulative Deferral

Any Distribution deferred pursuant to Condition 5(a) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect (in the circumstances set out in Condition 5(a)) to further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distributions can or shall be deferred pursuant to this Condition 5 except that this Condition 5(d) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Securities at the Distribution Rate and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 5 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(e) Distribution and Capital Stopper

If, on any Distribution Payment Date, payment of Distributions (including Arrears of Distribution and Additional Distribution Amount) scheduled to be made on such date is not made in full by reason of this Condition 5, the Issuer shall not and shall procure that none of its subsidiaries shall:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on any of the Junior Obligations or (except on a *pro rata* basis with the Securities) any of its Specified Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of its Junior Obligations or (except on a *pro rata* basis with the Securities) any of its Specified Parity Obligations,

unless and until the Issuer (1) has satisfied in full all outstanding Arrears of Distribution and any Additional Distribution Amount; or (2) is permitted to do so by an Extraordinary Resolution.

(f) Satisfaction of Arrears of Distribution by payment

The Issuer:

(i) may satisfy any Arrears of Distribution (in whole or in part) at any time together with any Additional Distribution Amount by giving notice of such election to the Securityholders (in accordance with Condition 16), the Trustee and the Agents not less than 10 nor more than 20 business days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy all Arrears of Distribution (in whole but not in part) on the earliest of:

(1) the date of redemption of the Securities in accordance with Conditions 6(b), 6(c), 6(d), 6(e), 6(f) or 6(g);

(2) the next Distribution Payment Date on the occurrence of a breach of Condition 5(e); and

(3) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer.

Any partial payment of outstanding Arrears of Distribution or any Additional Distribution Amount by the Issuer shall be shared by the Securityholders on a *pro rata* basis.

(g) No default

Notwithstanding any other provision in these Conditions or the Trust Deed, the deferral of any Distribution in accordance with this Condition 5 shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer.

6 Redemption and Purchase

(a) No Fixed Redemption Date

The Securities are perpetual securities in respect of which there is no fixed redemption date. The Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition.

(b) Redemption for Taxation Reasons

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Agents and the Trustee (which notice shall be irrevocable), at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(1) the Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(2) the Distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date, and such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee:

(A) a certificate signed by two directors of the Issuer stating that the obligation referred to in Condition 6(b)(ii) above cannot be avoided by the Issuer taking reasonable measures available to it; and

(B) an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment to the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

(c) Redemption at the Option of the Issuer

The Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Securityholders, the Agents and the Trustee, redeem all (and not some only) of the Securities on 28 June 2022 or any Distribution Payment Date thereafter. Any such redemption of Securities shall be at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption).

All Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(c).

(d) Redemption for Accounting Reasons

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Agents and the Trustee (which notice shall be irrevocable), at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if the Securities must not or must no longer be recorded as "equity" of the Issuer as a result of any change in, or amendment to, Singapore Financial Reporting Standards ("**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), which change or amendment becomes effective on or after the Issue Date.

Prior to the publication of any notice of redemption pursuant to this Condition 6(d), the Issuer shall deliver to the Trustee:

(A) a certificate signed by two directors of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(B) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 6(d), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(d).

(e) Redemption for Tax Deductibility Reasons

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Agents and the Trustee (which notice shall be irrevocable), at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;

(2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or

(3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is issued or announced before the Issue Date,

the Distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer would no longer, or within 90 days of the date of the opinion referred to in paragraph (B) below would not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA (the "**Tax Deductibility Event**"); or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the Distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 6(e), the Issuer shall deliver or procure that there is delivered to the Trustee:

(A) a certificate signed by two directors of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(B) an opinion of the Issuer's independent tax or legal advisers of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 6(e), the Issuer shall be bound to redeem all the Securities in accordance with this Condition 6(e).

(f) Redemption upon a Change of Control

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Agents and the Trustee (which notice shall be irrevocable), at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Change of Control Event.

For the purposes of these Conditions:

"**Change of Control Event**" means:

(i) any Person or Persons (acting together with its related corporations) (other than Permitted Holders) acquires or acquire Control of the Issuer, if such Person or Persons does not or do not have, and would not be deemed to have, Control over the Issuer on the Issue Date; or

(ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person or Persons (acting together with its related corporations) (other than Permitted Holders), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Issuer or the successor entity;

"**Control**" means:

(i) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer; or

(ii) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

"**Immediate Family**" has the meaning ascribed to it under the section entitled "*Definitions and Interpretation*" of the Listing Manual of the Singapore Exchange Securities Trading Limited;

"**Permitted Holder**" means any Person or group of Persons who is or are the Immediate Family of any Person or group of Persons who has Control of the Issuer on the Issue Date;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality; and

"**related corporation**" has the meaning ascribed to it in the Companies Act, Chapter 50 of Singapore.

Prior to the publication of any notice of redemption pursuant to this Condition 6(f), the Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by two directors of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

(g) Redemption in the case of Minimal Outstanding Amount

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Agents and the Trustee (which notice shall be irrevocable), at their principal amount (together with Distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon expiry of any such notice as is referred to in this Condition 6(g), the Issuer shall be bound to redeem all the Securities in accordance with this Condition 6(g).

(h) Purchase

The Issuer and/or any of its subsidiaries may at any time purchase Securities in the open market or otherwise at any price. The Securities so purchased, while held by or on behalf of the Issuer or any such subsidiary, shall not entitle the holder to vote at any meetings of the Securityholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Securityholders or for the purposes of Condition 12(a).

(i) Cancellation

All Certificates representing Securities so redeemed or purchased by or on behalf of the Issuer shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Securities shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.

7 Payments

(a) Method of Payment:

(i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Securities represented by such Certificates) in the manner provided in paragraph (ii) below.

(ii) Distributions (including any Arrears of Distribution and any Additional Distribution Amount) on each Security shall be paid to the person shown on the Register at the close of business on the fifth business day before the due date for payment thereof (the "**Record Date**"). Payments of Distributions (including any Arrears of Distribution and any Additional Distribution Amount) on each Security shall be made in the relevant currency by cheque drawn on a bank and mailed to the holder (or to the first named of joint holders) of such Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of Distributions (including any Arrears of Distribution and any Additional Distribution Amount) may be made by transfer to an account in the relevant currency maintained by the payee with a bank.

(iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Securityholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of Distributions (including any Arrears of Distribution and any Additional Distribution Amount) being paid is less than the amount then due, the Registrar will annotate the Register with the amount of Distributions (including any Arrears of Distribution and any Additional Distribution Amount) so paid.

(b) Payments subject to Fiscal Laws: All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Securityholders in respect of such payments.

(c) Payment Initiation: Where payment is to be made by transfer to an account in the relevant currency, payment instructions (for value the due date, or if that is not a business day, for value the first following day which is a business day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

(d) **Appointment of Agents:** The Paying Agents, the Registrar and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Paying Agents, the Calculation Agent, the Registrar and the Transfer Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Securityholder. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent, the Calculation Agent, the Registrar or any Transfer Agent and (with the approval of the Trustee or the Securityholders by way of Extraordinary Resolution) to appoint additional or other Paying Agents, Calculation Agents, Registrars or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Calculation Agent, (iii) a Registrar, (iv) a Transfer Agent and (v) such other agents as may be required by any other stock exchange on which the Securities may be listed, in each case, as approved by the Trustee or the Securityholders by way of Extraordinary Resolution.

Notice of any such change or any change of any specified office shall promptly be given to the Securityholders.

(e) **Delay in Payment:** Securityholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Security if the due date is not a business day, if the Securityholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 7(a)(ii) arrives after the due date for payment.

(f) **Non-Business Days:** If any date for payment in respect of any Security is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday, or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified offices of the Principal Paying Agent and the Registrar are located and where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency.

8 Taxation

All payments in respect of the Securities by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Securityholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Certificate presented for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Security or the receipt of any sums due in respect of such Security (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by or on behalf of a Securityholder who would be able to lawfully avoid such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

"**Relevant Date**" in respect of any Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Securityholders that, upon further surrender of the Certificate representing such Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender. Any reference in these Conditions to principal, Distributions, Arrears of Distributions and/or Additional Distribution Amounts shall be deemed to include any premium payable in respect of the Securities, all amounts in the nature of principal payable pursuant to Condition 6, all amounts payable pursuant to Condition 4 and any additional amounts which may be payable under these Conditions or any undertaking given in addition to or substitution for it under the Trust Deed.

9 Enforcement Events

(a) Non-payment when due

Notwithstanding any of the provisions below in this Condition 9, the right to institute winding-up proceedings is limited to circumstances where payment under the Securities has become due. In the case of any Distribution (including any Arrears of Distribution or any Additional Distribution Amount), such Distribution will not be due if the Issuer has elected to defer such Distribution pursuant to Condition 5, provided that nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit any rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Trust Deed or the Securities.

(b) Enforcement Events

If any of the following events ("**Enforcement Events**") occurs, the Trustee at its discretion may (but is not obliged to), and if so requested by holders of at least 25 per cent. in principal amount of the Securities then outstanding or if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for payment of the Securities at their principal amount together with any Distributions (including any outstanding Arrears of Distribution and any Additional Distribution Amount) accrued to such date:

(i) **Non-Payment:** the Issuer fails to pay the principal of or any Distributions (including any Arrears of Distribution and any Additional Distribution Amount) on any of the Securities when due and such failure continues for a period of 10 business days in the case of Distributions (including any Arrears of Distribution and any Additional Distribution Amount) or two business days in the case of principal; or

(ii) **Winding-up:** an order is made or an effective resolution passed for the Winding-Up or dissolution of the Issuer.

"**Winding-Up**" means, with respect to the Issuer, a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer.

10 Prescription

Claims against the Issuer for payment in respect of the Securities shall be prescribed and become void unless made within three years from the appropriate Relevant Date in respect of them.

11 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar, the Principal Paying Agent or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Securityholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Securityholders, Modification, Waiver and Substitution

(a) Meetings of Securityholders

The Trust Deed contains provisions for convening meetings of Securityholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Securityholders holding not less than ten per cent. in principal amount of the Securities for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Securityholders. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Securities for the time being outstanding, or at any adjourned meeting two or more persons holding or representing Securities whatever the principal amount of the Securities so held or represented, except that, at any meeting, the business of which includes consideration of proposals, *inter alia*, (i) to amend the dates of redemption of the Securities or any date for payment of Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on the Securities, (ii) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Securities, (iii) to reduce the rate or rates or amount of Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities or to vary the method or basis of calculating the rate or rates or amount of Distribution in respect of the Securities, (iv) to vary any method of, or basis for, calculating the principal amount of the Securities, (v) to vary the currency or currencies of payment or denomination of the Securities, (vi) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (vii) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting two or more persons holding or representing not less than 25 per cent., in principal amount of the Securities for the time being outstanding. Any resolution passed at any meeting of Securityholders will be binding on all Securityholders, whether or not they are present at the meeting.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

(b) Modification of the Trust Deed

The Trustee may agree, without the consent of the Securityholders, to (i) any modification of any of the provisions of the Trust Deed or any of the Issue Documents (as defined in the Trust Deed) or the Securities which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the Depository and (ii) any other modification (except as mentioned in the Trust Deed or any of the Issue Documents or the Securities), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed or any of the Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and, unless the Trustee otherwise agrees in writing, such modification, authorisation or waiver shall be notified to the Securityholders as soon as practicable in accordance with Condition 16.

(c) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Securityholders as a class and shall not have regard to the consequences of such exercise for individual Securityholders and the

Trustee shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders.

13 Enforcement

Without prejudice to Condition 9(b), the Trustee may (but is not obliged to), at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Securities (other than any payment obligations of the Issuer under or arising from the Securities including, without limitation, payment of any principal or satisfaction of any Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities, including any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums in cash or otherwise, sooner than the same would otherwise have been payable by it. The Trustee will not be bound to take any such proceedings or any action in relation to the Trust Deed or the Securities unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Securityholders holding at least 25 per cent. in principal amount of the Securities outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Securityholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Securityholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Securityholders.

15 Further Issues

The Issuer may from time to time without the consent of the Securityholders create and issue further securities either having the same terms and conditions as the Securities in all respects (or in all respects except for the first payment of Distributions on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Securities. Any further securities forming a single series with the outstanding securities of any series (including the Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee or the Securityholders by way of Extraordinary Resolution), be constituted by a deed supplemental to the Trust Deed.

16 Notices

Notices to the Securityholders shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to Securityholders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in *The Business Times*. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Until such time as any Certificates are issued, there may, so long as the Global Certificate representing the Securities is held in its entirety on behalf of the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to (subject to the agreement of the Depository) the Depository for communication by it to the Securityholders, except that if the Securities are listed on the Singapore Exchange Securities Trading Limited and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Securityholders on the fourth day after the day on which the said notice was given to the Depository.

Notices to be given by any Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Security or Securities, with the Registrar. Whilst the Securities are represented by a Global Certificate, such notice may be given by any Securityholder to the Registrar through the Depository in such manner as the Registrar and the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Securityholders are known to the Issuer, notices to such Securityholders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two days from the date of despatch to the Securityholders.

17 Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

18 Governing Law and Jurisdiction

(a) The Trust Deed and the Securities are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or the Securities and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Securities may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

Principal Paying Agent, Registrar, Calculation Agent and Transfer Agent
DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM

The Global Certificate contains provisions which apply to the Securities while they are in global form, some of which modify the effect of the terms and conditions of the Securities set out in this Information Memorandum. The following is a summary of certain of those provisions:

Exchange

Subject to the provisions of the Global Certificate, owners of interests in the Securities in respect of which the Global Certificate is issued will be entitled to have title to the Securities registered in their names and to receive individual definitive Certificates if: (i) an Enforcement Event (as defined in the Trust Deed) has occurred and is continuing, (ii) the Depository is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (iii) the Depository has announced an intention to permanently cease business and no alternative clearing system is available or (iv) the Depository has notified the Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

In such circumstances, the Issuer will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Securities. A person with an interest in the Securities in respect of which the Global Certificate is issued must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

Meetings

The holder of the Global Certificate shall be treated as two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Securityholders and, at any such meeting, as having one vote in respect of each S$250,000 in principal amount of Securities in respect of which the Global Certificate is issued. The Trustee may allow to attend and speak (but not to vote), at any meeting of Securityholders, any accountholder (or the representative of any such person) of a clearing system entitled to Securities in respect of which this Global Certificate is issued on confirmation of entitlement and proof of his identity.

Cancellation

Cancellation of any Security by the Issuer following its redemption or purchase will be effected by a reduction in the principal amount of the Securities in the register of Securityholders and on the Global Certificate.

Trustee's Powers

In considering the interests of Securityholders, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of Securities and (b) consider such interests on the basis that such accountholders were the holders of the Securities in respect of which the Global Certificate is issued.

Payment

Payments in respect of Securities represented by the Global Certificate will be made to the registered holder of the Global Certificate without presentation for endorsement or, if no further payment of principal or distribution falls to be made in respect of the Securities, against surrender of the Global Certificate to or to the order of the Registrar.

For so long as any Securities are represented by the Global Certificate held by the Depository, distribution payable on such Securities will be determined based on the aggregate holdings of Securities of each accountholder for the time being shown in the records of the Depository.

Notices

Notices required to be given in respect of the Securities represented by the Global Certificate may be given by their being delivered (so long as the Global Certificate is held on behalf of the Depository) to (subject to the agreement of the Depository) the Depository, or otherwise to the holder of the Global Certificate rather than by publication as required by the Conditions, except that so long as the Securities are listed on Singapore Exchange Securities Trading Limited and the rules of that exchange so require, notice will in any event be published in a daily newspaper of general circulation in Singapore.

Transfers

So long as the Global Certificate representing the Securities is held on behalf of one or more clearing systems, transfers of book-entry interests in the Securities between accountholders of such clearing systems may be made in accordance with the rules of the relevant clearing system.

USE OF PROCEEDS

The net proceeds from the issue of the Securities will be used by the Group for the furtherance of its business activities, including the financing of the Group's business expansion and general working capital.

CAPITALISATION

The table below sets forth the Group's capitalisation as at 31 March 2017 and as adjusted to account for the issue of the Securities. This table should be read in conjunction with the Issuer's unaudited interim financial statements and related notes appearing elsewhere in this Information Memorandum.

	As at 31 March 2017	
	Actual (S$ '000)	**As Adjusted (S$ '000)**
Short-term Borrowings (repayable within one year)		
Short-term bank borrowings		
- Secured	4,716	4,716
- Unsecured	-	-
Total short-term borrowings	4,716	4,716
Long-term Borrowings (repayable after one year)		
Bank borrowings		
- Secured	197,720	197,720
- Unsecured	336,432	336,432
Medium-term Notes	417,000	417,000
Total long-term borrowings	951,152	951,152
Total Borrowings	955,868	955,868
Equity		
Share Capital	838,250	838,250
Securities offered hereby [1]	-	150,000
Other reserves	(20,582)	(20,582)
Retained earnings	2,291,615	2,291,615
Non-controlling interest	204,777	204,777
Total Equity	3,314,060	3,464,060
Total Capitalisation	4,269,928	4,419,928

Note:

(1) This reflects the application of the gross proceeds from the offering of the Securities not reduced by commissions, fees and expenses in connection with this offering.

Save as indicated above, there has been no material change in the capitalisation of the Group since 31 March 2017.

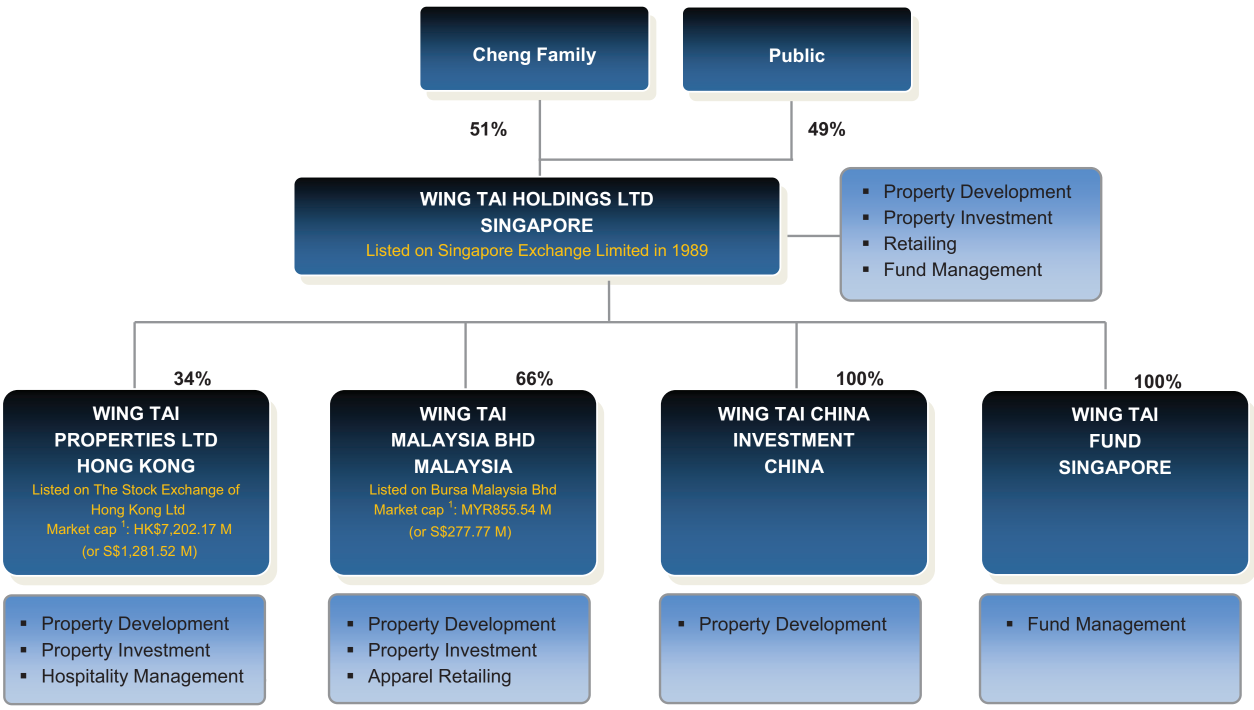
DESCRIPTION OF THE GROUP

OVERVIEW

The Issuer was incorporated in Singapore as a private limited company on 9 August 1963. Formerly known as Wing Tai Garment Manufactory (Singapore) Pte Ltd, the Issuer was converted into a public company and assumed its present name on 17 January 1989.

The Issuer was admitted to the Official List of the then Stock Exchange of Singapore Limited (now known as the SGX-ST) on 21 February 1989.

At present, there are three public companies, namely Wing Tai Holdings Ltd ("**Wing Tai**"), Wing Tai Properties Ltd ("**WTP**") and Wing Tai Malaysia Bhd, listed in Singapore, Hong Kong and Malaysia respectively that operate under the "Wing Tai" name. As at 15 June 2017, Wing Tai Holdings Ltd has a market capitalisation of S$1,528.25 million, Wing Tai Properties Ltd has a market capitalisation of S$1,281.52 million based on a currency exchange rate of HKD5.62: S$1.00 and Wing Tai Malaysia Bhd ("**WTM**") has a market capitalisation of S$277.77 million based on a currency exchange rate of MYR3.08: S$1.00. The businesses in which these public companies, their subsidiaries and affiliates are involved include property development, property investment, hospitality management, apparel retailing and fund management.



Note:

[1] As at 15 June 2017.

The Group is one of the major property groups in Singapore with total assets of approximately S$4.5 billion as at 31 March 2017. The principal activities of the Group consist of property development, investment and management. The Group's other businesses in Singapore include hospitality management, apparel retailing and fund management.

MILESTONES

1963 Incorporated in Singapore

On 9 August 1963, The Wing Tai Garment Manufactory (Singapore) Limited was established to meet growing industry demand. It quickly gained a reputation for excellence, and was awarded fiscal incentives through the Pioneer Status Scheme from 1963 to 1968 by the Singapore Government. It was the first factory to produce jeans in Singapore. The opening of the factory at Little Road was officiated on 18 September 1963 by the late Dr Goh Keng Swee, Singapore's Finance Minister. About 200 workers were employed then.

1965 Union for workers

Wing Tai on its own initiative invited the Union to organise its workers in 1965. Since then Wing Tai has progressively developed sound and good industrial relations with the Union.

1966 Moved into second factory

From Little Road, the factory moved to a larger factory at 105 Tampines Road in the quest for expansion.

Dragon & Phoenix Manufactory Sendirian Berhad ("DNP") established in Malaysia

To meet escalating worldwide demand, another garment manufacturing subsidiary, DNP was set up in Malaysia. DNP became a successful garment manufacturer and exported high quality products from Malaysia to many advanced countries in the world.

1972 Third factory built, with staff dormitory and canteen

A new 10-storey factory complex was built at 107 Tampines Road, with a floor area of approximately 19,000 square metres. There was also a five storey in-house staff dormitory of approximately 1,750 square meters to provide housing for workers.

1978 Wing Tai entered Singapore property market

Tapping into the potential of the Singapore property market, Wing Tai moved strategically into the real estate business by developing its first residential development, which catered to a growing middle-income population seeking high quality accommodation.

1979 DNP listed on Kuala Lumpur Stock Exchange, Bursa Malaysia Securities

Dragon & Phoenix Manufactory Sendirian Berhad was converted to a public company and renamed Dragon & Phoenix Berhad in 1979. It offered 5,394,000 new shares for subscription at an issue price of RM1.00 per share.

1982 Set up of in-house staff training facilities

Wing Tai was the first private company to secure government funding to set up an in-house textile and garment industry training centre. The initiative was supported by TGMAS (Textile and Garment Manufacturing Association of Singapore) and funded by SDF (Skills Development Fund).

A staunch supporter of the NTUC BEST programme, Wing Tai was the very first to respond to the call to have its group of manufacturing companies start the in-plant BEST programme in 1982. Staff were given lessons in English and Mathematics, with teachers sponsored and brought in to conduct over 30 courses for different levels. They were also provided training for higher technical and supervisory skills.

1984 First in-house childcare centre set up on factory premises

Wing Tai was among the first in Singapore from the private sector to offer full in-house childcare centre facilities. To support the needs of its predominantly female workforce, Wing Tai set up a 10,000 square feet in-house childcare centre for workers' children aged two months to six years at 107 Tampines Road building. The company chartered buses to provide free transport to/from neighbouring kindergartens and schools for staff's children aged four to six years old. Total enrolment stood at 96 children in 1990.

Joint venture for G2000 with Great Malaysia Textile Manufacturing Co. Private Ltd

A joint venture was formed in 1984 to retail clothes designed and manufactured in Hong Kong by Generation 2000.

Wing Tai Apparel incorporated for retail

Initiated operations to retail ready-made garments in Singapore, including Stock Mart (a budget apparel chain) and Domani (an upper medium-priced men's fashion wear). In 1989, the company began garment retail operations in Malaysia with Stock Mart and G2000 stores.

1986 Fourth factory built in Singapore

A new nine-storey building was built at 105 Tampines Road, with a floor area of approximately 9,500 square metres.

From the 1970s to 1980s, Wing Tai was among the largest garment manufacturers in Asia. From a modest single factory operation in 1963, Wing Tai expanded its garment manufacturing business to six factories in Singapore. These factories covered a total production area of 30,000 square metres and produced five million pieces of jeans, skirts, jackets and winter clothing annually. The factories also produced woven labels and sewing threads. In Malaysia, manufacturing activities were carried out in nine factories in Balik Pulau, Penang; Johor Bahru, Johor; Parit Buntar, Ipoh and Kuala Kangsar in Perak; Kangar, Perlis; Kota Bahru, Kelantan. These factories covered a total production area of 65,000 square metres and produced 12 million pieces of garment including jeans, skirts, shorts, jackets, blouses, shirts and knitted sweaters. Wing Tai employed over 3,000 workers in Singapore and over 10,000 in Malaysia.

By 1989, there were 20 factories in Singapore, Malaysia, Hong Kong, Tunisia, China, Myanmar and Sri Lanka. Its garment products were sold to more than 13 markets, including the US, Europe and Hong Kong.

1987 Wing Tai stepped up property activities in Singapore and Malaysia

Having weathered the 1985 global recession, Wing Tai began to build up its second core business by expanding its activities in property sector more aggressively and increasing its landbank in Singapore and Malaysia for investment and development, poised to ride the upswing in the market which begun in 1988. Investment properties were added to its portfolio. Its first commercial project, Winsland House I, a 10-storey Grade A office block in Orchard Road, was completed in 1991.

1989 Wing Tai Holdings Limited listed on Singapore Stock Exchange

Wing Tai became the first local garment company to be listed on the Stock Exchange of Singapore on 21 February 1989 as Wing Tai Holdings Limited. 40,000,000 new shares of $0.25 each were offered for subscription, at an issue price of S$1.25 per share.

1991 United Success International Limited ("USI Holdings") listed on Hong Kong Stock Exchange

USI Holdings was listed on the Hong Kong Stock Exchange on November 1991. It offered 455,500,123 shares for subscription at an issue price of HK$0.50 per share.

1993 Property activities expanded to Ningbo and Suzhou, China

With business opportunities arising from the opening up of China, Wing Tai entered into two government-backed consortia with major investment plans for the China market. China-Singapore International was formed with three partners (Straits Steamship Land Ltd, Temasek Holdings (Pte) Ltd and World-Wide Investment (Bermuda) Company Limited) for the development of an 18-storey office and retail complex in Ningbo in March 1993. In May 1993, Wing Tai entered into an agreement with 18 other shareholders of a joint venture company, Singapore-Suzhou Township Development (Pte) Ltd to develop Suzhou Industrial Township in China (8.02 hectares of land).

1995 Foray into hospitality and lifestyle business

Cheung Wai Keung took over the chairmanship of the company to make its foray into hospitality and lifestyle business.

1996 Wing Tai entered Hong Kong property market

Wing Tai, together with USI Holdings, led a consortium of Singapore and Hong Kong partners to secure a bid for The Waterfront as a development of the Airport Railway Kowloon Station Development. The group acquired 27.65 per cent stake in Hong Kong-listed Winsor Properties Holdings Limited to expand its role as a new, and competent, property player in Hong Kong.

Garment manufacturing ceased production in Singapore

Wing Tai's garment manufacturing in Singapore ceased production in August after 33 years of operations. The company's manufacturing activities continued through DNP and USI Holdings in countries with lower manufacturing costs. Wing Tai implemented an innovative retrenchment scheme, where workers were relocated to operations in DNP or were absorbed and retrained for new roles in administration or retail operations. Factory and sewing staff were given language, grooming and sales training to prepare them for transition into new roles in the company's retail business.

New corporate logo

With property and retail as the core businesses of the company, Wing Tai unveiled its new corporate logo in August 1996 to support the profile of its corporate identity and strengthened regional presence (Singapore, Malaysia, Hong Kong and China), focusing the group's business under a Wing Tai Asia collective. By incorporating the Tembusu as a symbol, Wing Tai set its sights on steady and confident growth.

1998 Hospitality business launched

Wing Tai launched its hospitality business with Lanson Place Winsland House in Singapore and Ambassador Row, Kondominium No.8 in Kuala Lumpur, Malaysia, where it added Bukit Ceylon Serviced Residences in 2013. It further expanded to Hong Kong with boutique Lanson Place Hotel (2006) and to China with Lanson Place Jinlin Tiandi in Shanghai (2005) and Lanson Place Central Park in Beijing (2008).

2000 Strategic investment partnerships

The company established a S$300 million real estate fund with AIG in March 2000, to develop two prime properties for sale in Singapore.

In 2007, Wing Tai led a real estate consortium comprising SEB Immobilien-Investment, Forum Partners and Eilam Group, to identify business opportunities for investments worth US$1 billion in China.

2007 Corporate HQ relocated

Winsland House I at 3 Killiney Road, Singapore, became the new corporate HQ on 10 August.

2008 Expanded relationship

With a joint venture with Fast Retailing Co. Ltd in April 2008, Wing Tai was able to translate its relationship from manufacturing to retail to form a new business initiative to facilitate the entry of leading casual wear brand Uniqlo into the Singapore market. From 2008 to 2013, 12 Uniqlo outlets were opened in Singapore. This business was expanded to Malaysia in June 2010. As of June 2013, 10 Uniqlo outlets were opened in Malaysia.

2010 Rebranding of associated and subsidiary companies

USI Holdings in Hong Kong was renamed Wing Tai Properties Limited (25 June) while DNP Holdings Berhad in Malaysia was renamed Wing Tai Malaysia Berhad (12 November).

2013 50th anniversary of founding in Singapore

Wing Tai's total assets exceeded S$4.5 billion. For the financial years ended 30 June 2008 to 2012, revenue of the company averaged S$605 million, with profit attributable to shareholders at S$193 million and shareholders' equity as of 30 June 2012 exceeding S$2.1 billion. Wing Tai developed over 113 properties in Asia and managed 18 international fashion brands in Singapore; 12 in Malaysia. With over 240 retail stores in Singapore and Malaysia, its retail presence exceeded 670,000 square feet. On 9 August, Wing Tai celebrated its 50th anniversary in Singapore.

2016 Established fund management subsidiary

Fund management unit established to invest in the Asia-Pacific region through core and core-plus, value-add strategies as well as through other investment options.

RECENT DEVELOPMENTS

Voluntary Take-over Offer for WTM

As at 23 May 2017, the Issuer and its wholly-owned subsidiary, Wing Tai Investment & Development Pte Ltd ("**WTID**") directly held approximately 66% of the issued share capital of WTM. Incorporated in Malaysia on 8 July 1966, WTM is listed on the Main Market of Bursa Malaysia Securities Berhad. On 23 May 2017, a notice of unconditional voluntary take-over offer was served on behalf of the Issuer and WTID to acquire all the issued ordinary shares of WTM (excluding treasury shares) not already owned by the Issuer and WTID for a cash offer price of RM 1.80 per share (the "**Offer**").

For illustrative purposes only, a summary of the proforma financial effects of the Offer on the Group is set out below. The proforma financial effects are prepared purely for illustration and do not reflect the actual financial situation of the Group after the completion of the Offer.

The proforma financial effects of the Offer on the consolidated earnings per Company Share ("**EPS**") and consolidated net tangible assets ("**NTA**") per Company Share, are set out below, and have been prepared using the respective audited consolidated financial statements of the Issuer and the Group for the financial year ended 30 June 2016, and are based on the following key assumptions:

(a) the Issuer acquires all the offer shares and owns 100 per cent. of WTM;

(b) all of the Offer Shares were acquired at the offer price;

(c) the Offer had been completed on 1 July 2015 (being the beginning of the most recently completed financial year of the Issuer) for the purpose of computing the financial effects on the consolidated EPS;

(d) the Offer had been completed on 30 June 2016 (being the end of the most recently completed financial year of the Issuer) for the purpose of computing the financial effects on the consolidated NTA per Company Share;

(e) the financial effects computation below have taken into account estimated transaction costs of S$500,000; and

(f) there is no impact on the profit and loss of the Group as a result of any goodwill arising from the Offer.

Effect on EPS

	Financial Year ended 30 June 2016	**After the Offer**
Consolidated Earnings (S$'000) (1)	7,079	9,655
Weighted Average No. of Company Shares ('000)	777,271	777,271
EPS (S$)	0.91	1.24

Note:

(1) Profit after taxation excluding minority interests.

Effect on NTA per Company Share

	Financial Year ended 30 June 2016	After the Offer
NTA (S$'000) (1)	3,122,709	3,168,663
No. of issued Company Shares ('000) (2)	772,509	772,509
NTA per Company Share (S$)	4.04	4.10

Note:

(1) Excludes minority interest

(2) Based on the number of shares in issue at 30 June 2016, excluding treasury shares.

Disposal of Winnamax Investment Pte. Ltd. by wholly-owned Subsidiary

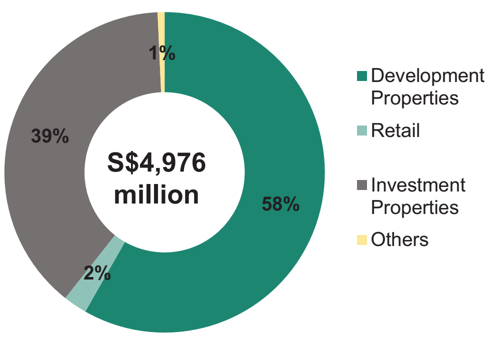
On 7 June 2017, the Issuer announced that its wholly-owned subsidiary, Wing Tai China Pte. Ltd. entered into a sale and purchase agreement to dispose of its 100% interest in the issued share capital of and shareholders' loans to Winnamax Investment Pte. Ltd. for a cash consideration of S$270,788,000, subject to adjustments. Completion is expected to take place within 3 months from the signing date of the agreement and upon completion, Winnamax Investment Pte. Ltd. will cease to be a subsidiary of the Issuer.

ASSET ALLOCATION BY BUSINESS SEGMENTS & GEOGRAPHICAL LOCATIONS

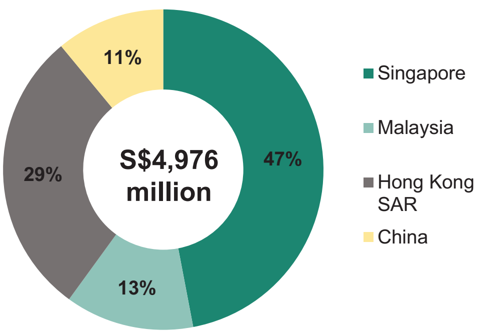
The Group is organised into three main business segments (namely, development properties, investment properties and retail) and operates in four main geographical areas (namely, Singapore, Malaysia, Hong Kong and China) with total assets of approximately S$5 billion as at 30 June 2016.

Total Assets – FY 2016

By Business

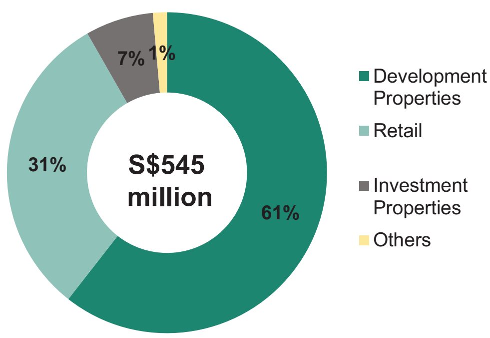


By Geography

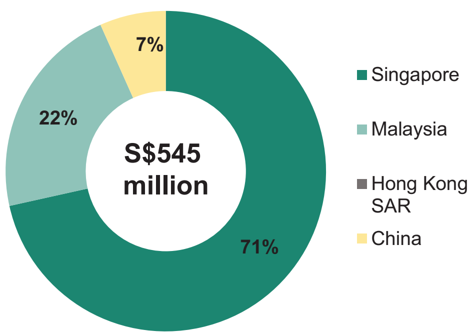


Revenue – FY 2016

By Business



By Geography



As illustrated above, development properties constitutes more than 50% of the group's assets. In terms of geographical allocation, 47% of the assets are in Singapore.

COMPETITIVE STRENGTHS OF THE GROUP

Established track record and strong branding

The Group has an established track record with more than 30 years of experience in property development, having established itself in Singapore, Malaysia and Hong Kong as a reputable developer in luxury and high-end residential developments. Over the years, the Group and its associated and joint venture companies have built up a significant number of quality residential developments in Singapore, including The Crest, The Tembusu, Le Nouvel Ardmore, Belle Vue Residences, Helios Residences and Draycott 8. Please refer to the section, "*Principal Business Activities - Property Division*" for more information on the developments.

The Group has more than 25 years of experience in apparel retailing, having launched in Singapore and Malaysia successful and well-known brands such as G2000, Topman, Topshop and Uniqlo. Please refer to the section, "*Principal Business Activities - Retail Division*" for further information on the brands.

With its long operating history and established track record, the Group has created a strong brand identity that strengthens its ability to market its property, products and services to existing and new customers.

Quality projects

The Group has won numerous awards in recognition of its innovative design, architectural conservation and environmentally sustainable practices.

With its concepts of conservation, sustainability and cultural identity, the Group's restoration of the historical House of Tan Yeok Nee won Special Mention at the FIABCI Prix d'Excellence Awards. Luxury development Draycott 8 at Draycott Park won the Singapore Urban Redevelopment Authority's Architectural Heritage Award for its transformation of a colonial bungalow into an exclusive clubhouse within a high-end residential complex. The Tomlinson at Cuscaden Road received an Honourable Mention at the Singapore Institute of Architects Façade Design Excellence Awards.

The Group also has its share of accolades for its commitment to quality and environmental sustainability, garnering, among others, awards by the Singapore Building and Construction Authority's ("**BCA**"). The awards are affirmations of the Group's vision and commitment to deliver landmark projects that marry inventive design with environmental consciousness. Details of these awards are set out on pages 69 and 70 of this Information Memorandum.

Qualified and experienced management team

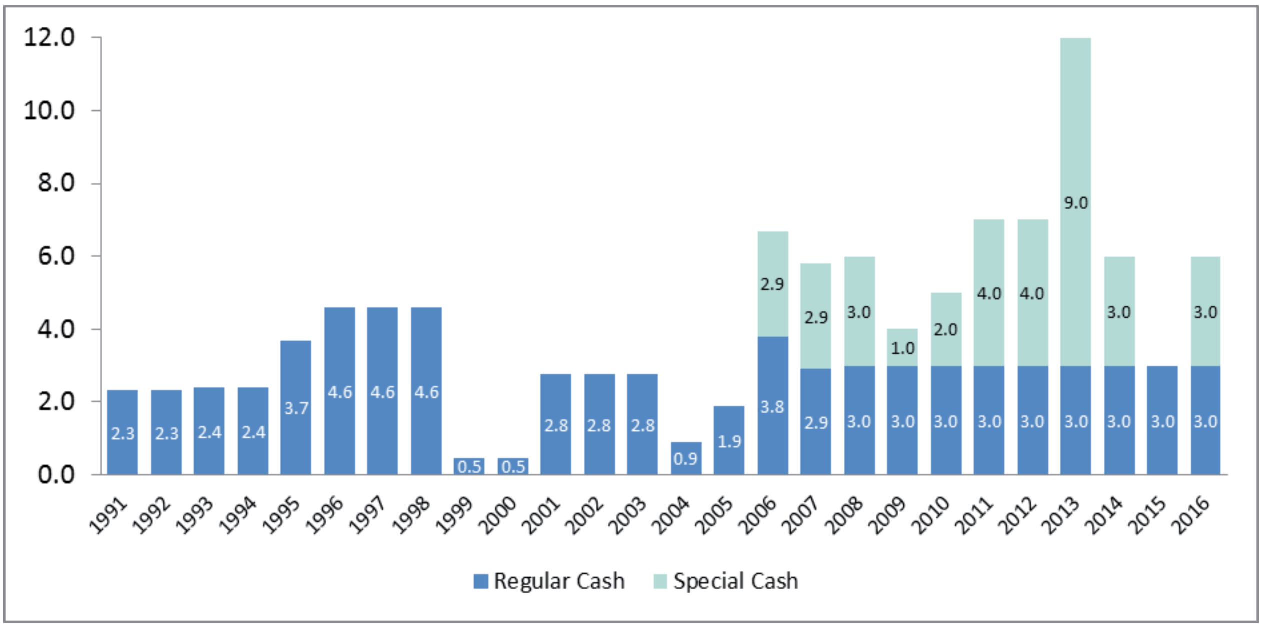
The Group has a strong management team which is well-supported by a group of experienced executives who are actively involved in the daily operations of the Group. Mr Cheng Wai Keung has been the Issuer's Chairman since 1994 and has significant experience in the retail, hospitality and property development industries. Mr Edmund Cheng is the Deputy Chairman and Deputy Managing Director of the Issuer and has more than 30 years of experience in the industry. They are well-supported by a team of senior executives with extensive functional experience.

Strong balance sheet and prudent financial management

The Group is able to sustain a strong balance sheet and favourable cash flow position through its prudent financial management policy. The Group's healthy financial position will enable it to maintain a competitive advantage for future expansion and increase its potential for growth when opportunities for strategic investments arise.

As indicated in the table below, the Group has also consistently paid dividends since its listing on the SGX-ST on 21 February 1989.

(Dividends per share | SGD Cents)



STRATEGIES

Stay vigilant in Singapore

In Singapore, the Group intends to focus on marketing existing residential projects and selective land acquisition either through government land sales or collective sales. The Group will also look for opportunities to introduce new fashion brands and open new outlets for existing brands in Singapore.

Develop and expand the Group's core business outside Singapore

Depending on market opportunities, the Group intends to expand its property development business in other countries in which the Group has a presence, namely Malaysia, Hong Kong, China and Australia.

The Group intends to continue sourcing for suitable development sites regionally to add to its land bank, so that it will be positioned to capitalise on suitable development opportunities during favourable market conditions. The Group will monitor the property market closely, and adjust its land acquisition strategy accordingly.

The Group acquired a freehold commercial building in central Melbourne in 2016, which marks its first foray into Australia. The Group intends to grow and increase its presence in overseas markets, and for the business in such overseas markets to constitute an increasing proportion of the Group's business.

The Group also intends to grow its retail business and will continue to introduce new fashion brands to Malaysia and set up new outlets for existing brands to optimise its distribution network.

Foray into fund management in Asia Pacific

The Group set up a wholly-owned fund management subsidiary WT Fund Management Pte. Ltd. in February 2016. This unit is led by a managing director to look into investments in Asia Pacific through core and core-plus, value-add strategies, as well as other investment options. The Group will expand its investment portfolio across all asset classes with geographical diversification through this subsidiary.

Continue to create innovative concepts to differentiate the Group's projects and to stay competitive

To distinguish itself from its competitors, the Group will continue to create and develop landmark projects with innovative designs and environmentally sustainable practices.

Some of the Group's projects incorporating such innovative concepts include The Crest at Prince Charles Crescent, Belle Vue Residences at Oxley Road and the Le Nouvel Ardmore at Ardmore Park.

Designed by Pritzker Prize Laureate Toyo Ito, The Crest has been created to provide a bright and airy living environment with magnificent views. Sky planters that are part of the architecture promote passive cooling and complement the lush landscaping and water features.

Belle Vue Residences' nature-inspired design, also by Toyo Ito, resembles a branching pattern which may allow the orientation of different units in the development to vary by differing angles, whereas Jean Nouvel, the architect for the Le Nouvel Ardmore, has challenged the convention of a residential apartment building by introducing the concept of an elevated bungalow, with each having its own orientation and affording the same sense of privacy up in the air as a bungalow on the ground.

Maintain a balanced approach of maximising profit and managing cashflow and gearing

The Group will actively review its portfolio and sales schedule from time to time so as to strike a balance between profit maximisation and maintaining a healthy cashflow and gearing. In managing its capital, the Group may employ an appropriate mix of debt and equity in the financing of acquisitions and property enhancements, secure diversified funding sources from financial institutions and capital markets, minimise the cost of debt funding and manage the exposure to fluctuations in interest rates and foreign exchange through appropriate hedging strategies.

Further integrating the Group's financial and operational resources

The Issuer and its wholly-owned subsidiary, WTID, are controlling shareholders of WTM. The Issuer and WTID intend to take WTM private by offering the minority shareholders of WTM the opportunity to exit and to realise their investments for cash. Further details of the Issuer and WTID's notice of unconditional voluntary take-over offer are set out on pages 60 and 61 of this Information Memorandum under the section "Overview". The offer would allow the Group to further integrate its financial and operational resources which should result in costs saving and achieve better operational efficiencies.

Should the offer result in the Issuer and WTID successfully de-listing and owning 100% of WTM, they shall have greater flexibility to facilitate ease of review and execution of any restructuring plan for WTM and its subsidiaries, where necessary.

PRINCIPAL BUSINESS ACTIVITIES

A description of the activities undertaken by each of the main business areas is set out below:

Property Division

Having successfully established its garment operations in Singapore and Malaysia, the Group diversified into property development in 1978 and became more active in the property market in 1987. Wing Tai Land Pte Ltd, together with its subsidiaries, associated and joint venture companies, is engaged in the business of property management, development and investment, as well as project management. A description of the property activities by geographical location is set out in the following pages.

(A) SINGAPORE

(i) Property Development

Since its foray into property development in 1978, the Group and its associated and joint venture companies have completed and sold many residential / commercial projects, including the following developments:

Project	Tenure	Type	Land Area (sq m)	Estimated Gross Floor Area (sq m)	Equity Held by the Group (%)
Cherryhill Lorong Lew Lian	Freehold	163-unit condominium	24,899	23,872	85

Project	Tenure	Type	Land Area (sq m)	Estimated Gross Floor Area (sq m)	Equity Held by the Group (%)
Central Green Tiong Bahru Road	99-year lease from 1992	412-unit condominium		56,418	25
Maplewoods Bukit Timah Road	Freehold	697-unit condominium	55,662	113,298	85
Palm Spring Ewe Boon Road	Freehold	167-unit condominium	16,729	32,042	60
Blossomvale Dunearn Road	999-year lease from 1884	220-unit condominium	16,267	31,881	49
Oleander Towers Lorong 1 Toa Payoh	99-year lease from 1992	318-unit condominium	13,030	36,485	90
Duchess Crest Duchess Avenue	99-year lease from 1995	251-unit condominium	29,196	40,874	100
Sunrise Gardens Sunrise Avenue	99-year lease from 1995	252-unit condominium	24,227	33,941	100
Sunrise Houses Sunrise Avenue	99-year lease from 1995	10 units of terrace houses and 6 units of semi-detached houses	5,631	4,140	100
Eastwood Park Jalan Greja	99-year lease from 1995	33 units of terrace houses and 30 units of semi-detached houses	7,015	8,288	100
Tanah Merah Green Tanah Merah Kechil Road	99-year lease from 1997	70 units of terrace houses, 8 units of semi-detached houses and 1 unit of bungalow	24,923	23,882	100
Burlington Square Bencoolen Street	99-year lease from 1996	179 units of residential apartments, 55 units of retail shops and 90 units of offices	6,596	27,702	100
Newton 18 Newton Road	Freehold	81-unit condominium	2,758	7,722	100
The Tomlinson Cuscaden Road	Freehold	29-unit condominium	3,104	8,692	50
Hougang P2 Hougang Avenue 10	99-year lease from 1994	5-storey shopping cum 2 basement carpark complex	6,300	20,000	100
The Tessarina Wilby Road	Freehold	443-unit condominium	28,549	59,097	90
The Serenade @ Holland Holland Road	99-year lease from 2001	89-unit condominium	6,433	13,509	100

Project	Tenure	Type	Land Area (sq m)	Estimated Gross Floor Area (sq m)	Equity Held by the Group (%)
The Light @ Cairnhill Cairnhill Circle / Cairnhill Road	Freehold	118-unit condominium and 3 conservation houses	5,927	20,424	67
Draycott 8 Draycott Park	99-year lease from 1997	136-unit condominium	14,207	31,418	85
Kovan Melody Kovan Road / Flower Road	99-year lease from 2004	778-unit condominium	24,272	88,454	60
VisionCrest Residences Oxley Rise / Penang Road	Freehold	265-unit condominium, 11 units of retail shops and 70 units of offices	14,005	42,801	45
The Nexus Bukit Timah Road	Freehold	242-unit condominium	13,245	27,446	40
The Grange Grange Road	Freehold	95-unit condominium	9,090	19,088	23
Casa Merah Tanah Merah Kechil Avenue		556-unit condominium			
The Riverine by the Park Kallang Road	Freehold	96-unit condominium	3,282	11,486	100
Belle Vue Residences Oxley Walk	Freehold	176-unit condominium	23,004	32,205	60
Helios Residences Cairnhill Circle	Freehold	140-unit condominium	7,399	20,717	100
Ascentia Sky by Tanglin Alexandra View	99-year lease from 2008	373-unit condominium	8,559	41,939	40
Floridian Bukit Timah Road	Freehold	336-unit condominium	21,442	45,440	40
L'VIV Newton Road	Freehold	147-unit condominium	3,984	11,156	100
Le Nouvel Ardmore Ardmore Park	Freehold	43-unit condominium	5,624	15,747	100
Foresque Residences Petir Road	Leasehold	496-unit condominium	22,744	47,763	100
Nouvel 18 Anderson Road	Freehold	156-unit condominium	10,414	29,160	50

The Group intends to continue to market the following residential projects in Singapore:

Project	Tenure	Percentage Completed (%)	Type	Land Area (sq m)	Estimated Gross Floor Area (sq m)	Equity Held by the Group (%)
Le Nouvel Ardmore Ardmore Road	Freehold	100	43-unit condominium	5,624	15,747	100
The Tembusu Tampines Road	Freehold	100	337-unit condominium	13,149	27,614	100

Project	Tenure	Percentage Completed (%)	Type	Land Area (sq m)	Estimated Gross Floor Area (sq m)	Equity Held by the Group (%)
The Crest Prince Charles Crescent	Leasehold	100	469-unit condominium	23,786	49,949	40

(ii) Property Investment

The Group currently owns four properties for investment purposes as well as the Group's operations. They are as follows:

Investment Property

Property	Tenure	Lettable area (sq m)	Equity Held by the Group (%)
Winsland House I at 3 Killiney Road 10-storey commercial building	99-year lease expiring 2082	13,283	100
Winsland House II at 163 Penang Road 8-storey commercial building	99-year lease expiring 2093	7,311	100
Winsland House II at 165 Penang Road Conservation house	99-year lease expiring 2093	584	100
Lanson Place Winsland Serviced Residences at 167 Penang Road 9-storey serviced residences	99-year lease expiring 2093	6,030	100

The total valuation of the investment properties for the Group amount to S$577.7 million, and the occupancy rate achieved for the above investment properties collectively as at 30 June 2016 is approximately 90%. The tenants in the investment properties include Gessi, The Body Shop, Idemitsu International (Asia), X-tra Design and Miele.

(iii) Hospitality

The Group's hospitality division in Singapore is operated as part of an international chain of serviced apartments under the brand name "Lanson Place". The group continues to expand its Lanson Place chain of branded hospitality services in strategic locations in Asia.

In June 2016, Singapore's Lanson Place Winsland recorded an occupancy rate of about 92%.

(B) MALAYSIA

(i) Property Development and Investment

The Group has expanded its property operations into Malaysia through WTM. Formerly known as "DNP Holdings Berhad", WTM's name was changed to "Wing Tai Malaysia Berhad" with effect from 12 November 2010 as part of the company's corporate rebranding and a major step towards elevating the company's focus and commitment as an integrated property developer.

WTM is currently developing various residential projects strategically located in Kuala Lumpur and Penang, and plans to continue its focus on these cities. The high-end 195-unit freehold development in Kuala Lumpur, Le Nouvel KLCC has a launch strategy similar to that of Le Nouvel Ardmore in Singapore.

(ii) Hospitality

The hospitality division in Malaysia owns a total of 503 units in Lanson Place Kondominium 8, Lanson Place Bukit Ceylon and Ambassador Row Serviced Suites in Kuala Lumpur and they are operated as part of an international chain of serviced apartments under the brand name "Lanson Place".

(C) HONG KONG

(i) Property Development and Investment

The Group's property interests in Hong Kong are represented by investments in its associated company, WTP. WTP develops, invests in and manages a balanced and diversified portfolio of residential and commercial properties, serviced apartments and boutique hotels under the premier brand names of WingTai Asia and Lanson Place.

(ii) Hospitality

A subsidiary of WTP currently operates a chain of serviced apartments in Asia under the brand name "Lanson Place".

Currently, WTP and its subsidiaries manage a total of 1,664 units in Singapore, Kuala Lumpur, Hong Kong SAR, Chengdu and Shanghai. WTP will continue to focus and grow the "Lanson Place" brand as a pan-Asian brand and explore investment and management opportunities in gateway cities in the Asia-Pacific region.

(D) CHINA

Property Development and Investment

The Group's property business activities in China are conducted through its subsidiary company, Jiaxin (Suzhou) Property Development Co, Ltd.

In November 2012, Wing Tai acquired a piece of land in Shanghai Baoshan District (Malaren Garden) to develop quality residential units. The sales launch took place in 4Q2016.

In November 2013, Wing Tai acquired a piece of land in Shanghai Huangpu District to develop a quality office building with supporting retail facilities.

The Group will continue to strengthen its networks in China and seek investment and marketing opportunities in the key growth cities.

Retail Division

(A) SINGAPORE

Wing Tai made its foray into the lifestyle business in May 1997. The apparel and lifestyle operation is currently carried out through Wing Tai Retail Pte Ltd, together with its subsidiaries and associated companies such as Wing Tai Clothing Pte Ltd ("**Wing Tai Clothing**"), Wing Tai Fashion Apparel Pte. Ltd. ("**Wing Tai Fashion**"), Uniqlo (Singapore) Pte Ltd ("**Uniqlo**"), G2000 Apparel (Singapore) Pte Ltd ("**G2000 Apparel**") and Wing Tai Branded Lifestyle Pte Ltd.

Wing Tai Clothing operates the brand names of "Topshop", "Topman", "Warehouse", "Karen Millen", "Dorothy Perkins", "Miss Selfridge", "BCBGMaxazria", "Burton Menswear London", "Wallis" and "Adidas", while Wing Tai Fashion operates the brand names of "Fox Kids & Baby" and "i.t.". In April 2008, Wing Tai entered into a joint venture with Japan's Fast Retailing, and launched the highly popular "Uniqlo" brand which now has 25 outlets in Singapore. G2000 Apparel operates the popular, midmarket range of fashion apparel under the brand name of "G2000". The Group operates over 100 stores representing the above 12 brands across Singapore.

As consumer spending patterns change, the Group has adopted a multi-channel approach with a strong focus on social, content and customer-centricity, to leverage on technology, improving processes and systems, to deliver a seamless cross-channel approach and to engage more customers. The Group has a partnership with Zalora, an Asian online fashion retailer, which covers eight retails brands in seven countries including Singapore and Malaysia.

As a testament to the commitment and teamwork of the Group's staff who have embraced challenges, innovation and new technology in a highly competitive and dynamic industry, the Group has won a number of awards, details of which are set out on pages 69 and 70 of this Information Memorandum.

(B) MALAYSIA

The retail apparel and lifestyle business of the Group in Malaysia is managed by its subsidiary, WTM. Wing Tai manages more than a dozen brands in over 100 stores across Peninsula Malaysia. In November 2010, the highly popular Japanese label Uniqlo was launched in Kuala Lumpur which now has 35 outlets in Malaysia. The Group continues to seek out opportunities to expand its number of retail stores to optimise its distribution network.

AWARDS

The Group has won numerous awards including the following:

Corporate Awards

Award	Year
SIAS 15th Investors' Choice Awards: Most Transparent Company Award (Real Estate) - Runner up	2014
Extraordinary Award from National Kidney Foundation	2014
NTUC May Day CBF Model Partnership Award	2010
NTUC May Day Plaque of Commendation	2009
Singapore International 100 Fastest Growing Internationalising Company	2008
Yazhou Zhoukan Global Chinese Business 1000 Awards Best Performing Enterprise in Singapore	2008
Hurun Recommended Singapore Luxury Property Developer	2011
BCI Asia Top 10 Developers Award	2011
National Arts Council Friend of The Arts Award	Since 1990

Property Development Awards

Quality Award	Year
Building and Construction Authority Quality Mark Award For Good Workmanship ▪ L'VIV	2014

Sustainability Award	Year
Building and Construction Authority Green Mark Gold Plus Award ▪ Winsland House II	2015
Building and Construction Authority Green Mark Gold Award ▪ The Tembusu ▪ Foresque Residences ▪ Belle Vue Residences ▪ Le Nouvel Ardmore ▪ Nouvel 18	2015 2012 2009 2009 2009

Conservation Award	Year
CNBC Asia Pacific Property Awards for Best Redevelopment (Single Unit) ▪ Draycott 8	 2008
Urban Redevelopment Authority Architectural Heritage Awards ▪ Draycott 8 Clubhouse ▪ Winsland House II Edwardian House ▪ House of Tan Yeok Nee	 2006 2002 2001
FIABCI Prix d'Excellence Award ▪ House of Tan Yeok Nee	 2002

Retail Awards

Award	Year
Asia Enterprise Brand Awards - Asia Asia Trailblazer Award	2015
Singapore Service Excellence Medallion for Organisation Commendation for Service Leadership	2012
Singapore Quality Award	2012
Singapore Experience Awards Best Customer Service	2011
British Business Awards for Customer Service Excellence	2011
Tourism Host of the Year Award Retail Category	2008
British Business Award for Hospitality, Tourism and Retail	2008
Singapore 1000 Return on Equity Excellence	2008
Excellence Service Award	2006 -2013

DIRECTORS AND KEY MANAGEMENT

BOARD OF DIRECTORS

The Board of Directors of the Issuer comprises:

Name	Position
Cheng Wai Keung	Chairman and Managing Director
Edmund Cheng Wai Wing	Deputy Chairman and Deputy Managing Director
Boey Tak Hap	Independent Director
Cheng Man Tak	Non-Executive Director
Tan Sri Dato' Paduka Dr. Mazlan bin Ahmad	Independent Director
Christopher Lau Loke Sam	Independent Director
Lee Kim Wah	Independent Director
Loh Soo Eng	Independent Director
Paul Tong Hon To	Lead Independent Director
Tan Hwee Bin	Executive Director

Cheng Wai Keung

Cheng Wai Keung is the Chairman of the Board of the Issuer, appointed to the Board on 17 April 1973. He is also the Managing Director of the Issuer and a member of the Nominating Committee. Mr Cheng is the Deputy Chairman of Temasek Holdings (Private) Limited, Vice Chairman of Singapore-Suzhou Township Development Pte Ltd, Managing Director of WTM and a Director with Singapore Health Services Pte Ltd. He has chaired the boards of power and utilities, media and broadcasting companies, as well as multinational corporations engaged in global shipping and logistics, and international hospitality businesses. Mr Cheng has served on many government bodies, including the Economic Development Board, Singapore Trade Development Board and Singapore Productivity and Standards Board. He has also sat on national committees involved in automation, economic development, SME development, productivity improvement and land policy. He was awarded the Distinguished Service Order (DUBC) by the Singapore Government in August 2007, Public Service Star (Bar) (BBM-Lintang) in 1997 and Public Service Star (BBM) in 1987. He has been appointed Justice of The Peace by the Singapore President since 2000. Mr Cheng graduated with a Masters of Business Administration degree from the University of Chicago, after obtaining his Bachelor of Science degree from Indiana University. Mr Cheng was re-elected as Director on 28 October 2015.

Edmund Cheng Wai Wing

Edmund Cheng Wai Wing was appointed to the Board on 11 May 1981. He has served as the Deputy Chairman and Deputy Managing Director of the Issuer, and as the Executive Director of WTM since 1984. He is also the Chairman of Mapletree Investments Pte Ltd, and a member of The Esplanade Co Ltd and the Global Council for Asia Society. He was the President of Real Estate Developers' Association of Singapore ("**REDAS**") and now serves as a member on its Presidential Council. For his contribution to public service, he was awarded the Meritorious Service Medal in 2015, Public Service Star Award (Bar) in 2010, Public Service Star Award (BBM) in 1999 and Outstanding Contribution to Tourism Award in 2002 by the Singapore Government. Mr Cheng graduated from Northwestern University and Carnegie Mellon University in USA, with a Bachelor's degree in Civil Engineering and a Master's degree in Architecture, respectively. Mr Cheng was re-elected as Director on 28 October 2014.

Boey Tak Hap

Boey Tak Hap has served as a Non-Executive Director since 2 May 1997. He is a member of both the Audit & Risk Committee and Remuneration Committee. Mr Boey was formerly the Chief of Army, Singapore Armed Forces and the President and Chief Executive Officer of the Singapore Power Group. He was also the President and Chief Executive Officer of SMRT Corporation as well as Chief Executive of the Public Utilities Board. Mr Boey graduated from the University of Manchester Institute of Science and Technology with a Bachelor of Science degree in Automatic Control and System Engineering with Management Sciences. In January 2002, he was conferred Honorary Doctor of Engineering by his alma mater. He also holds a Diploma in Business Administration from the National University of Singapore and attended the Harvard Business School's Advanced Management Programme in Boston, USA. Mr Boey was re-elected as Director on 28 October 2014.

Cheng Man Tak

Cheng Man Tak has served as a Non-Executive Director since 11 May 1981. He is the Vice Chairman of the Federation of Hong Kong Industries – Group 24 and a Director of the Federation of Hong Kong Garment Manufacturers. Mr Cheng is also the Executive Vice President of the Hong Kong Causeway Bay Industry & Commerce Association Limited, Vice President of the Chamber of Commerce of Guangzhou Foreign Investment Enterprises and a Director of the Hong Kong Commerce and Industry Association. He is also an authority member of the Clothing Industry Training Authority and a member of the Employees Retraining Board – Wearing Apparel and Textile Industry Consultative Network. Mr Cheng graduated from the University of Southern California with a Bachelor of Science degree and holds a Master's degree in Business Administration from Pepperdine University, USA. Mr Cheng was re-elected as Director on 25 October 2013.

Tan Sri Dato' Paduka Dr. Mazlan bin Ahmad

Tan Sri Dato' Paduka Dr. Mazlan bin Ahmad has served as a Non-Executive Director since 6 January 2016. He has 33 years' experience in Malaysia's administrative and diplomatic services, including as INTAN Director, Secretary General of the Ministry of Justice, Secretary General of the Ministry of Information, Deputy Secretary General of the Ministry of Finance and Mayor of Kuala Lumpur. He retired in 1998 as Director General of Public Service and served as Chairman of the Education Service Commission until 2005. He is currently Chairman of WTM and chairs the Nomination Committee and Restricted Share Plan Committee, and a member of its Audit Committee. He sits on the board of MUI Continental Berhad and Malayan United Industries Berhad. He graduated from the University of Malaya with a Bachelor of Arts (Honours in History) degree and holds a Master's degree in Public Administration from the University of Pittsburgh and PhD in Public Administration from University of Southern California. He also attended the Advanced Management Program at Harvard University.

Christopher Lau Loke Sam

Christopher Lau Loke Sam joined the Board as a Non-Executive Director on 28 October 2013. He has been appointed as the Chairman of the Audit & Risk Committee as well as a member of the Nominating Committee. He is a Senior Counsel and an Independent Arbitrator. He has been in practice for over 35 years and his arbitration practice encompasses all aspects of commercial disputes. Mr Lau is a Non-Executive Director of Singapore Technologies Marine Ltd and the Chairman of its Risk and Audit Committee. He currently serves as the Vice Chairman of the Council for Estate Agencies' Appeals Board and is a member of several international arbitral institutions. Mr Lau is a former Judicial Commissioner of the Supreme Court of Singapore and a former Chairman of the Chartered Institute of Arbitrators (Singapore) Limited. He was also an Independent Non-Executive Director of Neptune Orient Lines Limited between May 2004 and April 2013. He was called to the English Bar in 1972 and the Singapore Bar in 1975. Mr Lau was re-elected as Director on 28 October 2014.

Lee Kim Wah

Lee Kim Wah has been appointed the Senior Advisor to the Issuer since 5 December 2008 and remains on the Board as a Non-Executive Director. He is the Chairman of the Nominating Committee and a member of the Remuneration Committee. He serves as the Senior Advisor of the Singapore National Employers' Federation. Educated in Accountancy in Australia, Mr Lee was a manager in a public accounting firm before joining the Issuer, where he has served for over 40 years, as the Finance Director from May 1977 to December 2008. Mr Lee was conferred the Public Service Medal (PBM) by the Singapore Government in 2000. In 2009, he was awarded the prestigious Medal of Commendation (Gold) for his significant contribution towards the Singapore Labour Movement. Mr Lee was re-elected as Director on 28 October 2015.

Loh Soo Eng

Loh Soo Eng has served as a Non-Executive Director since 1 June 2004, after retiring as the Director-Property of the Issuer. He is the Chairman of the Remuneration Committee and a member of the Audit & Risk Committee. He has experience in power, oil, shipbuilding and ship repair industries as well as in banking, where he had been with the DBS Group for 17 years as the Executive Director of Raffles

City Pte Ltd and the General Manager of DBS Land. Mr Loh has served on government committees, including the SAFTI Military College and Temasek Polytechnic. He was the Chairman of SLF Properties Pte Ltd and SLF Management Services Pte Ltd, and was the President of REDAS from 2001 to 2003. He graduated with a Bachelor of Engineering (Mechanical) degree from the University of Adelaide, Australia. Mr Loh was re-elected as Director on 28 October 2015.

Paul Tong Hon To

Paul Tong Hon To has served as a Non-Executive Director since 16 August 2007 and is a member of both the Audit & Risk Committee and Nominating Committee. Mr Tong is currently a Non-Executive Director of Chinney Investments, Limited, publicly listed on the Stock Exchange of Hong Kong. He has had many years of senior management experience in manufacturing and trading businesses with global operations. He was formerly the Executive Vice President and General Counsel of Johnson Electric Holdings Limited. He also served as a member on the Inland Revenue Board of Review in Hong Kong. Mr Tong obtained his Bachelor of Science (Economics) degree and postgraduate Certificate of Management Studies from the University of London and the University of Oxford in England, respectively. He was admitted as a Barrister of the Middle Temple in England, the Supreme Court of Hong Kong and the High Court of Australia. He is also a Certified Public Accountant of The Hong Kong Institute of Certified Public Accountants and an Associate Member of The Institute of Chartered Secretaries and Administrators. Mr Tong was re-elected as Director on 25 October 2013.

Tan Hwee Bin

Tan Hwee Bin has been appointed as an Executive Director of the Issuer since 5 December 2008. Prior to her appointment to the Board, Ms Tan was the Chief Operating Officer of the Issuer. Ms Tan is the Chairman of NTUC Health Co-operative Ltd. She serves as a Director of the Singapore Labour Foundation and Agency for Integrated Care Pte Ltd. She is a Council Member of Singapore National Employers Federation. She has also served in the Chinese Development Assistance Council and the Central Singapore Community Development Council, as well as on the board of NTUC Fairprice Co-operative Ltd. She was awarded the Public Service Medal (PBM) by the Singapore Government in 2011. Ms Tan is a Certified Public Accountant and holds a Bachelor of Accountancy degree from the National University of Singapore. She also completed the Advanced Management Program at Harvard Business School in Boston, USA. Ms Tan was re-elected as Director on 28 October 2015.

KEY MANAGEMENT

Helen Khoo

Helen Khoo is the Executive Director of Wing Tai Retail Pte Ltd and drives the growth and expansion of the Issuer's portfolio of retail brands. She was conferred the Miflora M. Gatchalian Medal for Women Global Quality Leadership 2013 and Achievers & Leaders Award (Business Leadership) 2012. She is a member of ITE's Business & Services Academic Advisory Committee, as well as Honorary Secretary of Singapore Retailers Association and the Orchard Road Business Association. Mrs Khoo graduated with a Bachelor of Arts (Honours) degree from the University of Hong Kong.

Stacey Ow Yeong Suit Yeng

Stacey Ow Yeong Suit Yeng is the Senior General Manager of Wing Tai Property Management Pte Ltd. She is responsible for the sales and marketing of the Issuer's portfolio of residential properties in Singapore, Malaysia and China. She has over 25 years of sales and marketing experience, including 10 years in the residential and integrated properties industry in Asia and the Middle East. Ms Ow Yeong graduated with a Bachelor of Arts degree from the National University of Singapore.

Karine Lim

Karine Lim is the General Manager, Group Human Resource of the Issuer. She has more than 20 years' human resource management experience in the retail, property and public transport industries. Ms Lim graduated with a Bachelor of Arts (Honours) degree from the National University of Singapore and acquired a Diploma in Human Resource Management from the Singapore Human Resource Institute.

Helen Chow

Helen Chow is a Director of Wing Tai Property Management Pte Ltd and has held various positions in the Issuer since 1975. She is responsible for marketing and sales functions in the property division. She develops and implements strategies to achieve optimal marketing mix for property products, as well as manages sales operations across geographical boundaries to achieve revenue goals. She holds a Bachelor of Arts degree from Mills College, Oakland, California, USA.

Chua Choy Soon

Chua Choy Soon is the Managing Director of WT Fund Management Pte. Ltd. He is responsible for developing the fund management business and spearheading its investment in Asia Pacific. Mr Chua has over 20 years of experience in global real estate investments. His real estate career commenced with GIC Real Estate in 1995, first in Singapore, then in San Francisco, Frankfurt and London. Prior to joining WT Fund Management Pte. Ltd., he was instrumental in growing the global portfolio of real estate assets at SEB Investment GmbH out of Germany. Mr Chua holds a Bachelor of Engineering degree from the Hamburg University of Applied Sciences.

Ng Kim Huat

Ng Kim Huat is the Chief Financial Officer of the Issuer. He oversees financial reporting and controls, treasury, information technology and tax functions. He has more than 10 years' auditing experience with an international public accounting firm in Singapore as a Certified Public Accountant. He graduated with a Bachelor of Accountancy (Honours) degree from the National University of Singapore.

CLEARING AND SETTLEMENT

Clearing and Settlement under the Depository System

In respect of Securities which are accepted for clearance by the Depository in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by the Depository.

The Depository, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. The Depository holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with the Depository.

The entire issue of the Securities is to be held by the Depository in the form of a Global Certificate for persons holding the Securities in securities accounts with the Depository ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of the Depository only, as reflected in the securities accounts of Depositors. Although the Depository encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by the Depository under the Securities and Futures Act, Chapter 289 of Singapore to maintain securities sub-accounts and to hold the Securities in such securities sub-accounts for themselves and their clients. Accordingly, Securities for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Securities in direct securities accounts with the Depository, and who wish to trade Securities through the Depository System, must transfer the Securities to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

The Depository is not involved in money settlement between the Depository Agents (or any other persons) as the Depository is not a counterparty in the settlement of trades of debt securities. However, the Depository will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although the Depository has established procedures to facilitate transfer of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Principal Paying Agent, the Registrar or any other agent will have the responsibility for the performance by the Depository of its obligations under the rules and procedures governing its operations.

SINGAPORE TAXATION

The statements made herein regarding taxation are general in nature and based on certain aspects of current tax laws and regulations in Singapore and administrative guidelines issued by the MAS and IRAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, regulations or administrative guidelines, or in the interpretation of these laws, regulations or guidelines, occurring after such date, which changes could be made on a retroactive basis. These laws and guidelines are also subject to interpretation and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The following is a summary of the material Singapore tax consequences to a Securityholder. Neither the statements below nor any other statements in this Information Memorandum related to taxation matters are intended or are to be regarded as advice on the tax position of any Securityholder or prospective Securityholder or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules or tax rates. The statements made herein relate to the position of persons who are absolute legal and beneficial owners of the Securities and may or may not apply equally to all persons. Prospective Securityholders of the Securities are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Lead Manager or any other persons involved in the issuance of the Securities accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities by any Securityholder or prospective Securityholder.

1. Treatment of the Securities for Singapore income tax purposes

The IRAS issued a circular entitled "Income Tax Treatment of Hybrid Instruments" (the "**Hybrid Instruments Circular**") on 19 May 2014. The Hybrid Instruments Circular set out the income tax treatment of hybrid instruments, including the factors generally used to determine whether they are debt or equity instruments for income tax purposes. The IRAS takes the approach that the tax characterisation is first determined based on its legal form and if the legal form is not indicative, the tax characterisation would be determined based on the facts and circumstances and certain factors.

The Securities are legally issued as a debt instrument. The Singapore income tax treatment should be aligned with the Securities' legal form and the Securities should accordingly be regarded as a debt instrument for tax purposes. Distributions (including Arrears of Distribution and any Additional Distribution Amounts) made by the Issuer in respect of the Securities (to the extent that it does not include any capital component) should be regarded as interest for Singapore income tax purposes. This is subject to the agreement of the IRAS.

Where the IRAS disagrees with the Issuer's position and regards the Securities as an equity instrument for Singapore income tax purposes, Distributions (including any Arrears of Distribution) from the Securities should be regarded as dividends for Singapore income tax purposes. Under such circumstances, no tax deduction shall be allowed to the Issuer on such Distributions arising from the Securities.

If the Securities are regarded as an equity instrument for Singapore income tax purposes, from a Securityholder's perspective, the Distributions (or Arrears of Distribution where applicable) declared by the Issuer (a tax resident company) shall be regarded as a one-tier tax exempt dividend and shall be exempted from Singapore income tax, subject to the Issuer having sufficient retained earnings to fund the dividend distributions. Notwithstanding the foregoing, the Additional Distribution Amounts may be regarded as interest for Singapore income tax purposes and taxable at the applicable tax rates (unless otherwise exempt from tax).

In addition, the tax concession/exemption for qualifying debt securities may not be available if the IRAS regards the Securities as an equity instrument for Singapore income tax purposes.

2. Distributions (including Arrears of Distribution and Additional Distribution Amounts)

For the purpose of the discussion below, it is assumed that the IRAS will rule that the Securities are regarded as debt securities for Singapore income tax purposes and eligible for the tax concessions and exemptions for qualifying debt securities under the the ITA.

Taxation in the hands of Securityholders who are individuals

Certain Singapore-sourced investment income derived by any individual from financial instruments is exempt from tax (except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession), including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income from debt securities (not including discount income arising from secondary trading) derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007.

Taxation in the hands of Securityholders are non-Singapore tax resident non-individuals

Under Section 12(6) of the ITA, the following payments shall be deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is

    (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore), or

    (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments to non-resident non-individuals is 17 per cent with effect from the Year of Assessment 2010.

However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the withholding tax rate is reduced to 15 per cent. The rate of 15 per cent may be further reduced by applicable tax treaties or tax incentives (including the qualifying debt securities scheme described below).

Taxation in the hands of Singapore tax resident non-individuals

Interest and other income from the Securities derived by a non-individual holder resident in Singapore will be taxed at the prevailing corporate tax rate of 17 per cent. This may be further reduced by tax incentives (including the qualifying debt securities scheme described below).

3. Qualifying Debt Securities

Subject to certain prescribed conditions being fulfilled, the Securities which are lead managed by DBS Bank Ltd., which is a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (for the purposes of the ITA) and are issued before 31 December 2018, would constitute "qualifying debt securities" for the purposes of the ITA on the premise that the IRAS regards the Securities as debt instruments for Singapore income tax purposes.

Accordingly, if the Securities satisfy all requisite conditions to qualify as qualifying debt securities, the following tax treatments should apply:

(a) Distributions, and if any, interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Securities derived by a Securityholder who is not resident in Singapore and who

   (i) does not have any permanent establishment in Singapore; or

   (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Securities are not obtained from the operation, through a permanent establishment in Singapore,

   are exempt from Singapore income tax. Where Qualifying Income is derived from the Securities by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption will not apply if such person acquires the Securities using funds from its Singapore operations;

(b) Qualifying Income from the Securities derived by any company (other than a company specified in (a) above and a financial sector incentive (standard tier) company) or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent (per Section 43N of the ITA);

(c) Qualifying Income from the Securities derived by a financial sector incentive (standard tier) company is subject to a concessionary rate of tax at 12 per cent or any other concessionary rate prescribed under the FSI-ST scheme; and

(d) Qualifying Income derived from the Securities is not subject to withholding of tax by the Issuer.

The prescribed conditions for the above treatment to apply are:

(i) the Issuer must include in all offering documents relating to the Securities, a statement to the effect that where the Qualifying Income from the Securities is not exempt from tax, the person deriving the income shall include such income in a return of income made under the ITA; and

(ii) the Issuer must include in all offering documents relating to the Securities, a statement to the effect that where Qualifying Income from the Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities will not apply if such person acquires such securities using funds from its Singapore operations; and

(iii) the Issuer, or such other person as the MAS may direct, must furnish to the MAS a return on debt securities in respect of the Securities within such period as the MAS may specify and such other particulars in connection with the Securities as the MAS may require.

The term "offering documents" means the prospectuses, offering circulars, information memoranda, pricing supplements or other documents issued to investors in connection with an issue of securities.

However, notwithstanding the foregoing:

(a) if during the primary launch of the Securities, the Securities are issued to fewer than four persons and 50 per cent or more of the principal amount of the Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Securities would not qualify as "qualifying debt securities" (unless otherwise approved by the Minister of Finance or such person as he may appoint); and

(b) even though the Securities would qualify as qualifying debt securities at their primary launch, if, at any time during the tenure of the Securities, 50 per cent or more of the Securities which are outstanding at any time during the life of their issue is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Securities held by:

    (i) any related party of the Issuer; or

    (ii) any other person where the funds used by such person to acquire the Securities are obtained, directly or indirectly, from any related party of the Issuer,

    shall not be eligible for the tax exemption or the concessionary rate of tax as described above.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in Section 13(16) of the ITA as follows:

(a) "break cost", in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

(b) "prepayment fee", in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

(c) "redemption premium", in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have their same meaning as in the ITA.

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Securities without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose Qualifying Income derived from the Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

4. Gains on Disposal of the Securities

Any gains derived from a sale of the Securities which are in the nature of capital should not be taxable in Singapore. However, any gains derived from the sale of Securities from any trade, business, profession or vocation carried on by that person, and where such gains are accrued in or derived from Singapore may be taxable as such gains are generally considered to be revenue in nature.

In the event that the IRAS regards the Securities as an equity instrument for Singapore income tax purposes, under Section 13Z of the ITA, the gains derived from the disposal of equity investments by companies (between 1 June 2012 to 31 May 2022, both dates inclusive) will not be taxed, if the divesting company holds a minimum shareholding of 20% in the company whose shares are being disposed; and the divesting company maintains the minimum 20% shareholding for a minimum period of 24 months just prior to the disposal.

Securityholders who have adopted the Financial Reporting Standard ("**FRS 39**") may, for Singapore income tax purposes, be required to recognise any gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39. Please see section below on "*Adoption of FRS 39 treatment for Singapore income tax purposes*".

5. Adoption of FRS 39 treatment for Singapore income tax purposes

The IRAS issued a circular entitled "Income Tax Implications arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**") on 30 December 2005 and with its last revision made on 16 March 2015. The ITA has been amended to give legislative effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Securityholders who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

6. Stamp duty

Singapore stamp duty may be payable on the agreement or instrument of transfer of any stock or shares or any interest thereof in Singapore companies at the rate of 0.2% computed on the amount or value of such stock or shares. The amount or value of such stock or shares is the higher of the actual consideration or market value of the stock or shares. However, where the Securities are transferred through the Depository's electronic scripless system, Singapore stamp duty will not be applicable.

SUBSCRIPTION AND SALE

SUMMARY OF SUBSCRIPTION AGREEMENT

The Issuer has entered into a subscription agreement with DBS Bank Ltd. (the "**Lead Manager**") dated 20 June 2017 (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Issuer agreed to issue to the Lead Manager, and the Lead Manager agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Securities. Any subsequent sale of the Securities to investors may be at a price different from the Issue Price.

The Subscription Agreement provides that the Issuer will indemnify the Lead Manager against certain liabilities in connection with the offer and sale of the Securities. The Subscription Agreement provides that the obligations of the Lead Manager are subject to certain conditions precedent, and entitles the Lead Manager to terminate it in certain circumstances prior to payment being made to the Issuer.

The Lead Manager or any of its affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Issuer may also agree with the Lead Manager that the Issuer may pay certain third party commissions (including, without limitation, rebates to private bank investors in the Securities). These commissions will be based on the principal amount of the Securities so distributed, and may be deducted from the purchase price for the Securities payable by such third parties (including, private banks) upon settlement.

The Lead Manager or certain of its affiliates may purchase the Securities and be allocated the Securities for asset management and/or proprietary purposes but not with a view to distribution.

In connection with the Securities, the Lead Manager or certain of its affiliates may purchase Securities and be allocated Securities for asset management and/or proprietary purposes but not with a view to distribution. Further, the Lead Manager and/or its affiliates may place orders, receive allocations and purchase Securities for their own account (without a view to distributing such Securities) and such orders and/or allocations of the Securities may be material. Such entities may hold or sell such Securities or purchase further Securities for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Securities or other securities otherwise than in connection with the offering. Accordingly, references herein to the Securities being "offered" should be read as including any offering of the Securities to the Lead Manager and/or its affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

The distribution of this Information Memorandum or any offering material and the offering, sale or delivery of the Securities is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Information Memorandum or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Information Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

SELLING RESTRICTIONS

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Securities are being offered and sold outside the United States in reliance upon Regulation S. The Lead Manager has represented and warranted that it has not offered or sold, and has agreed that it will not offer or sell, any Securities constituting part of its allotment except in offshore transactions (as defined in Regulation S) in accordance with Rule 903 of Regulation S. Accordingly, none of the Lead Manager or its affiliates or any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Securities.

Until 40 days after the commencement of the offering of the Securities, an offer or sale of the Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S.

European Union and European Economic Area (including UK)

The Lead Manager has represented, warranted and agreed that no offers or sales of the Securities will be made in, or to any person domiciled in, or having their registered office located in, any jurisdiction within the European Union or any member of the European Economic Area (including UK).

Hong Kong

The Lead Manager has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

The Lead Manager has acknowledged that this Information Memorandum has not been and will not be registered as a prospectus with the MAS. Accordingly, the Lead Manager has represented, warranted and agreed that it has not offered or sold any of the Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any of the Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

GENERAL INFORMATION

(1) Approval in-principle for the listing and quotation of the Securities on the SGX-ST has been obtained. Admission to the Official List of the SGX-ST and quotation of the Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer or the Securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. For so long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the Securities will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 or its equivalent in foreign currencies.

(2) The Issuer has obtained all necessary consents, approvals and authorisations in Singapore in connection with the offering and issue of the Securities. The issue of the Securities was authorised by the Board of Directors of the Issuer and passed on 16 June 2017.

(3) Except as disclosed in this Information Memorandum, there has been no significant change in the financial condition or business of the Issuer or of the Group since 30 June 2016 and no material adverse change in the prospects of the Issuer or of the Group since 30 June 2016.

(4) Except as disclosed in this Information Memorandum, neither the Issuer nor any of its subsidiaries has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Information Memorandum which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

(5) There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Securityholders in respect of the Securities being issued.

(6) For so long as the Securities are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer:

   (i) the Trust Deed (which includes the form of the Global Certificate and the Certificates);

   (ii) the Agency Agreement;

   (iii) the Constitution of the Issuer;

   (iv) the latest published annual report and audited accounts of the Issuer and the Group; and

   (v) a copy of this Information Memorandum together with any supplement to this Information Memorandum or further Information Memorandum.

(7) Copies of the Trust Deed and Agency Agreement will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Securities is outstanding.

(8) PricewaterhouseCoopers LLP of 8 Cross Street, #17-00 PWC Building, Singapore 048424 have audited, and rendered unqualified audit reports on, the consolidated financial statements of the Issuer and its subsidiaries for the financial years ended 30 June 2015 and 30 June 2016 respectively.

INDEX TO FINANCIAL STATEMENTS

This information in this Appendix has been extracted and reproduced from (i) the audited financial statements of the Issuer and its subsidiaries for the financial years ended 30 June 2015 and 30 June 2016 and (ii) the unaudited financial statements announcement of the Issuer for the nine months ended 31 March 2017 and have not been specifically prepared for the inclusion in this Information Memorandum. The references to the page numbers herein are those as reproduced from (i) the audited financial statements of the Issuer and its subsidiaries for the financial years ended 30 June 2015 and 30 June 2016 and (ii) the unaudited financial statements announcement of the Issuer for the nine months ended 31 March 2017 (as the case may be).

AUDITED FINANCIAL STATEMENTS OF WING TAI HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WING TAI HOLDINGS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Wing Tai Holdings Limited (the "Company") and its subsidiary companies (the "Group") set out on pages 35 to 112, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

PRICEWATERHOUSECOOPERS LLP
Public Accountants and Chartered Accountants

Singapore
16 September 2015

CONSOLIDATED INCOME STATEMENT
For the Financial Year Ended 30 June 2015

		Group	
	Note	2015 $'000	2014 $'000
Revenue	3	**676,715**	803,393
Cost of sales		**(417,348)**	(449,593)
Gross profit		**259,367**	353,800
Other gains – net	4	**41,884**	42,913
Expenses			
– Distribution		**(106,160)**	(120,255)
– Administrative and other		**(91,744)**	(78,864)
Operating profit		**103,347**	197,594
Finance costs	7	**(47,335)**	(39,897)
Share of profits of associated and joint venture companies		**119,283**	154,774
Profit before income tax		**175,295**	312,471
Income tax expense	8(a)	**(9,352)**	(36,129)
Total profit		**165,943**	276,342
Attributable to:			
Equity holders of the Company		**150,304**	254,390
Non-controlling interests		**15,639**	21,952
		165,943	276,342
Basic earnings per share (cents) based on:	9(a)		
Net profit before fair value gains on investment properties		**6.27**	16.57
Net profit after fair value gains on investment properties		**19.16**	32.39
Diluted earnings per share (cents) based on:	9(b)		
Net profit before fair value gains on investment properties		**6.24**	16.46
Net profit after fair value gains on investment properties		**19.03**	32.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Financial Year Ended 30 June 2015

	Note	Group 2015 $'000	Group 2014 $'000
Total profit		**165,943**	276,342
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges		**11,743**	2,979
Currency translation differences		**86,534**	(43,208)
Share of other comprehensive (expense)/income of associated and joint venture companies		**(1,645)**	1,202
		96,632	(39,027)
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gains on property, plant and equipment		**3,109**	1,569
Share of revaluation gains on property, plant and equipment of an associated company		**-**	394
		3,109	1,963
Other comprehensive income/(expense), net of tax	8(a)	**99,741**	(37,064)
Total comprehensive income		**265,684**	239,278
Attributable to:			
Equity holders of the Company		**258,779**	222,213
Non-controlling interests		**6,905**	17,065
		265,684	239,278

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**880,611**	834,762	**463,078**	407,620
Trade and other receivables	12	**28,637**	79,972	**361,997**	535,750
Inventories	13	**20,015**	28,039	**-**	-
Development properties	14	**1,265,103**	1,482,874	**-**	-
Tax recoverable		**6,482**	8,532	**-**	-
Other current assets	15	**40,477**	43,711	**7,266**	4,574
		2,241,325	2,477,890	**832,341**	947,944
Non-current assets					
Available-for-sale financial assets	16	**6,267**	3,189	**3,189**	3,189
Trade and other receivables	17	**400,111**	382,068	**1,060,578**	920,730
Derivative financial instruments	11	**4,769**	-	**3,231**	-
Investment in an associated company	18	**1,353,952**	1,162,428	**-**	-
Investments in joint venture companies	19	**176,299**	151,085	**-**	-
Investments in subsidiary companies	20	**-**	-	**252,392**	252,392
Investment properties	21	**585,527**	575,263	**-**	-
Property, plant and equipment	22	**119,310**	131,491	**9,576**	8,787
		2,646,235	2,405,524	**1,328,966**	1,185,098
Total assets		**4,887,560**	4,883,414	**2,161,307**	2,133,042
LIABILITIES					
Current liabilities					
Derivative financial instruments	11	**-**	8,564	**-**	-
Trade and other payables	23	**176,878**	260,369	**94,109**	147,591
Current income tax liabilities		**51,222**	57,206	**686**	2,936
Borrowings	24	**35,984**	186,365	**-**	120,000
		264,084	512,504	**94,795**	270,527
Non-current liabilities					
Borrowings	24	**1,155,375**	1,115,858	**737,796**	550,000
Deferred income tax liabilities	8(b)	**64,010**	72,694	**-**	-
Other non-current liabilities	26	**41,890**	39,544	**-**	-
		1,261,275	1,228,096	**737,796**	550,000
Total liabilities		**1,525,359**	1,740,600	**832,591**	820,527
NET ASSETS		**3,362,201**	3,142,814	**1,328,716**	1,312,515
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27	**838,250**	838,250	**838,250**	838,250
Other reserves	28	**76,717**	56,985	**(5,688)**	2,104
Retained earnings	29	**2,258,202**	2,074,420	**496,154**	472,161
		3,173,169	2,969,655	**1,328,716**	1,312,515
Non-controlling interests		**189,032**	173,159	**-**	-
TOTAL EQUITY		**3,362,201**	3,142,814	**1,328,716**	1,312,515

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2015

		Attributable to equity holders of the Company					
	Note	Share capital $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2015							
Beginning of financial year		838,250	56,985	2,074,420	2,969,655	173,159	3,142,814
Total comprehensive income		-	108,475	150,304	258,779	6,905	265,684
Realisation of reserves		-	(84,545)	84,545	-	-	-
Transfer to statutory reserve		-	2,310	(2,310)	-	-	-
Transfer from share-based payment reserve		-	(61)	61	-	-	-
Redemption of preference shares by a subsidiary company		-	462	(462)	-	-	-
Cost of share-based payment		-	2,148	-	2,148	119	2,267
Reissuance of treasury shares		-	264	-	264	-	264
Purchase of treasury shares		-	(12,550)	-	(12,550)	-	(12,550)
Ordinary and special dividends paid	25	-	-	(47,267)	(47,267)	-	(47,267)
Dividends paid by subsidiary companies to non-controlling interests		-	-	-	-	(4,145)	(4,145)
Issuance of ordinary shares by a subsidiary company to non-controlling interests		-	-	(1,087)	(1,087)	1,801	714
Acquisition of additional interest in a subsidiary company		-	-	(2)	(2)	(2)	(4)
Disposal of a subsidiary company		-	3,229	-	3,229	11,823	15,052
Liquidation of subsidiary companies		-	-	-	-	(628)	(628)
End of financial year		**838,250**	**76,717**	**2,258,202**	**3,173,169**	**189,032**	**3,362,201**
2014							
Beginning of financial year		838,250	87,919	1,914,471	2,840,640	186,440	3,027,080
Total comprehensive (expense)/income		-	(32,177)	254,390	222,213	17,065	239,278
Realisation of reserves		-	(43)	43	-	-	-
Cost of share-based payment		-	2,849	-	2,849	153	3,002
Reissuance of treasury shares		-	418	-	418	-	418
Purchase of treasury shares		-	(693)	-	(693)	-	(693)
Ordinary and special dividends paid	25	-	-	(94,328)	(94,328)	-	(94,328)
Dividends paid by subsidiary companies to non-controlling interests		-	-	-	-	(29,769)	(29,769)
Issuance of ordinary shares by a subsidiary company to non-controlling interests		-	-	(147)	(147)	218	71
Acquisition of additional interest in a subsidiary company		-	-	(9)	(9)	(6)	(15)
Disposal of subsidiary companies		-	(1,288)	-	(1,288)	-	(1,288)
Liquidation of a subsidiary company		-	-	-	-	(942)	(942)
End of financial year		838,250	56,985	2,074,420	2,969,655	173,159	3,142,814

An analysis of the movements in each category within "Other reserves" is presented in Note 28.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2015

	Note	Group 2015 $'000	2014 $'000
Cash flows from operating activities			
Total profit		**165,943**	276,342
Adjustments for:			
Income tax expense		**9,352**	36,129
Depreciation of property, plant and equipment		**14,390**	14,354
Write-off of property, plant and equipment		**262**	460
Impairment loss on property, plant and equipment		**3,582**	365
Dividend income		**(95)**	(125)
Fair value gains on investment properties		**(12,522)**	(11,054)
Fair value gains on derivative financial instruments		**(121)**	(58)
(Write-back of allowance)/allowance for stock obsolescence		**(72)**	2,725
Dilution loss on interest in an associated company		**1,410**	2,137
Write-back of allowance for foreseeable losses on development properties		**-**	(3,985)
Gain on disposal of subsidiary companies		**(20,963)**	(7,080)
Fair value gain on re-measurement of retained interest in a joint venture company		**-**	(5,792)
Gain on disposal of property, plant and equipment		**(72)**	(236)
Interest income		**(7,561)**	(12,705)
Interest expense		**47,335**	39,897
Share of profits of associated and joint venture companies		**(119,283)**	(154,774)
Share-based payment		**2,267**	3,002
Currency translation differences		**4,972**	(1,275)
Operating cash flow before working capital changes		**88,824**	178,327
Changes in operating assets and liabilities:			
Balances with associated and joint venture companies		**(310)**	(11,848)
Development properties		**211,794**	(141,376)
Inventories		**7,266**	(9,111)
Trade and other receivables and other current assets		**53,179**	51,159
Trade and other payables and other non-current liabilities		**(68,978)**	17,486
Cash generated from operations		**291,775**	84,637
Income tax paid		**(25,203)**	(46,775)
Net cash generated from operating activities		**266,572**	37,862

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2015

	Note	Group 2015 $'000	2014 $'000
Cash flows from investing activities			
Purchase of available-for-sale financial assets		**(2,985)**	-
Acquisition of additional interest in a subsidiary company		**(4)**	(15)
Acquisition of additional interest in a joint venture company		**(17,900)**	(45,865)
Additions to investment properties		**(649)**	-
Additions to property, plant and equipment		**(6,980)**	(20,367)
Disposal of property, plant and equipment		**156**	1,775
Disposal of subsidiary companies, net of cash disposed of	10	**27,133**	58,896
Liquidation of joint venture companies		**18**	-
Distribution to non-controlling interests upon liquidation of a subsidiary company		**(628)**	(942)
Capital reduction of a joint venture company		**-**	75,339
Advancement of the loans to joint venture companies		**(17,186)**	(21,440)
Dividends received		**19,453**	27,513
Interest received		**7,803**	4,061
Net cash generated from investing activities		**8,231**	78,955
Cash flows from financing activities			
Issuance of ordinary shares by a subsidiary company to non-controlling interests		**714**	71
Reissuance of treasury shares		**264**	418
Purchase of treasury shares		**(12,550)**	(693)
Repayment of the loans from non-controlling interests		**(3,232)**	(3,129)
Proceeds from borrowings		**292,794**	188,181
Repayment of borrowings		**(401,746)**	(319,473)
Ordinary and special dividends paid		**(47,267)**	(94,328)
Dividends paid to non-controlling interests		**(4,145)**	(29,769)
Interest paid		**(52,869)**	(44,213)
Net cash used in financing activities		**(228,037)**	(302,935)
Net increase/(decrease) in cash and cash equivalents		**46,766**	(186,118)
Cash and cash equivalents at beginning of financial year		**834,762**	1,024,541
Effects of currency translation on cash and cash equivalents		**(917)**	(3,661)
Cash and cash equivalents at end of financial year	10	**880,611**	834,762

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2015

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

1. GENERAL INFORMATION

Wing Tai Holdings Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its registered office is 3 Killiney Road, #10-01 Winsland House I, Singapore 239519.

The principal activity of the Company is that of an investment holding company. The principal activities of the Company's subsidiary companies are shown in Note 35.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Notes 2.7, 2.8, 8 and 32.

Amendments and interpretations to published standards effective in 2015

On 1 July 2014, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 112 *Disclosure of Interests in Other Entities*

The Group has applied FRS 112 retrospectively in accordance with the transitional provisions (as amended subsequent to the issuance of FRS 112 in September 2011) in FRS 112 and amended for consolidation exceptions for 'investment entity' from 1 July 2014. The Group has incorporated the additional required disclosures into the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Revenue recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of goods and the rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods
Revenue from the sale of goods is recognised when a Group entity has delivered the products to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured, except for income from the sale of development properties as disclosed in Note 2.8.

(b) Rental income
Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(c) Management fee
Management fee comprises charges for the management and maintenance of properties and finance and administration fees. Revenue from management fee is recognised when management services are rendered.

(d) Dividend income
Dividend income is recognised when the right to receive payment is established.

(e) Interest income
Interest income is recognised using the effective interest method.

2.3 Group accounting

(a) Subsidiary companies

(i) Consolidation
Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary company's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary company, even if this results in the non-controlling interests having a deficit balance.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Group accounting *(continued)*

(a) Subsidiary companies *(continued)*

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary company or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary company measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired, is recorded as goodwill. Please refer to Note 2.4 for the accounting policy on goodwill on acquisitions.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to the income statement or transferred directly to retained earnings if required by a specific FRS.

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in the income statement.

Please refer to Note 2.5 for the accounting policy on investments in subsidiary companies in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary company that do not result in a loss of control over the subsidiary company are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Group accounting *(continued)*

(c) Associated and joint venture companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Joint venture companies are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities. Investments in associated and joint venture companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated and joint venture companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated and joint venture companies represents the excess of the cost of acquisition of the associated or joint venture companies over the Group's share of the fair value of the identifiable net assets of the associated or joint venture companies and is included in the carrying amount of the investments. Please refer to Note 2.4 for the accounting policy on goodwill on acquisitions.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated or joint venture companies' post-acquisition profits or losses are recognised in the income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated or joint venture companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated or joint venture company equals or exceeds its interest in the associated or joint venture company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated or joint venture company. If the associated or joint venture company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated or joint venture companies are eliminated to the extent of the Group's interest in the associated or joint venture companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated and joint venture companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated and joint venture companies are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated or joint venture company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in the income statement.

Please refer to Note 2.5 for the accounting policy on investments in associated and joint venture companies in the separate financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Goodwill on acquisitions

Goodwill on acquisition of subsidiary companies on or after 1 July 2009 represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiary companies prior to 1 July 2009 and on acquisition of associated and joint venture companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiary companies is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill on associated and joint venture companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiary, associated and joint venture companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 July 2001. Such goodwill was adjusted against retained earnings in the year of acquisition and is not recognised in the income statement on disposal.

2.5 Investments in subsidiary, associated and joint venture companies

Investments in subsidiary, associated and joint venture companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in the income statement.

2.6 Property, plant and equipment

(a) Measurement

(i) Land and buildings
Land and buildings are initially recognised at cost.

Freehold and 999-year leasehold land are subsequently carried at the revalued amounts less accumulated impairment losses. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent professional valuers once every three years and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in the income statement. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in the income statement.

(ii) Other property, plant and equipment
All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Property, plant and equipment *(continued)*

(a) Measurement *(continued)*

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purposes other than to produce inventories.

(b) Depreciation

Freehold and 999-year leasehold land are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The annual depreciation rates are as follows:

Buildings and leasehold land	1 – 3% or over the remaining lease period, whichever is shorter
Motor vehicles	20%
Office equipment	10 – 33%
Furniture and fittings	10% or over the remaining lease period, whichever is shorter

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the income statement when the changes arise.

(c) Subsequent expenditure

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

(d) Disposal

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.7 Investment properties

Investment properties are held for long-term rental yields and/or for capital appreciation and are not occupied substantially by the Group.

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

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

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the income statement.

2.8 Development Properties

(a) Properties under development

Properties under development are stated at cost plus attributable profits, less allowance for foreseeable losses and progress billings. An allowance is made when the estimated net realisable value of the property has fallen below the carrying value.

Cost includes cost of land and other direct and related expenditure, including interest on borrowings incurred in developing the properties. Interest and other related expenditure are capitalised as and when the activities that are necessary to get the asset ready for its intended development are in progress.

Sales of development properties under construction in respect of sale and purchase agreements entered into prior to completion of construction are recognised when the properties are delivered to the buyers, except for in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 *Agreements for the Construction of Real Estate*, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties.

The stage of completion is measured by reference to the physical surveys of construction work completed as certified by the architects or quantity surveyors for the individual units sold. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised in the income statement immediately.

Significant assumptions are required to estimate the total contract costs. In making this estimate, management has relied on past experience and the work of specialists.

(b) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiary, associated and joint venture companies

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

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

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

The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in the income statement, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to Note 2.6 for the treatment of a revaluation decrease.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Financial assets

(a) Classification

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

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents" and "trade and other receivables" on the statement of financial position and also includes deposits and sundry receivables classified as "other current assets" and "amounts due from customers" included in development properties.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

(b) Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the income statement. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to the income statement.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Financial assets *(continued)*

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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

Interest and dividend income on available-for-sale financial assets are recognised separately in the income statement. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income, together with the related currency translation differences.

(e) Impairment

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

(i) Loans and receivables

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

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.10(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised in the income statement. The impairment losses recognised in the income statement on equity securities are not reversed through the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary and joint venture companies. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary or joint venture companies fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortised to the income statement over the period of the subsidiary or joint venture companies' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

Intra-group transactions are eliminated on consolidation.

2.12 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.13 Borrowings and borrowing costs

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which they are presented as non-current liabilities.

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

Borrowing costs are recognised in the income statement using the effective interest method, except for those costs that are directly attributable to borrowings acquired specifically for the construction or development of properties. The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised as cost of the property under development.

2.14 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either fair value hedge, cash flow hedge or net investment hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and the hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.14 Derivative financial instruments and hedging activities *(continued)*

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability, if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The Group has entered into interest rate and cross currency swaps that are cash flow hedges for the Group's exposure to interest rate and currency risks on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts or on notional principal amounts denominated in a different currency, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rate borrowings denominated in the same or different currencies.

The fair value changes on the effective portion of interest rate and cross currency swaps designated as cash flow hedges are recognised in other comprehensive income and reclassified to the income statement when the hedged interest expense on the borrowings is recognised in the income statement and/or the hedged borrowing is settled. The fair value changes on the ineffective portion of the interest rate and cross currency swaps are recognised immediately in the income statement.

The Group has entered into currency forwards to manage the Group's exposure to currency risk on highly probable forecasted transactions in foreign currencies. These contracts do not qualify for hedge accounting.

2.15 Fair value estimation of financial assets and liabilities

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

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

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

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

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

2.16 Offsetting financial instruments

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Operating leases

(a) When the Group is the lessee:
Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the lease.

Contingent rents are recognised in the income statement when incurred.

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

Contingent rents are recognised in the income statement when earned.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.20 Trade and other payables

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

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

2.21 Employee compensation

Employee benefits are recognised in the income statement, unless the cost qualifies to be capitalised as an asset.

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

(b) Share-based payment
The Group operates an equity-settled, share-based payment plan. The value of the employee services received in exchange for the grant of shares and share options is recognised in the income statement with a corresponding increase in the share-based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the shares and share options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares and share options that are expected to vest on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares and share options that are expected to vest on the vesting date and recognises the impact of the revision of the estimates in the income statement, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

2.22 Currency translation

(a) Functional and presentation currency
Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the income statement. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in currency translation reserve. When a foreign operation is disposed of or any loan forming part of the net investment in the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to the income statement, as part of the gain or loss on disposal.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.22 Currency translation *(continued)*

(c) Translation of Group entities' financial statements
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case the income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to the income statement on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the end of the reporting period.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to management, who are responsible for allocating resources and assessing the performance of the operating segments.

Sales between segments are carried out at arm's length. The revenue from external parties reported to management is measured in a manner consistent with that in the income statement.

Management assesses the performance of the operating segments based on a measure of earnings before interest and tax ("EBIT") for continuing operations. Interest income and finance costs are not allocated to the segments.

The amounts provided to management with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment. All assets and liabilities are allocated to the reportable segments other than tax recoverable and current and deferred income tax liabilities.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and investment properties.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include fixed deposits with financial institutions and cash and bank balances, which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.25 Share capital and treasury shares

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share plans and share option schemes, the cost of the treasury shares is reversed from the treasury shares reserve and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in a separate reserve within equity attributable to the equity holders of the Company.

2.26 Dividends to the equity holders of the Company

Dividends to the Company's equity holders are recognised when the dividends are approved for payment.

3. REVENUE

	Group	
	2015	**2014**
	$'000	**$'000**
Revenue from sale of:		
– development properties	**430,191**	545,563
– goods	**201,578**	216,370
Rental income	**37,529**	35,934
Management fees	**7,322**	5,401
Dividend income	**95**	125
	676,715	803,393

Included in the Group's revenue from sale of development properties is revenue recognised on a percentage of completion basis amounting to $238.9 million (2014: $203.3 million).

4. OTHER GAINS – NET

	Group	
	2015	**2014**
	$'000	**$'000**
Interest income from:		
– joint venture companies	**-**	8,791
– banks	**7,561**	3,914
Gain on disposal of subsidiary companies	**20,963**	7,080
Fair value gain on re-measurement of retained interest in a joint venture company	**-**	5,792
Gain on disposal of property, plant and equipment	**72**	236
Write-back of allowance for foreseeable losses on development properties	**-**	3,985
Fair value gains on investment properties	**12,522**	11,054
Dilution loss on interest in an associated company	**(1,410)**	(2,137)
Other miscellaneous gains	**2,176**	4,198
	41,884	42,913

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 30 June 2015

5. EXPENSES BY NATURE

	Group	
	2015 **$'000**	**2014** **$'000**
Depreciation of property, plant and equipment	**14,390**	14,354
Employee compensation	**74,939**	71,999
Auditors' remuneration paid/payable to:		
– auditor of the Company	**459**	409
– other auditors	**237**	230
Other fees paid/payable to:		
– auditor of the Company	**15**	66
– other auditors	**330**	1,026
Fair value gains on derivative financial instruments	**(121)**	(58)
(Write-back of allowance)/allowance for stock obsolescence	**(72)**	2,725
Write-off of property, plant and equipment	**262**	460
Impairment loss on property, plant and equipment	**3,582**	365
Rental expense on operating leases	**61,261**	60,843
Foreign exchange loss	**3,279**	100
Development cost included in cost of sales	**315,630**	326,055
Raw materials and finished goods included in cost of sales	**89,952**	90,517

Included in the Group's rental expense on operating leases is contingent rent amounting to $1.5 million (2014: $2.2 million). Contingent rent on certain leases is based on a percentage of monthly sales in excess of specified amounts. Other contingent rent is based entirely on a percentage of sales.

6. EMPLOYEE COMPENSATION

	Group	
	2015 **$'000**	**2014** **$'000**
Wages and salaries (including directors' remuneration)	**65,989**	63,025
Employer's contribution to defined contribution plans including Central Provident Fund	**6,683**	5,972
Share-based payment	**2,267**	3,002
	74,939	71,999

Please refer to Note 33(b) for directors' remuneration.

7. FINANCE COSTS

	Group	
	2015 **$'000**	**2014** **$'000**
Interest expense to banks	**47,335**	39,897

8. INCOME TAXES

(a) Income tax expense

	Group 2015 $'000	Group 2014 $'000
Tax expense/(credit) attributable to profit is made up of:		
Current income tax		
– Singapore	**16,181**	20,973
– Foreign	**12,562**	14,476
	28,743	35,449
Deferred income tax	**(9,490)**	13,471
	19,253	48,920
Overprovision in preceding financial years		
– Current income tax	**(9,423)**	(10,204)
– Deferred income tax	**(478)**	(2,587)
	9,352	36,129

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in estimating the capital allowances and the deductibility of certain expenses in determining the provision for income taxes. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

The tax on Group's profit before tax excluding share of profits of associated and joint venture companies differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group 2015 %	Group 2014 %
Singapore standard rate of income tax	**17.0**	17.0
Different tax rates in other countries	**7.7**	3.3
Expenses not deductible for tax purposes	**34.7**	12.7
Income not subject to tax	**(9.7)**	(2.6)
Overprovision of tax	**(17.7)**	(8.1)
Tax losses not recognised	**(15.3)**	0.6
	16.7	22.9

8. INCOME TAXES *(continued)*

(a) Income tax expense *(continued)*

The tax charge relating to each component of other comprehensive income/(expense) is as follows:

	Group		
	Before tax $'000	**Tax charge $'000**	**After tax $'000**
2015			
Cash flow hedges	11,743	-	11,743
Currency translation differences	86,534	-	86,534
Share of other comprehensive expense of associated and joint venture companies	(1,645)	-	(1,645)
Revaluation gains on property, plant and equipment	3,109	-	3,109
	99,741	**-**	**99,741**
2014			
Cash flow hedges	2,979	-	2,979
Currency translation differences	(43,208)	-	(43,208)
Share of other comprehensive income of associated and joint venture companies	1,202	-	1,202
Revaluation gains on property, plant and equipment	1,569	-	1,569
Share of revaluation gains on property, plant and equipment of an associated company	394	-	394
	(37,064)	-	(37,064)

(b) Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group	
	2015 $'000	**2014 $'000**
Deferred income tax liabilities to be settled:		
– within one year	**117**	-
– after one year	**63,893**	72,694
	64,010	72,694

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group had unrecognised tax losses of $161.0 million (2014: $157.1 million) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unutilised tax losses in their respective countries of incorporation. These tax losses have no expiry date.

8. INCOME TAXES *(continued)*

(b) Deferred income taxes *(continued)*

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

Deferred income tax liabilities – Group

	Accelerated tax depreciation $'000	Revaluation gains $'000	Recognition of profits on percentage of completion $'000	Others $'000	Total $'000
2015					
Beginning of financial year	4,067	27,592	31,019	10,471	73,149
Currency translation differences	(30)	258	-	1,003	1,231
(Credited)/charged to income statement	(128)	23	(16,881)	7,250	(9,736)
End of financial year	**3,909**	**27,873**	**14,138**	**18,724**	**64,644**
2014					
Beginning of financial year	4,531	27,362	27,637	3,174	62,704
Currency translation differences	(14)	(168)	-	(285)	(467)
(Credited)/charged to income statement	(450)	398	3,382	7,582	10,912
End of financial year	4,067	27,592	31,019	10,471	73,149

Deferred income tax assets – Group

	Provisions $'000	Tax losses $'000	Others $'000	Total $'000
2015				
Beginning of financial year	19	343	93	455
Currency translation differences	(3)	(28)	(22)	(53)
Credited to income statement	-	4	228	232
End of financial year	**16**	**319**	**299**	**634**
2014				
Beginning of financial year	19	328	90	437
Currency translation differences	-	(8)	(2)	(10)
Credited to income statement	-	23	5	28
End of financial year	19	343	93	455

9. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2015	**2014**
	$'000	**$'000**
Net profit before fair value gains on investment properties attributable to equity holders of the Company	**49,207**	130,119
Fair value gains on investment properties	**101,097**	124,271
Net profit after fair value gains on investment properties attributable to equity holders of the Company	**150,304**	254,390

	2015	**2014**
	'000	**'000**
Weighted average number of ordinary shares in issue for basic earnings per share	**784,455**	785,482
Basic earnings per share (cents) based on:		
Net profit before fair value gains on investment properties	**6.27**	16.57
Net profit after fair value gains on investment properties	**19.16**	32.39

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume the effects of all dilutive potential ordinary shares from share plans and share options.

	Group	
	2015	**2014**
	$'000	**$'000**
Net profit before fair value gains on investment properties attributable to equity holders of the Company	**49,207**	130,119
Adjustments for share options and share plans of:		
– a subsidiary company	**(32)**	(58)
– an associated company	**(76)**	(125)
Net profit before fair value gains on investment properties used to determine diluted earnings per share	**49,099**	129,936
Net profit after fair value gains on investment properties attributable to equity holders of the Company	**150,304**	254,390
Adjustments for share options and share plans of:		
– a subsidiary company	**(35)**	(65)
– an associated company	**(395)**	(606)
Net profit after fair value gains on investment properties used to determine diluted earnings per share	**149,874**	253,719

9. EARNINGS PER SHARE *(continued)*

(b) Diluted earnings per share *(continued)*

	2015 '000	2014 '000
Weighted average number of ordinary shares in issue for basic earnings per share	**784,455**	785,482
Adjustments for:		
– share plans	**2,805**	3,424
– share options	**138**	313
Number of ordinary shares used to determine diluted earnings per share	**787,398**	789,219
Diluted earnings per share (cents) based on:		
Net profit before fair value gains on investment properties	**6.24**	16.46
Net profit after fair value gains on investment properties	**19.03**	32.15

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Fixed deposits with financial institutions	**575,561**	521,676	**269,000**	210,000
Cash and bank balances	**305,050**	313,086	**194,078**	197,620
	880,611	834,762	**463,078**	407,620

Included in cash and cash equivalents of the Group are amounts held under project accounts totalling $128.5 million (2014: $182.9 million), withdrawals of which are restricted to payments for expenditures incurred on projects.

The carrying amounts of cash and cash equivalents approximated their fair values.

Significant restrictions
Cash and short-term deposits of $110.1 million (2014: $70.8 million) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Disposal of subsidiary companies
On 5 September 2014, the Group disposed of its effective interests of 70% in PT Windas Development for a cash consideration of $27.1 million (net of withholding tax).

On 25 June 2014, the Group disposed of its effective interests of 50% in Winnoma Investment Pte. Ltd., Winzen Investment Pte. Ltd. and Yong Yao (Shanghai) Property Development Co., Ltd for a cash consideration of $4.9 million. The Group retained effective interests of 50% in these entities as at 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 30 June 2015

10. CASH AND CASH EQUIVALENTS *(continued)*

Disposal of subsidiary companies *(continued)*
The effects of the disposal on the cash flows of the Group were:

	Group	
	2015	**2014**
	$'000	**$'000**
Carrying amount of assets and liabilities disposed of:		
Cash and cash equivalents	**-**	4,527
Development properties	**-**	110,879
Other current assets	**73**	108
Property, plant and equipment	**-**	105
Shareholders' loans	**(39,450)**	-
Trade and other payables	**(34)**	(117,363)
Net liabilities derecognised	**(39,411)**	(1,744)
Equity interests retained as joint venture company	**-**	872
Non-controlling interests	**11,823**	-
Net liabilities disposed of	**(27,588)**	(872)
Re-classification of currency translation reserve	**3,229**	(1,288)
Novation of shareholders' loans	**30,529**	-
Gain on disposal of subsidiary companies	**20,963**	7,080
Cash proceeds from disposal	**27,133**	4,920
Repayment of shareholder's loan	**-**	58,503
Cash and cash equivalents in subsidiary companies disposed of	**-**	(4,527)
Net cash inflow on disposal	**27,133**	58,896

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	Contract notional amount $'000	Fair value asset/ (liability) $'000	Contract notional amount $'000	Fair value asset $'000
Non-current				
2015				
Cash flow hedges				
– Interest rate and cross currency swaps	151,020	4,635	131,970	3,231
Non-hedging instruments				
– Currency forwards	10,684	134	-	-
		4,769		**3,231**
2014				
Cash flow hedges				
– Interest rate and cross currency swaps	-	-	-	-
Non-hedging instruments				
– Currency forwards	-	-	-	-
		-		-
Current				
2015				
Cash flow hedges				
– Interest rate and cross currency swaps	-	-	-	-
Non-hedging instruments				
– Currency forwards	-	-	-	-
		-		**-**
2014				
Cash flow hedges				
– Interest rate and cross currency swaps	119,960	(8,580)	-	-
Non-hedging instruments				
– Currency forwards	12,289	16	-	-
		(8,564)		-

As at 30 June 2015, the fixed interest rate on SGD interest rate swap is 3.1% (2014: 2.5%) per annum, the fixed interest rate on USD interest rate swap is 3.1% (2014: 2.8%) per annum and the fixed interest rate on HKD interest rate swap is Nil (2014: 5.5%) per annum. The main floating rates are Singapore Swap Offered Rate, London Interbank Offered Rate and Hong Kong Interbank Offered Rate.

Interest rate swaps are entered into to hedge floating rate borrowings and will mature in November 2019 (2014: October 2014). Fair value gains and losses on the interest rate swaps recognised in the cash flow hedge reserve are reclassified to the income statement as part of finance costs.

Please refer to Note 2.14 for details of the financial instruments and hedging policies.

12. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	**17,320**	67,886	**-**	-
Allowance for impairment of receivables	**(122)**	(224)	**-**	-
	17,198	67,662	**-**	-
Due from subsidiary companies				
– non-trade [Note 12(i)]	**-**	-	**605,977**	750,750
Allowance for impairment of receivables	**-**	-	**(244,207)**	(215,314)
	-	-	**361,770**	535,436
Due from associated and joint venture companies				
– non-trade [Note 12(ii)]	**11,439**	12,310	**227**	314
Total current receivables	**28,637**	79,972	**361,997**	535,750

(i) Amounts due from subsidiary companies are unsecured and repayable on demand. Included in the amounts due from subsidiary companies are fixed-interest loan receivables of $304.3 million (2014: $274.1 million).

(ii) Amounts due from associated and joint venture companies are unsecured and repayable on demand. Included in the amounts due from associated and joint venture companies are fixed-interest loan receivables of $9.0 million (2014: $9.0 million).

The carrying amounts of current trade and other receivables approximated their fair values.

13. INVENTORIES

	Group	
	2015	**2014**
	$'000	**$'000**
Raw materials	**257**	359
Work-in-progress	**66**	74
Finished goods	**19,692**	27,606
	20,015	28,039

The cost of inventories recognised as expense and included in "cost of sales" amounted to $90.0 million (2014: $90.5 million).

14. DEVELOPMENT PROPERTIES

	Group	
	2015	**2014**
	$'000	**$'000**
Properties under development		
– Land, at cost	**818,500**	1,007,857
– Development costs	**543,514**	612,550
– Overhead expenditure capitalised	**29,563**	76,532
	1,391,577	1,696,939
– Attributable profits	**307,892**	237,382
– Allowance for foreseeable losses	**(13,213)**	(72,343)
	1,686,256	1,861,978
– Progress billings	**(852,061)**	(491,047)
	834,195	1,370,931
Properties held for sale	**430,908**	111,943
	1,265,103	1,482,874
Value of development properties mortgaged to secure long term banking facilities granted (Note 24)	**271,620**	670,453
Total interest capitalised during the financial year	**4,605**	4,988

The following table provides information about agreements that are in progress at the end of the financial year whose revenue is recognised on a percentage of completion basis:

	Group	
	2015	**2014**
	$'000	**$'000**
Aggregate amount of costs incurred	**731,593**	594,883
Attributable profits	**307,892**	237,382
Progress billings	**(821,694)**	(476,467)
	217,791	355,798

14. DEVELOPMENT PROPERTIES *(continued)*

The major development properties are as follows:

Location	Type of development	Tenure		% of completion at 30.06.2015	Expected completion date	Land area (Sq m)	Gross floor area (Sq m)	Group's interest in property (%)
Singapore								
Le Nouvel Ardmore at Ardmore Park	43 units of condominium housing	Freehold		100	n/a	5,624	15,746	100
The Tembusu at Tampines Road	337 units of condominium housing and 1 unit of shop	Freehold		57	2016	13,149	27,614	100
Malaysia								
Le Nouvel KLCC at Section 43, Town of Kuala Lumpur	195 units of condominium housing	Freehold		61	2016	6,084	50,033	60.4
Nobleton Crest at Section 89, Town of Kuala Lumpur	25 units of condominium housing	Freehold		100	n/a	4,047	8,640	60.4
Verticas Residensi at Section 57, Town of Kuala Lumpur	423 units of condominium housing	Freehold	Towers A, B, C, D	100	n/a	9,764	21,542	60.4
Sering Ukay at Mukim of Ulu Klang, Gombak, Selangor	152 units of semi-detached houses and bungalows	Freehold	Phase 3	-	-	188,151	52,955	60.4
Taman Bukit Minyak Utama at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	692 units of terrace and semi-detached houses and shop houses	Freehold	Phases 1-3 Phase 4A Phase 4B Phase 5	100 87 100 -	n/a 2016 n/a -	51,642	40,579	60.4
Impiana Boulevard and Impiana Gallery at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	81 units of shop houses and vacant land	Freehold		100	n/a	8,312	8,919	60.4

14. DEVELOPMENT PROPERTIES *(continued)*

Location	Type of development	Tenure		% of completion at 30.06.2015	Expected completion date	Land area (Sq m)	Gross floor area (Sq m)	Group's interest in property (%)
Malaysia *(continued)*								
Jesselton Hills at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	950 units of terrace and semi-detached houses and vacant land	Freehold	Phase 1 Phase 2 Phase 3-5 Vacant land	100 98 - -	n/a 2015 - -	381,276	44,900	60.4
Mahkota Impian at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	386 units of shophouses and service apartments	Freehold		15	2017	29,793	69,072	60.4
Vacant land at Pekan Penaga, District of Petaling, Selangor	-	99-year lease expiring 2093		-	-	38,155	n/a	60.4
Vacant land at Section 89A, Town of Kuala Lumpur	-	Freehold		-	-	8,645	n/a	60.4
Vacant land at Mukim 14-16, Daerah Seberang Perai Tengah, Pulau Pinang	-	Freehold		-	-	476,390	n/a	60.4
The People's Republic of China								
The Lakeview at No. 63 Xinggang Street, Suzhou Industrial Park	193 units of apartments and shops	70-year lease expiring 2066	Phase 3	100	n/a	9,740	41,337	75
The Lakeside at No. 1 Xingzhou Street, Suzhou Industrial Park	-	70-year lease expiring 2066	Phase 2	-	-	19,518	n/a	75
Vacant land at 17/2 Huai Hai Middle Road, Precinct No. 45, Huangpu District, Shanghai	-	40 and 50-year leases expiring 2054 and 2064 respectively		-	-	8,594	n/a	100

n/a: not applicable

15. OTHER CURRENT ASSETS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Deposits	**10,552**	11,620	**218**	22
Prepayments	**24,345**	26,946	**5,807**	3,404
Sundry receivables	**5,580**	5,145	**1,241**	1,148
	40,477	43,711	**7,266**	4,574

The carrying amounts of deposits and sundry receivables approximated their fair values.

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Beginning of financial year	**3,189**	3,189	**3,189**	3,189
Additions	**3,078**	-	**-**	-
End of financial year	**6,267**	3,189	**3,189**	3,189

The available-for-sale financial assets comprised unquoted equity shares in Singapore and Hong Kong SAR.

17. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Loans to subsidiary companies [Note 17(i)]	**-**	-	**1,060,578**	934,635
Allowance for impairment of receivables	**-**	-	**-**	(13,905)
	-	-	**1,060,578**	920,730
Loans to joint venture companies [Note 17(ii)]	**383,103**	369,347	**-**	-
Allowance for impairment of receivables	**(199)**	(186)	**-**	-
	382,904	369,161	**-**	-
Loans to non-controlling interests [Note 17(iii)]	**17,207**	12,907	**-**	-
Total non-current receivables	**400,111**	382,068	**1,060,578**	920,730

(i) Loans to subsidiary companies are unsecured, have no fixed terms of repayment and are not expected to be repayable within the next 12 months. Included in the loans to subsidiary companies are fixed-interest loan receivables of $364.3 million (2014: $350.0 million) and floating-interest loan receivables of Nil (2014: $11.9 million).

The interest-free loans to subsidiary companies are intended to be a long-term source of additional capital for the subsidiary companies. As a result, management considers such loans to be in substance part of the Company's net investment in these subsidiary companies and has accounted for these loans in accordance with Note 2.5.

(ii) Loans to joint venture companies are unsecured, have no fixed terms of repayment and are not expected to be repayable within the next 12 months. Included in the loans to joint venture companies are fixed-interest loan receivables of $317.0 million (2014: $311.6 million), which are subordinated to banking facilities of $967.8 million (2014: $967.8 million) granted by banks to the said joint venture companies.

(iii) Loans by a certain subsidiary company to non-controlling interests are made proportionate to the shareholders' equity stake in the subsidiary company on a pari passu basis. The loans are unsecured, interest-free, have no fixed terms of repayment and are not expected to be repayable within the next 12 months.

The carrying amounts of non-current trade and other receivables approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy (Note 32).

18. INVESTMENT IN AN ASSOCIATED COMPANY

	Group	
	2015	**2014**
	$'000	**$'000**
Carrying amount of quoted investment in an associated company	**1,353,952**	1,162,428

Details of the Group's associated company are listed in Note 35 to the financial statements.

18. INVESTMENT IN AN ASSOCIATED COMPANY *(continued)*

The summarised financial information of an associated company, not adjusted for the proportionate ownership interest held by the Group, is as follows:

	Wing Tai Properties Limited	
	2015	**2014**
	$'000	**$'000**
Summarised statement of financial position		
Current assets	**670,677**	697,719
Non-current assets	**4,095,476**	3,540,464
Current liabilities	**(107,577)**	(344,537)
Non-current liabilities	**(737,297)**	(530,887)
Net assets	**3,921,279**	3,362,759
Net assets attributable to:		
– Non-controlling interests	**191**	226
– Associated company's equity holders	**3,921,088**	3,362,533
Summarised statement of comprehensive income		
Revenue	**310,817**	337,135
Total profit	**332,010**	432,971
Other comprehensive (expense)/income	**(4,811)**	4,585
Total comprehensive income	**327,199**	437,556
Total comprehensive income attributable to:		
– Non-controlling interests	**(51)**	(17)
– Associated company's equity holders	**327,250**	437,573
Dividends received from an associated company	**10,508**	10,158
Reconciliation of summarised financial information		
Net assets		
Beginning of financial year	**3,362,533**	3,012,683
Dividends paid	**(30,427)**	(29,366)
Profit for the year	**332,010**	432,955
Other comprehensive (expense)/income	**(4,760)**	4,618
Currency translation differences	**261,732**	(58,357)
End of financial year	**3,921,088**	3,362,533
Carrying value of Group's interest in an associated company	**1,353,952**	1,162,428

	Group	
	2015	**2014**
	$'000	**$'000**
Share of an associated company's contingent liabilities and financial guarantees incurred jointly with other investors	**171,099**	159,756
Market value of quoted equity shares	**404,987**	354,347

As at 30 June 2015, the carrying value of quoted equity shares is higher than the market value. The directors consider the carrying value of the investment in an associated company appropriate, after having evaluated various qualitative and quantitative factors including the historical financial performance of the associated company.

The fair value of the investment in an associated company is determined by reference to the published market bid price at the end of the reporting period and is categorised under Level 1 of the fair value measurement hierarchy (Note 32).

19. INVESTMENTS IN JOINT VENTURE COMPANIES

Details of the Group's joint venture companies are listed in Note 35 to the financial statements.

The summarised financial information of the joint venture companies, not adjusted for the proportionate ownership interest held by the Group, is as follows:

	Uniqlo (Singapore) Pte. Ltd. $'000	Uniqlo (Malaysia) Sdn. Bhd. $'000	Optima Investment & Development Pte. Ltd. $'000	G2000 Apparel (S) Pte. Ltd. $'000	Total $'000
2015					
Summarised statement of financial position					
Current assets	99,308	41,859	215,101	22,270	378,538
Non-current assets	18,332	25,677	53,591	1,612	99,212
Current liabilities	(44,866)	(30,898)	(32,862)	(5,505)	(114,131)
Non-current liabilities	-	(543)	(19,485)	(121)	(20,149)
Net assets	72,774	36,095	216,345	18,256	343,470
Included in net assets are:					
– Cash and cash equivalents	56,961	5,996	15,479	13,671	92,107
– Financial liabilities (excluding trade and other payables and provisions)					
– Current	-	(2,857)	(92)	(198)	(3,147)
– Non-current	-	-	(19,485)	-	(19,485)
Summarised statement of comprehensive income					
Revenue	205,620	146,785	-	49,331	401,736
Expenses	(191,525)	(134,304)	(2,552)	(47,087)	(375,468)
Profit/(loss) before income tax	14,095	12,481	(2,552)	2,244	26,268
Income tax (expense)/credit	(2,525)	(3,996)	-	250	(6,271)
Total profit/(loss)	11,570	8,485	(2,552)	2,494	19,997
Other comprehensive income	-	-	8,837	-	8,837
Total comprehensive income	11,570	8,485	6,285	2,494	28,834
Included in total comprehensive income are:					
– Interest income	191	155	337	19	702
– Depreciation	(6,123)	(7,240)	(69)	(1,535)	(14,967)
– Interest expense	-	(247)	-	-	(247)
Dividends received from joint venture companies	-	-	-	2,250	2,250
Reconciliation of summarised financial information					
Net assets					
Beginning of financial year	61,204	30,606	165,310	20,762	277,882
Additions	-	-	44,750	-	44,750
Dividends paid	-	-	-	(5,000)	(5,000)
Profit/(loss) for the year	11,570	8,485	(2,552)	2,494	19,997
Other comprehensive income	-	-	8,837	-	8,837
Currency translation differences	-	(2,996)	-	-	(2,996)
End of financial year	72,774	36,095	216,345	18,256	343,470
Carrying value	**35,659**	**16,243**	**86,538**	**8,215**	**146,655**
Add: Carrying value of individually immaterial joint venture companies					29,644
Carrying value of Group's interests in joint venture companies					**176,299**

19. INVESTMENTS IN JOINT VENTURE COMPANIES *(continued)*

	Uniqlo (Singapore) Pte. Ltd. $'000	Uniqlo (Malaysia) Sdn. Bhd. $'000	Optima Investment & Development Pte. Ltd. $'000	G2000 Apparel (S) Pte. Ltd. $'000	Total $'000
2014					
Summarised statement of financial position					
Current assets	79,957	30,035	162,182	25,049	297,223
Non-current assets	17,876	25,626	35,738	3,204	82,444
Current liabilities	(35,911)	(24,757)	(21,572)	(7,370)	(89,610)
Non-current liabilities	(718)	(298)	(11,038)	(121)	(12,175)
Net assets	61,204	30,606	165,310	20,762	277,882
Included in net assets are:					
– Cash and cash equivalents	41,144	5,009	20,762	14,414	81,329
– Financial liabilities (excluding trade and other payables and provisions)					
– Current	(476)	(3,881)	(40)	(83)	(4,480)
– Non-current	-	-	(11,038)	-	(11,038)
Summarised statement of comprehensive income					
Revenue	177,755	111,079	-	55,136	343,970
Expenses	(162,020)	(97,338)	(2,117)	(58,155)	(319,630)
Profit/(loss) before income tax	15,735	13,741	(2,117)	(3,019)	24,340
Income tax expense	(2,527)	(4,091)	-	-	(6,618)
Total profit/(loss)	13,208	9,650	(2,117)	(3,019)	17,722
Other comprehensive expense	-	-	(2,582)	-	(2,582)
Total comprehensive income/(expense)	13,208	9,650	(4,699)	(3,019)	15,140
Included in total comprehensive income/(expense) are:					
– Interest income	75	66	211	18	370
– Depreciation	(5,236)	(4,625)	(57)	(1,734)	(11,652)
– Interest expense	-	(14)	-	-	(14)
Reconciliation of summarised financial information					
Net assets					
Beginning of financial year	47,996	21,531	108,085	23,781	201,393
Additions	-	-	61,924	-	61,924
Profit/(loss) for the year	13,208	9,650	(2,117)	(3,019)	17,722
Other comprehensive expense	-	-	(2,582)	-	(2,582)
Currency translation differences	-	(575)	-	-	(575)
End of financial year	61,204	30,606	165,310	20,762	277,882
Carrying value	29,990	13,773	66,124	9,343	119,230
Add: Carrying value of individually immaterial joint venture companies					31,855
Carrying value of Group's interests in joint venture companies					151,085

19. INVESTMENTS IN JOINT VENTURE COMPANIES *(continued)*

	Group	
	2015	**2014**
	$'000	**$'000**
Capital commitments in relation to interest in a joint venture company	**16,603**	19,209
Share of joint venture companies' capital commitments	**70,440**	78,444

20. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2015	**2014**
	$'000	**$'000**
Beginning and end of financial year	**252,392**	252,392

Details of the Group's subsidiary companies are listed in Note 35 to the financial statements.

The following subsidiary companies of the Group have material non-controlling interests:

	Effective interest held by non-controlling interests	
	2015	**2014**
Name of company	**%**	**%**
Wing Tai Malaysia Berhad	**39.6**	39.2
Suzhou Property Development Pte Ltd	**25**	25

There were no significant transactions with non-controlling interests for the financial years ended 30 June 2015 and 2014.

20. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

The following table summarises the financial information of each of the Group's subsidiary companies with material non-controlling interests, based on their respective consolidated financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations with other companies in the Group.

	Wing Tai Malaysia Berhad $'000	Suzhou Property Development Pte. Ltd. $'000	Total $'000
2015			
Summarised statement of financial position			
Current assets	465,565	124,693	590,258
Non-current assets	113,983	22,094	136,077
Current liabilities	(77,112)	(13,606)	(90,718)
Non-current liabilities	(129,596)	(54,994)	(184,590)
Net assets	372,840	78,187	451,027
Net assets attributable to non-controlling interests	**147,496**	**19,547**	**167,043**
Add: Carrying value of individually immaterial non-controlling interests of other subsidiary companies			21,989
Carrying value of non-controlling interests			**189,032**
Summarised statement of comprehensive income			
Revenue	103,624	49,630	153,254
Total profit	20,356	13,471	33,827
Other comprehensive (expense)/income	(623)	5,376	4,753
Total comprehensive income	19,733	18,847	38,580
Total comprehensive income attributable to non-controlling interests	7,806	4,712	12,518
Dividends paid to non-controlling interests	3,345	-	3,345
Summarised cash flows			
Cash flows from:			
– Operating activities	(26,389)	30,226	3,837
– Investing activities	6,960	1,561	8,521
– Financing activities	(11,127)	-	(11,127)
Net (decrease)/increase in cash and cash equivalents	(30,556)	31,787	1,231

20. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

	Wing Tai Malaysia Berhad $'000	Suzhou Property Development Pte. Ltd. $'000	Total $'000
2014			
Summarised statement of financial position			
Current assets	500,377	102,926	603,303
Non-current assets	118,860	20,192	139,052
Current liabilities	(115,527)	(19,560)	(135,087)
Non-current liabilities	(110,988)	(45,255)	(156,243)
Net assets	392,722	58,303	451,025
Net assets attributable to non-controlling interests	153,829	14,576	168,405
Add: Carrying value of individually immaterial non-controlling interests of other subsidiary companies			4,754
Carrying value of non-controlling interests			173,159
Summarised statement of comprehensive income			
Revenue	172,351	47,735	220,086
Total profit	31,491	16,184	47,675
Other comprehensive expense	(271)	(2,113)	(2,384)
Total comprehensive income	31,220	14,071	45,291
Total comprehensive income attributable to non-controlling interests	12,229	3,518	15,747
Dividends paid to non-controlling interests	4,793	-	4,793

21. INVESTMENT PROPERTIES

	Group	
	2015	**2014**
	$'000	**$'000**
Beginning of financial year	**575,263**	562,153
Fair value gains recognised in income statement	**12,522**	11,054
Transfer from property, plant and equipment	**-**	4,032
Additions	**649**	-
Currency translation differences	**(2,907)**	(1,976)
End of financial year	**585,527**	575,263

The following amounts are recognised in the income statement:

	Group	
	2015	**2014**
	$'000	**$'000**
Rental income	**30,928**	30,032
Direct operating expenses arising from investment properties that generated rental income	**(10,542)**	(10,437)

The major investment properties are as follows:

Name of building/ location	**Description**	**Tenure of land**	**Lettable area (Sq m)**	**Group's interest in property (%)**
Singapore				
Winsland House I at 3 Killiney Road (1^{st} to 9^{th} floor)	10-storey commercial building	99-year lease expiring 2082	13,405	100
Winsland House II at 163 Penang Road	8-storey commercial building	99-year lease expiring 2093	7,311	100
Winsland House II at 165 Penang Road	Conservation house	99-year lease expiring 2093	584	100
Lanson Place Winsland Serviced Residences at 167 Penang Road	67 units of serviced apartments in a 9-storey building	99-year lease expiring 2093	6,030	100
Malaysia				
Kondominium No. 8 at Section 89A, Town of Kuala Lumpur	132 units of condominium housing	Freehold	22,702	60.4
Sering Ukay at Jalan SU1E, Ampang, Selangor	10 units of shop offices	Freehold	2,872	60.4

21. INVESTMENT PROPERTIES *(continued)*

Name of building/ location	Description	Tenure of land	Lettable area (Sq m)	Group's interest in property (%)
Malaysia *(continued)*				
Taman Bukit Minyak Utama at Lorong Bukit Minyak Utama 2, Daerah Seberang Perai Tengah, Pulau Pinang	8 units of shop offices	Freehold	3,265	60.4
The People's Republic of China				
Singa Plaza at No. 8 Jinji Hu Road, Suzhou Industrial Park	8-storey commercial building	50-year lease expiring 2046	8,255	75

Investment properties are valued by independent professional valuers based on the properties' highest and best use using the Direct Comparison Approach and/or the Capitalisation Approach. A description of the valuation techniques and the valuation processes of the Group are provided in Note 32.

Investment properties are leased to third parties under operating leases (Note 30).

Investment properties with a total valuation of $554.3 million (2014: $547.2 million) were mortgaged to banks to secure long term banking facilities granted to certain subsidiary companies (Note 24).

22. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Group						
2015						
Cost or valuation						
Beginning of financial year						
Cost	-	-	6,314	24,941	64,573	95,828
Valuation	36,616	56,632	-	-	-	93,248
	36,616	56,632	6,314	24,941	64,573	189,076
Additions	-	27	568	2,525	3,860	6,980
Disposals	-	-	(347)	(147)	(28)	(522)
Write-off	-	-	-	(276)	(2,132)	(2,408)
Revaluation gains	-	2,143	-	-	-	2,143
Currency translation differences	(2,924)	(625)	(220)	(834)	(1,925)	(6,528)
End of financial year	33,692	58,177	6,315	26,209	64,348	188,741
Representing:						
Cost	-	-	6,315	26,209	64,348	96,872
Valuation	33,692	58,177	-	-	-	91,869
	33,692	58,177	6,315	26,209	64,348	188,741
Accumulated depreciation and impairment losses						
Beginning of financial year	898	724	4,662	12,960	38,341	57,585
Depreciation charge	324	1,163	763	2,325	9,815	14,390
Disposals	-	-	(278)	(135)	(25)	(438)
Write-off	-	-	-	(247)	(1,899)	(2,146)
Impairment loss	-	-	-	277	3,305	3,582
Revaluation adjustments	-	(966)	-	-	-	(966)
Currency translation differences	(92)	(70)	(165)	(728)	(1,521)	(2,576)
End of financial year	1,130	851	4,982	14,452	48,016	69,431
Net book value						
End of financial year	**32,562**	**57,326**	**1,333**	**11,757**	**16,332**	**119,310**

22. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Group						
2014						
Cost or valuation						
Beginning of financial year						
Cost	-	-	6,277	21,164	56,054	83,495
Valuation	34,176	62,376	-	-	-	96,552
	34,176	62,376	6,277	21,164	56,054	180,047
Additions	3,310	21	485	4,438	12,113	20,367
Disposals	-	(1,986)	(274)	(25)	-	(2,285)
Disposal of subsidiary companies	-	-	(75)	(16)	(20)	(111)
Write-off	-	-	-	(353)	(3,016)	(3,369)
Revaluation gains	-	498	-	-	-	498
Transfer to investment properties	-	(4,032)	-	-	-	(4,032)
Currency translation differences	(870)	(245)	(99)	(267)	(558)	(2,039)
End of financial year	36,616	56,632	6,314	24,941	64,573	189,076
Representing:						
Cost	-	-	6,314	24,941	64,573	95,828
Valuation	36,616	56,632	-	-	-	93,248
	36,616	56,632	6,314	24,941	64,573	189,076
Accumulated depreciation and impairment losses						
Beginning of financial year	607	1,163	4,133	10,125	32,326	48,354
Depreciation charge	307	1,216	773	3,330	8,728	14,354
Disposals	-	(551)	(174)	(21)	-	(746)
Disposal of subsidiary companies	-	-	(1)	(2)	(3)	(6)
Write-off	-	-	-	(319)	(2,590)	(2,909)
Impairment loss	-	-	-	85	280	365
Revaluation adjustments	-	(1,071)	-	-	-	(1,071)
Currency translation differences	(16)	(33)	(69)	(238)	(400)	(756)
End of financial year	898	724	4,662	12,960	38,341	57,585
Net book value						
End of financial year	35,718	55,908	1,652	11,981	26,232	131,491

22. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Company				
2015				
Cost				
Beginning of financial year	1,841	8,622	2,491	12,954
Additions	-	1,691	12	1,703
Disposals	(97)	(104)	(4)	(205)
Write-off	-	-	(11)	(11)
End of financial year	1,744	10,209	2,488	14,441
Accumulated depreciation				
Beginning of financial year	1,615	1,083	1,469	4,167
Depreciation charge	151	433	319	903
Disposals	(97)	(97)	(1)	(195)
Write-off	-	-	(10)	(10)
End of financial year	1,669	1,419	1,777	4,865
Net book value				
End of financial year	**75**	**8,790**	**711**	**9,576**
2014				
Cost				
Beginning of financial year	2,014	7,289	2,348	11,651
Additions	-	1,333	153	1,486
Disposals	(173)	-	-	(173)
Write-off	-	-	(10)	(10)
End of financial year	1,841	8,622	2,491	12,954
Accumulated depreciation				
Beginning of financial year	1,622	848	1,161	3,631
Depreciation charge	166	235	314	715
Disposals	(173)	-	-	(173)
Write-off	-	-	(6)	(6)
End of financial year	1,615	1,083	1,469	4,167
Net book value				
End of financial year	226	7,539	1,022	8,787

22. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The freehold and leasehold land and buildings are valued by independent professional valuers based on the properties' highest and best use using the Direct Comparison Approach and/or the Capitalisation Approach. A description of the valuation techniques and the valuation processes of the Group are provided in Note 32.

If the freehold and leasehold land and buildings stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would be as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Freehold land and buildings	**28,385**	31,262
Leasehold land and buildings	**39,025**	40,251

The major properties included in freehold and leasehold land and buildings are as follows:

Name of building/ location	**Description**	**Tenure of land**	**Lettable area (Sq m)**
Singapore			
Winsland House I at 3 Killiney Road (Basement 1 and 10th floor)	10-storey commercial building	99-year lease expiring 2082	2,668
Malaysia			
166-A, Rifle Range Road, Pulau Pinang	5-storey commercial building	99-year lease expiring 2109	11,136
Ambassador Row Serviced Suites at 1 Jalan Ampang Hilir, Kuala Lumpur	221 units of serviced apartments in a 20-storey building	Freehold	17,452

Property, plant and equipment with net book values amounting to $83.0 million (2014: $84.3 million) were mortgaged to banks to secure long term banking facilities granted to subsidiary companies (Note 24).

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Due to subsidiary companies – non-trade [Note 23(i)]	**-**	-	**83,333**	133,860
Due to associated and joint venture companies – non-trade [Note 23(ii)]	**15,709**	14,774	**-**	-
Due to non-controlling interests – non-trade [Note 23(iii)]	**23,262**	23,262	**-**	-
Accrued project costs	**75,263**	113,285	**-**	-
Accrued operating expenses	**26,663**	45,762	**9,029**	12,075
Trade creditors	**20,232**	27,498	**-**	-
Other creditors	**13,099**	32,510	**1,747**	1,656
Tenancy deposits	**2,650**	3,278	**-**	-
	137,907	222,333	**10,776**	13,731
Total trade and other payables	**176,878**	260,369	**94,109**	147,591

(i) Non-trade amounts due to subsidiary companies are unsecured and repayable on demand. Included in the amounts due to subsidiary companies are fixed-interest payables of Nil (2014: $17.7 million) and floating-interest payables of $40.7 million (2014: $23.0 million).

(ii) Non-trade amounts due to associated and joint venture companies are unsecured, interest-free and repayable on demand.

(iii) Non-trade amounts due to non-controlling interests are unsecured, interest-free and repayable on demand.

The carrying amounts of trade and other payables approximated their fair values.

24. BORROWINGS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Current				
– Secured term loans	**30,628**	55,886	**-**	-
– Unsecured term loans	**5,356**	10,479	**-**	-
– Unsecured medium term notes due in 2015	**-**	120,000	**-**	120,000
	35,984	186,365	**-**	120,000
Non-current				
– Secured bank loans	**315,951**	372,449	**-**	-
– Unsecured bank loans	**359,424**	318,409	**257,796**	125,000
– Unsecured medium term notes due in 2016	**-**	65,000	**-**	65,000
– Unsecured medium term notes due in 2018	**60,000**	60,000	**60,000**	60,000
– Unsecured medium term notes due in 2021	**120,000**	-	**120,000**	-
– Unsecured medium term notes due in 2022	**100,000**	100,000	**100,000**	100,000
– Unsecured medium term notes due in 2023	**100,000**	100,000	**100,000**	100,000
– Unsecured medium term notes due in 2024	**100,000**	100,000	**100,000**	100,000
	1,155,375	1,115,858	**737,796**	550,000
Total borrowings	**1,191,359**	1,302,223	**737,796**	670,000

The carrying amounts of borrowings approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy (Note 32).

(a) Interest rate risks

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Less than one year	**558,386**	877,223	**125,000**	245,000
Between two and five years	**212,973**	125,000	**192,796**	125,000
Over five years	**420,000**	300,000	**420,000**	300,000
	1,191,359	1,302,223	**737,796**	670,000

(b) Security granted

The Group's secured borrowings are generally secured by mortgages on certain development properties (Note 14), investment properties (Note 21) and property, plant and equipment (Note 22) and assignment of all rights, titles and benefits with respect to the properties.

25. DIVIDENDS

	Group and Company	
	2015	2014
	$'000	$'000
Dividends paid in respect of the preceding financial year		
First and final dividend of 3 cents per share (2014: 3 cents per share)	**23,634**	23,582
Special dividend of 3 cents per share (2014: 9 cents per share)	**23,633**	70,746
	47,267	94,328

The directors have recommended a first and final dividend in respect of the financial year ended 30 June 2015 of 3 cents per share. These financial statements do not reflect these proposed dividends, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 June 2016.

The proposed first and final dividend and special dividend in respect of the financial year ended 30 June 2014 have been accounted for in the shareholders' equity as an appropriation of retained earnings in the current financial year.

26. OTHER NON-CURRENT LIABILITIES

	Group	
	2015	2014
	$'000	$'000
Tenancy deposits	**5,572**	4,376
Loans from non-controlling interests	**7,894**	8,912
Retention payable	**25,345**	23,202
Others	**3,079**	3,054
	41,890	39,544

Loans from non-controlling interests are unsecured, interest-free, have no fixed terms of repayment and are not expected to be repayable within the next 12 months.

The carrying amounts of other non-current liabilities approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy (Note 32).

27. SHARE CAPITAL

	Group and Company *Issued share capital*	
	Number of ordinary shares	Amount
	'000	$'000
2015		
Beginning and end of financial year	**793,927**	**838,250**
2014		
Beginning and end of financial year	793,927	838,250

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

27. SHARE CAPITAL *(continued)*

(a) The Wing Tai Holdings Limited (2001) Share Option Scheme (the "Scheme")
The Scheme was approved and adopted by the members of the Company at an Extraordinary General Meeting ("EGM") held on 31 August 2001. The Scheme was terminated by the members of the Company at an EGM held on 30 October 2008 (without prejudice to the rights of holders of options thereunder in respect of options which have been granted).

Details of the movement in the options granted under the Scheme on the unissued ordinary shares of the Company during the year were as follows:

Date of grant	Beginning of financial year	Number of options exercised	Number of options forfeited	End of financial year	Exercise price ($)	Expiry date
2015						
19.11.2004	103,400	103,400	-	**-**	0.849	18.11.2014
30.09.2005	315,800	48,400	37,400	**230,000**	1.300	29.09.2015
05.09.2006	825,400	46,200	77,000	**702,200**	1.645	04.09.2016
06.09.2007	1,688,500	-	159,500	**1,529,000**	3.136	05.09.2017
Total	**2,933,100**	**198,000**	**273,900**	**2,461,200**		
2014						
19.11.2004	234,300	130,900	-	103,400	0.849	18.11.2014
30.09.2005	524,800	198,000	11,000	315,800	1.300	29.09.2015
05.09.2006	911,200	52,800	33,000	825,400	1.645	04.09.2016
06.09.2007	1,826,000	-	137,500	1,688,500	3.136	05.09.2017
Total	3,496,300	381,700	181,500	2,933,100		

All the outstanding share options are exercisable.

The Company reissued 222,200 (2014: 357,500) treasury shares at an average price of $1.19 (2014: $1.17) per share during the financial year for the fulfilment of share options. Of the 222,200 treasury shares reissued, 198,000 treasury shares were reissued for the fulfilment of share options exercised during the financial year. The weighted average share price at the time of exercise was $1.89 (2014: $2.16) per share.

27. SHARE CAPITAL *(continued)*

(b) Share Plans

The Wing Tai Performance Share Plan ("Wing Tai PSP") and the Wing Tai Restricted Share Plan ("Wing Tai RSP") (collectively referred to as the "Share Plans") were adopted by the members of the Company at an EGM held on 30 October 2008.

Wing Tai PSP

On 26 September 2014, awards were granted by the Company to qualifying employees pursuant to the Wing Tai PSP in respect of 210,000 shares of the Company. Under the Wing Tai PSP, performance conditions are set over a three-year performance period. A specified number of shares will be released by the Committee to the participants at the end of the performance period, provided the threshold targets are achieved. The total number of shares released varies depending on the achievement of pre-set performance targets over the performance period. The achievement factor ranges from 0% to 200%.

Details of the movement in the awards of the Company during the year were as follows:

Date of grant	Beginning of financial year	Number of shares granted	Additional shares awarded arising from targets achieved	Number of shares released	End of financial year
2015					
08.09.2011	183,000	-	11,200	194,200	**-**
19.09.2012	147,000	-	-	-	**147,000**
25.09.2013	115,000	-	-	-	**115,000**
26.09.2014	-	210,000	-	-	**210,000**
Total	**445,000**	**210,000**	**11,200**	**194,200**	**472,000**
2014					
01.09.2010	121,000	-	82,100	203,100	-
08.09.2011	183,000	-	-	-	183,000
19.09.2012	147,000	-	-	-	147,000
25.09.2013	-	115,000	-	-	115,000
Total	451,000	115,000	82,100	203,100	445,000

Wing Tai RSP

On 26 September 2014, awards were granted by the Company to qualifying employees pursuant to the Wing Tai RSP in respect of 1,089,000 shares of the Company. Under the Wing Tai RSP, performance conditions are set over a one-year performance period. A specified number of shares will be awarded to eligible participants at the end of the performance period depending on the extent of achievement of the performance conditions established. The shares have a vesting schedule of three years. The participant will receive fully paid shares, without any cash consideration payable by the participant.

27. SHARE CAPITAL *(continued)*

(b) Share Plans *(continued)*

Wing Tai RSP (continued)
Details of the movement in the awards of the Company during the year were as follows:

Date of grant	Beginning of financial year	Number of shares granted	Number of shares released	Number of shares forfeited	End of financial year
2015					
08.09.2011	744,800	-	738,000	6,800	**-**
19.09.2012	1,139,500	-	523,600	21,500	**594,400**
25.09.2013	1,336,500	-	420,000	28,900	**887,600**
26.09.2014	-	1,089,000	-	26,000	**1,063,000**
Total	**3,220,800**	**1,089,000**	**1,681,600**	**83,200**	**2,545,000**
2014					
01.09.2010	751,200	-	751,200	-	-
08.09.2011	1,329,300	-	569,700	14,800	744,800
19.09.2012	1,809,000	-	542,700	126,800	1,139,500
25.09.2013	-	1,546,000	-	209,500	1,336,500
Total	3,889,500	1,546,000	1,863,600	351,100	3,220,800

The fair values of the awards granted pursuant to the Wing Tai PSP and the Wing Tai RSP on 26 September 2014 (2014: 25 September 2013) determined using the Monte Carlo simulation model was $0.2 million (2014: $0.2 million) and $1.9 million (2014: $3.1 million) respectively. The significant inputs into the model were share price at grant date of $1.77 (2014: $2.09) per share, standard deviation of expected share price returns of 28.4% (2014: 28.0%), dividend yield of 1.5% (2014: 2.4%) and annual risk-free one-year, two-year and three-year interest rates of 0.4%, 0.6% and 0.9% respectively (2014: 0.3% each). The volatility measured at the standard deviation of expected share price returns is based on the statistical analysis of monthly share prices over the past three years.

28. OTHER RESERVES

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Share-based payment reserve	**12,360**	12,420	**11,368**	11,549
Cash flow hedge reserve	**3,437**	(8,306)	**2,528**	-
Asset revaluation reserve	**82,224**	163,660	**-**	-
Share of capital reserves of associated and joint venture companies	**61,043**	62,634	**-**	-
Currency translation reserve	**(66,507)**	(164,950)	**-**	-
Treasury shares reserve	**(19,584)**	(9,445)	**(19,584)**	(9,445)
Statutory reserve	**3,282**	972	**-**	-
Capital redemption reserve	**462**	-	**-**	-
	76,717	56,985	**(5,688)**	2,104

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
(a) Share-based payment reserve				
Beginning of financial year	**12,420**	11,867	**11,549**	11,233
Employee share plans and share option schemes:				
– Value of employee services (Notes 6 and 27)	**2,267**	3,002	**1,966**	2,612
– Reissuance of treasury shares	**(2,147)**	(2,296)	**(2,147)**	(2,296)
Transfer to retained earnings upon expiry of share options	**(101)**	-	**-**	-
Attributable to non-controlling interests	**(79)**	(153)	**-**	-
End of financial year	**12,360**	12,420	**11,368**	11,549
(b) Cash flow hedge reserve				
Beginning of financial year	**(8,306)**	(11,285)	**-**	(257)
Fair value gains/(losses)	**8,625**	(2,782)	**1,695**	93
Reclassify to income statement	**3,118**	5,761	**833**	164
End of financial year	**3,437**	(8,306)	**2,528**	-
(c) Asset revaluation reserve				
Beginning of financial year	**163,660**	162,147	**-**	-
Revaluation gains on property, plant and equipment	**3,109**	1,569	**-**	-
Transfer to retained earnings upon realisation	**(84,545)**	(70)	**-**	-
Attributable to non-controlling interests	**-**	14	**-**	-
End of financial year	**82,224**	163,660	**-**	-
(d) Share of capital reserves of associated and joint venture companies				
Beginning of financial year	**62,634**	61,090	**-**	-
Share of capital reserves of an associated company	**(1,645)**	1,596	**-**	-
Attributable to non-controlling interests	**54**	(52)	**-**	-
End of financial year	**61,043**	62,634	**-**	-

28. OTHER RESERVES *(continued)*

		Group		Company	
		2015	**2014**	**2015**	**2014**
		$'000	**$'000**	**$'000**	**$'000**
(e)	**Currency translation reserve**				
	Beginning of financial year	**(164,950)**	(125,406)	**-**	-
	Translation of financial statements of foreign subsidiary, associated and joint venture companies	**76,358**	(40,711)	**-**	-
	Translation of foreign currency denominated loans which form part of net investment in subsidiary companies	**10,176**	(2,497)	**-**	-
	Disposal of subsidiary companies	**3,229**	(1,288)	**-**	-
	Attributable to non-controlling interests	**8,680**	4,952	**-**	-
	End of financial year	**(66,507)**	(164,950)	**-**	-
(f)	**Treasury shares reserve**				
	Beginning of financial year	**(9,445)**	(11,466)	**(9,445)**	(11,466)
	Purchase of treasury shares	**(12,550)**	(693)	**(12,550)**	(693)
	Reissuance of treasury shares	**2,411**	2,714	**2,411**	2,714
	End of financial year	**(19,584)**	(9,445)	**(19,584)**	(9,445)
(g)	**Statutory reserve**				
	Beginning of financial year	**972**	972	**-**	-
	Transfer to revenue reserves	**3,080**	-	**-**	-
	Attributable to non-controlling interests	**(770)**	-	**-**	-
	End of financial year	**3,282**	972	**-**	-
(h)	**Capital redemption reserve**				
	Beginning of financial year	**-**	-	**-**	-
	Redemption of preference shares by a subsidiary company	**764**	-	**-**	-
	Attributable to non-controlling interests	**(302)**	-	**-**	-
	End of financial year	**462**	-	**-**	-
	Total	**76,717**	56,985	**(5,688)**	2,104

Capital reserves of associated and joint venture companies arise from currency translation and other reserves which are not distributable.

The total number of treasury shares held by the Company as at 30 June 2015 was 13,379,900 (2014: 8,218,500). The Company reissued 2,098,000 (2014: 2,424,200) treasury shares during the financial year pursuant to the Wing Tai PSP, Wing Tai RSP and share options. The purchase cost of the treasury shares reissued amounted to $2.4 million (2014: $2.7 million). The total consideration for the treasury shares reissued which comprised the value of employee services amounted to $2.1 million (2014: $2.3 million).

29. RETAINED EARNINGS

(a) Retained earnings of the Group are distributable except for accumulated retained earnings of associated and joint venture companies amounting to \$947.7 million (2014: \$846.4 million) and the amount of \$19.6 million (2014: \$9.4 million) utilised to purchase treasury shares. Retained earnings of the Company are distributable except for the amount of \$19.6 million (2014: \$9.4 million) utilised to purchase treasury shares.

(b) Movement in retained earnings for the Company is as follows:

	Company	
	2015	**2014**
	\$'000	**\$'000**
Beginning of financial year	**472,161**	258,982
Net profit	**71,260**	307,507
Dividends paid (Note 25)	**(47,267)**	(94,328)
End of financial year	**496,154**	472,161

30. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements, excluding those relating to investments in joint venture companies (Note 19), are as follows:

	Group	
	2015	**2014**
	\$'000	**\$'000**
Commitments in respect of contracts placed	**55,851**	106,082

(b) Operating lease commitments – where the Group is a lessee

The Group leases office and retail units and warehouse space under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	Group	
	2015	**2014**
	\$'000	**\$'000**
Not later than one year	**49,506**	59,011
Between one and five years	**46,281**	85,532
	95,787	144,543

30. COMMITMENTS *(continued)*

(c) Operating lease commitments – where the Group is a lessor

The Group leases out office and retail units and serviced apartments under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Not later than one year	**22,398**	20,871
Between one and five years	**23,889**	19,701
Later than five years	**88**	-
	46,375	40,572

31. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

The details and estimates of the maximum amounts of contingent liabilities and financial guarantees, excluding those relating to investment in an associated company (Note 18), are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Financial guarantees issued to banks for credit facilities granted to:				
– subsidiary companies	**-**	-	**109,228**	201,010
– joint venture companies	**19,935**	21,028	**8,280**	8,280
	19,935	21,028	**117,508**	209,290

The Company has given financial guarantees for all liabilities incurred under a tender bond facility of a subsidiary company amounting to $15.0 million (2014: $15.0 million) granted by a bank to the subsidiary company.

32. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. After identifying and evaluating its exposure to the financial risks, the Group establishes policies to monitor and manage these risks in accordance with its risk management philosophy. The Group uses financial instruments such as currency forwards, cross currency swaps, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore, Malaysia, the People's Republic of China and Hong Kong SAR. Entities in the Group may transact in currencies other than their respective functional currencies. Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. To manage the currency exposure, the Group enters into currency forwards with banks.

The Group also holds long-term overseas investments and its net assets are exposed to currency translation risk. The Group uses natural hedging opportunities, like borrowing in the currency of the country in which these investments are located whenever practicable. The exchange differences arising from such translations are captured under the currency translation reserve. These currency translation differences are reviewed and monitored on a regular basis.

The Group's and the Company's currency exposure is as follows:

	SGD $'000	RM $'000	USD $'000	HKD $'000	Other $'000	Total $'000
Group						
2015						
Financial assets						
Cash and cash equivalents	667,566	92,362	13,714	8,042	98,927	880,611
Available-for-sale financial assets	3,189	-	3,078	-	-	6,267
Trade and other receivables (current and non-current)	389,552	21,064	636	17,211	285	428,748
Other financial assets	11,257	2,976	194	4	1,701	16,132
	1,071,564	116,402	17,622	25,257	100,913	1,331,758
Financial liabilities						
Trade and other payables	(124,196)	(39,238)	(1,657)	(459)	(11,328)	(176,878)
Borrowings	(990,000)	(152,935)	(48,424)	-	-	(1,191,359)
Other financial liabilities	(26,579)	(12,016)	(3,295)	-	-	(41,890)
	(1,140,775)	(204,189)	(53,376)	(459)	(11,328)	(1,410,127)
Net financial (liabilities)/ assets	(69,211)	(87,787)	(35,754)	24,798	89,585	(78,369)
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	1,487	128,602	30,583	(17,261)	(91,957)	51,454
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	(2,817)	(155)	(6,477)	(9,449)
Currency forwards and cross currency swaps	(19,138)	-	17,714	-	7,871	6,447
Currency exposure	**(86,862)**	**40,815**	**9,726**	**7,382**	**(978)**	**(29,917)**

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

	SGD $'000	RM $'000	USD $'000	HKD $'000	Other $'000	Total $'000
Group						
2014						
Financial assets						
Cash and cash equivalents	645,913	107,071	16,506	5,148	60,124	834,762
Available-for-sale financial assets	3,189	-	-	-	-	3,189
Trade and other receivables (current and non-current)	405,726	42,662	725	12,911	16	462,040
Other financial assets	11,271	3,403	1	18	2,072	16,765
	1,066,099	153,136	17,232	18,077	62,212	1,316,756
Financial liabilities						
Trade and other payables	(190,261)	(46,692)	(2,143)	(1,077)	(20,196)	(260,369)
Borrowings	(1,035,871)	(161,943)	(43,760)	(60,649)	-	(1,302,223)
Other financial liabilities	(18,112)	(14,064)	(4,314)	-	-	(36,490)
	(1,244,244)	(222,699)	(50,217)	(61,726)	(20,196)	(1,599,082)
Net financial (liabilities)/ assets	(178,145)	(69,563)	(32,985)	(43,649)	42,016	(282,326)
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	89,045	88,842	45,420	(12,957)	(46,948)	163,402
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	(2,422)	(1,522)	(3,271)	(7,215)
Currency forwards and cross currency swaps	(68,344)	-	3,829	62,576	7,189	5,250
Currency exposure	(157,444)	19,279	13,842	4,448	(1,014)	(120,889)

The Group does not have significant currency exposure arising from inter-company balances.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

	SGD $'000	RM $'000	HKD $'000	Other $'000	Total $'000
Company					
2015					
Financial assets					
Cash and cash equivalents	414,483	40,798	7,771	26	463,078
Available-for-sale financial assets	3,189	-	-	-	3,189
Trade and other receivables (current and non-current)	618,031	-	108,239	-	726,270
Other financial assets	1,263	-	-	196	1,459
	1,036,966	40,798	116,010	222	1,193,996
Financial liabilities					
Trade and other payables	(92,866)	-	(760)	(483)	(94,109)
Borrowings	(723,000)	-	-	(14,796)	(737,796)
	(815,866)	-	(760)	(15,279)	(831,905)
Net financial assets/(liabilities)	221,100	40,798	115,250	(15,057)	362,091
Net financial assets denominated in the Company's functional currency	(221,100)	-	-	-	(221,100)
Cross currency swap	-	-	-	14,836	14,836
Currency exposure	**-**	**40,798**	**115,250**	**(221)**	**155,827**
2014					
Financial assets					
Cash and cash equivalents	383,305	19,316	4,861	138	407,620
Available-for-sale financial assets	3,189	-	-	-	3,189
Trade and other receivables (current and non-current)	841,344	-	41,346	3,097	885,787
Other financial assets	1,164	-	5	1	1,170
	1,229,002	19,316	46,212	3,236	1,297,766
Financial liabilities					
Trade and other payables	(144,207)	-	(706)	(2,678)	(147,591)
Borrowings	(670,000)	-	-	-	(670,000)
	(814,207)	-	(706)	(2,678)	(817,591)
Net financial assets	414,795	19,316	45,506	558	480,175
Net financial assets denominated in the Company's functional currency	(414,795)	-	-	-	(414,795)
Currency exposure	-	19,316	45,506	558	65,380

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

If the RM, USD and HKD change against the SGD by 1% (2014: 1%) each with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit before tax		Increase/(decrease) Other comprehensive income	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Group				
RM against SGD				
– strengthened	**408**	192	**-**	-
– weakened	**(408)**	(192)	**-**	-
USD against SGD				
– strengthened	**997**	1,061	**(191)**	-
– weakened	**(997)**	(1,061)	**191**	-
HKD against SGD				
– strengthened	**75**	737	**-**	(677)
– weakened	**(75)**	(737)	**-**	677
Company				
RM against SGD				
– strengthened	**408**	193	**-**	-
– weakened	**(408)**	(193)	**-**	-
HKD against SGD				
– strengthened	**1,153**	455	**-**	-
– weakened	**(1,153)**	(455)	**-**	-

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(ii) Cash flow and fair value interest rate risks
Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's and the Company's exposure to cash flow interest rate risks arises mainly from floating rate borrowings. The Group manages these cash flow interest rate risks by maintaining a prudent mix of fixed and floating rate borrowings and using floating-to-fixed interest rate swaps.

The Group's borrowings at floating rates on which effective hedges have not been entered into are denominated mainly in SGD, RM and USD. If the SGD, RM and USD interest rates increase/decrease by 1% (2014: 1%) with all other variables being held constant, the profit before tax would have been lower/higher by $5.5 million (2014: $5.0 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $6.2 million (2014: $0.2 million) as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of floating rate borrowings.

The Company's borrowings at floating rates on which effective hedges have not been entered into are denominated in SGD. If the SGD interest rates increase/decrease by 1% (2014: 1%) with all other variables being held constant, the profit before tax would have been lower/higher by $1.3 million (2014: $1.2 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $5.3 million (2014: Nil) as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of floating rate borrowings.

(b) Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. The Group has no significant concentration of credit risk with any single entity. The Group has policies in place to ensure that the sale of goods and the rendering of services are to customers with acceptable credit standing. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position and disclosed in Note 31.

The credit risk for trade receivables is as follows:

	Group	
	2015 $'000	**2014 $'000**
By business segments		
Development properties	**12,739**	62,096
Investment properties	**718**	837
Retail	**2,234**	3,435
Others	**1,507**	1,294
	17,198	67,662

32. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Credit risk *(continued)*

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

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

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

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Past due less than 3 months	**2,026**	3,040
Past due 3 to 6 months	**257**	80
Past due over 6 months	**551**	808
	2,834	3,928

The carrying amount of trade and other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Gross amount	**321**	410	**467,343**	449,941
Less: Allowance for impairment	**(321)**	(410)	**(244,207)**	(229,219)
	-	-	**223,136**	220,722
Beginning of financial year	**410**	391	**229,219**	205,601
Allowance made	**23**	79	**28,893**	23,618
Allowance utilised	**(84)**	(50)	**(13,905)**	-
Currency translation differences	**(28)**	(10)	**-**	-
End of financial year	**321**	410	**244,207**	229,219

The impaired trade and other receivables arose mainly from loans to subsidiary companies for which recoverability is uncertain.

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. The Group adopts prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with short term funding so as to achieve overall cost effectiveness.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity risk *(continued)*

The table below analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Group				
2015				
Net-settled interest rate swaps	658	656	1,546	-
Gross-settled cross currency swaps				
– Receipts	(631)	(629)	(36,455)	-
– Payments	1,073	1,070	35,541	-
Gross-settled currency forwards				
– Receipts	(10,749)	-	-	-
– Payments	10,684	-	-	-
Trade and other payables	176,878	-	-	-
Borrowings	78,344	264,901	520,638	535,914
Other financial liabilities	-	37,791	3,835	264
	256,257	**303,789**	**525,105**	**536,178**
2014				
Net-settled interest rate swaps	408	-	-	-
Gross-settled cross currency swaps				
– Receipts	(61,284)	-	-	-
– Payments	68,873	-	-	-
Gross-settled currency forwards				
– Receipts	(12,309)	-	-	-
– Payments	12,289	-	-	-
Trade and other payables	260,369	-	-	-
Borrowings	226,926	184,909	555,180	538,727
Other financial liabilities	-	34,487	1,980	23
	495,272	219,396	557,160	538,750

32. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity risk *(continued)*

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Company				
2015				
Net-settled interest rate swaps	658	656	1,546	-
Gross-settled cross currency swaps				
– Receipts	(267)	(266)	(15,423)	-
– Payments	454	453	15,037	-
Trade and other payables	95,135	-	-	-
Borrowings	27,583	27,507	386,619	464,920
	123,563	**28,350**	**387,779**	**464,920**
2014				
Trade and other payables	148,389	-	-	-
Borrowings	144,523	21,002	301,454	352,305
	292,912	21,002	301,454	352,305

In addition to the above, the Group and the Company issued financial guarantees of $19.9 million (2014: $21.0 million) and $117.5 million (2014: $209.3 million) respectively (Note 31).

(d) Capital risk

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

Management monitors capital based on debt-equity ratio. The debt-equity ratio is calculated as net debt divided by shareholders' equity. Net debt is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Borrowings	**1,191,359**	1,302,223	**737,796**	670,000
Less: Cash and cash equivalents	**(880,611)**	(834,762)	**(463,078)**	(407,620)
Net debt	**310,748**	467,461	**274,718**	262,380
Shareholders' equity	**3,173,169**	2,969,655	**1,328,716**	1,312,515
Debt-equity ratio	**10%**	16%	**21%**	20%

The Group and the Company are required by certain banks to maintain a certain level of the debt-equity ratio. The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2015 and 2014.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements

(i) Fair value measurement hierarchy
The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Group				
2015				
Assets				
Derivative financial instruments	-	4,769	-	4,769
Available-for-sale financial assets	-	-	6,267	6,267
Investment properties	-	-	585,527	585,527
Property, plant and equipment	-	-	91,869	91,869
Total assets	**-**	**4,769**	**683,663**	**688,432**
2014				
Assets				
Available-for-sale financial assets	-	-	3,189	3,189
Investment properties	-	-	575,263	575,263
Property, plant and equipment	-	-	93,248	93,248
Total assets	-	-	671,700	671,700
Liabilities				
Derivative financial instruments	-	8,564	-	8,564

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

(i) Fair value measurement hierarchy *(continued)*

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company				
2015				
Assets				
Derivative financial instruments	-	3,231	-	3,231
Available-for-sale financial assets	-	-	3,189	3,189
Total assets	**-**	**3,231**	**3,189**	**6,420**
2014				
Assets				
Available-for-sale financial assets	-	-	3,189	3,189

(ii) Level 2 fair value measurements
The fair value of interest rate and cross currency swaps is calculated as the present value of the estimated future cash flows discounted at actively quoted interest and forward exchange rates. The fair value of currency forwards is determined using actively quoted forward exchange rates at the end of the reporting period. These instruments are classified as Level 2 and comprise derivative financial instruments.

(iii) Level 3 fair value measurements
(a) Valuation techniques and inputs used in Level 3 fair value measurements
The following table presents the valuation techniques and key inputs used to determine the fair values of investment properties and freehold and leasehold land and buildings classified as property, plant and equipment that are categorised under Level 3 of the fair value measurement hierarchy which involves significant unobservable inputs.

Type	Valuation Techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Commercial buildings, serviced apartments, condominium housing and shop offices in Singapore, Malaysia and the People's Republic of China	Direct Comparison Approach	Market value per square metre	$353 - $20,778 per square metre	The higher the adjusted valuation per square metre, the higher the fair value
	Capitalisation Approach	Estimated rental rate	$94 - $105 per square metre per month	The higher the rental value per square metre, the higher the fair value
		Capitalisation rate	4.25% - 4.35%	The higher the capitalisation rate, the lower the fair value

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

(iii) Level 3 fair value measurements *(continued)*

(a) Valuation techniques and inputs used in Level 3 fair value measurements *(continued)*

There were no significant inter-relationships between the significant unobservable inputs.

The valuation technique for available-for-sale financial assets is based on unobservable inputs, as such, these assets are classified as Level 3. Any changes to these unobservable inputs will not have a material impact on the fair value of the available-for-sale financial assets.

(b) Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair values of the Group's investment properties and freehold and leasehold land and buildings classified as property, plant and equipment based on the properties' highest and best use using the Direct Comparison Approach and/or the Capitalisation Approach.

The Direct Comparison Approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the properties. The Capitalisation Approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and in Notes 11 and 16 to the financial statements, except for the following:

	Group		**Company**	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Loans and receivables	**1,543,282**	1,669,365	**1,190,806**	1,294,577
Financial liabilities at amortised cost	**1,410,127**	1,599,082	**831,905**	817,591

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2015

33. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year at terms agreed between the parties:

(a) Sale of goods and rendering of services

	Group	
	2015	**2014**
	$'000	**$'000**
Commission income received from joint venture companies	**1,418**	-
Management and service fees received from joint venture companies	**4,838**	4,704
Management fees paid to an associated company	**414**	659
Payments on behalf of joint venture companies	**5,845**	6,864

(b) Key management personnel compensation

	Group	
	2015	**2014**
	$'000	**$'000**
Salaries and other short term employee benefits	**9,435**	10,555
Share-based payment	**951**	1,077
	10,386	11,632

Included in the above is compensation to directors of the Company which amounted to $5.6 million (2014: $6.5 million).

34. SEGMENT INFORMATION

The Group is organised into three main business segments - development properties, investment properties and retail. Other operations of the Group comprise mainly garment manufacturing and investment holding, neither of which constitutes a separately reportable segment. The segment information for the reportable segments is as follows:

2015	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Group $'000
Revenue	430,191	37,529	199,012	9,983	**676,715**
EBIT	92,356	34,210	(8,809)	(21,971)	**95,786**
Interest income					**7,561**
Operating profit					**103,347**
Finance costs					**(47,335)**
Share of profits/(losses) of associated and joint venture companies	4,036	111,566	10,610	(6,929)	**119,283**
Profit before income tax					**175,295**
Income tax expense					**(9,352)**
Total profit					**165,943**
Segment assets	2,134,168	666,092	68,872	87,352	**2,956,484**
Investment in an associated company	208,359	1,206,278	-	(60,685)	**1,353,952**
Investments in joint venture companies	95,862	-	60,117	20,320	**176,299**
Due from associated and joint venture companies	384,071	9,087	568	617	**394,343**
	2,822,460	1,881,457	129,557	47,604	**4,881,078**
Tax recoverable					**6,482**
Consolidated total assets					**4,887,560**
Segment liabilities	131,512	11,320	17,819	58,117	**218,768**
Borrowings	138,142	213,793	-	839,424	**1,191,359**
	269,654	225,113	17,819	897,541	**1,410,127**
Current income tax liabilities					**51,222**
Deferred income tax liabilities					**64,010**
Consolidated total liabilities					**1,525,359**
Capital expenditure	208	1,147	3,785	2,489	**7,629**
Depreciation	289	1,566	8,974	3,561	**14,390**

34. SEGMENT INFORMATION *(continued)*

2014	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Group $'000
Revenue	545,563	35,934	213,519	8,377	803,393
EBIT	170,712	31,462	(2,567)	(14,718)	184,889
Interest income					12,705
Operating profit					197,594
Finance costs					(39,897)
Share of profits/(losses) of associated and joint venture companies	10,416	136,690	9,456	(1,788)	154,774
Profit before income tax					312,471
Income tax expense					(36,129)
Total profit					276,342
Segment assets	2,320,269	671,384	86,926	101,319	3,179,898
Investment in an associated company	200,892	999,072	-	(37,536)	1,162,428
Investments in joint venture companies	71,044	-	53,105	26,936	151,085
Due from associated and joint venture companies	370,577	9,020	1,156	718	381,471
	2,962,782	1,679,476	141,187	91,437	4,874,882
Tax recoverable					8,532
Consolidated total assets					4,883,414
Segment liabilities	185,195	11,806	27,624	83,852	308,477
Borrowings	218,574	220,240	-	863,409	1,302,223
	403,769	232,046	27,624	947,261	1,610,700
Current income tax liabilities					57,206
Deferred income tax liabilities					72,694
Consolidated total liabilities					1,740,600
Capital expenditure	219	5,109	12,898	2,141	20,367
Depreciation	276	1,465	8,800	3,813	14,354

34. SEGMENT INFORMATION *(continued)*

The Group's three main business segments operate in four main geographical areas - Singapore, Malaysia, the People's Republic of China ("PRC") and Hong Kong SAR.

	Revenue		Non-current assets	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore	**522,637**	583,307	**972,023**	960,961
Malaysia	**103,624**	172,351	**114,475**	119,387
PRC	**50,454**	47,735	**183,998**	149,751
Hong Kong SAR	**-**	-	**1,375,739**	1,175,425
	676,715	803,393	**2,646,235**	2,405,524

35. COMPANIES IN THE GROUP

Information relating to the companies in the Group is given below, with the exception of inactive and dormant companies. Singapore-incorporated subsidiary and joint venture companies are audited by PricewaterhouseCoopers LLP, Singapore unless otherwise indicated.

	Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2015 %	2014 %
(a)	Wing Tai Holdings Limited		Singapore-Quoted on Singapore Exchange Securities Trading Limited	Investment holding	**n/a**	n/a
(b)	**Subsidiary companies**					
	Wing Tai Malaysia Berhad	!	Malaysia-Quoted on Bursa Malaysia Securities Berhad	Investment holding	**60.4**	60.8
	Angel Wing (M) Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
	Angkasa Indah Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
	Bergendale Investments Limited	*,#	British Virgin Islands (“BVI”)	Investment holding	**100**	100
	Brave Dragon Ltd	*, #	BVI/Hong Kong SAR	Investment holding	**89.4**	89.4
	Chanlai Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
	Crossbrook Group Ltd	#	BVI/Hong Kong SAR	Investment holding	**100**	100
	DNP Hartajaya Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
	DNP Jaya Sdn. Bhd.	*, !	Malaysia	Property investment	**60.4**	60.8
	DNP Land Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
	DNP Property Management Sdn. Bhd.	*, !	Malaysia	Project management and maintenance of properties	**60.4**	60.8
	D & P-Ejenawa Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
	Grand Eastern Realty & Development Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8

n/a: not applicable

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2015 %	2014 %
(b) Subsidiary companies *(continued)*					
Harta-Aman Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Hartamaju Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Jiaxin (Suzhou) Property Development Co., Ltd	*, >	The People's Republic of China ("PRC")	Property development, investment and management	**75**	75
Quality Frontier Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Seniharta Sdn. Bhd.	*, !	Malaysia	Property investment	**60.4**	60.8
Sri Rampaian Sdn. Bhd.	*, !	Malaysia	Manufacture of textile garments	**60.4**	60.8
Starpuri Development Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Suzhou Property Development Pte Ltd	*	Singapore	Property development and investment holding	**75**	75
Wincheer Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Wingold Investment Pte Ltd	*	Singapore	Investment holding	**100**	100
Wingstar Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Winmax Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winnervest Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winnorth Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winquest Investment Pte Ltd	*	Singapore	Property investment and development	**60**	60
Winrose Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winshine Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winsland Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winsmart Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2015 %	2014 %
(b) Subsidiary companies *(continued)*					
Wing Mei (M) Sdn. Bhd.	*, !	Malaysia	Property investment	**60.4**	60.8
Wing Tai China Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wing Tai (China) Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wing Tai Clothing Pte Ltd	*	Singapore	Retailing of garments	**100**	100
Wing Tai Clothing Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**60.4**	60.8
Wing Tai Fashion Apparel Pte. Ltd.	*	Singapore	Retailing of garments	**100**	100
Wing Tai Fashion Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**60.4**	60.8
Wing Tai Investment & Development Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Investment Management Pte Ltd	*	Singapore	Management of investment properties	**100**	100
Wing Tai Land Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Property Management Pte Ltd	*	Singapore	Project management and maintenance of properties	**100**	100
Wing Tai Retail Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Retail Management Pte. Ltd.	*	Singapore	Management of retail operations	**100**	100
Wing Tai (Shanghai) Management Co., Ltd	*, @	PRC	Provision of consultancy and advisory services	**100**	-
Yong Yue (Shanghai) Property Development Co., Ltd	*, @	PRC	Property development	**100**	100
Yoshinoya (S) Pte Ltd	*	Singapore	Restaurant operator	**100**	100
(c) Associated company					
Wing Tai Properties Limited	*, %	Bermuda-Quoted on The Stock Exchange of Hong Kong Limited/ Hong Kong SAR	Property development, property investment and management and hospitality investment and management	**33.4**	33.5

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2015 %	2014 %
(d) Joint venture companies					
G2000 Apparel (S) Pte Ltd	*	Singapore	Retailing of garments	**45**	45
Kualiti Gold Sdn. Bhd.	*, !	Malaysia	Property investment	**30.2**	30.4
Optima Investment & Development Pte. Ltd.	*, &	Singapore/PRC	Property development and investment holding	**40**	40
Summervale Properties Pte Ltd	*, &	Singapore	Property investment and development	**50**	50
Uniqlo (Malaysia) Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**27.2**	27.4
Uniqlo (Singapore) Pte. Ltd.	*, ~	Singapore	Retailing of garments	**49**	49
Wingcrown Investment Pte. Ltd.	*	Singapore	Property investment and development	**40**	40
Winnoma Investment Pte. Ltd.	*	Singapore/PRC	Property investment and development and investment holding	**50**	50

* Held by Group companies.

! Audited by Ernst and Young, Malaysia.

\# These companies are not required to be audited by law in the country of incorporation.

% Audited by PricewaterhouseCoopers, Hong Kong SAR.

& Audited by KPMG LLP, Singapore.

~ Audited by Ernst and Young LLP, Singapore.

> Audited by RSM, PRC.

@ Audited by PricewaterhouseCoopers, PRC.

In accordance to Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit and Risk Committee and the Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its significant subsidiary and associated companies would not compromise the standard and effectiveness of the audit of the Company.

36. SUBSEQUENT EVENTS

On 3 September 2015, the Company and its wholly-owned subsidiary, Wing Tai Investment & Development Pte Ltd, in aggregate subscribed for 123.1 million ordinary shares pursuant to a 1 for 2 rights issue in Wing Tai Malaysia Berhad ("WTM"), a subsidiary company listed on the Bursa Malaysia Securities Berhad, at RM1.15 per share for a total consideration of RM141.6 million. Following the allotment of shares under the rights issue, the Group's shareholding in WTM has increased to 66.23%.

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2015 or later periods and which the Group has not early adopted:

(a) FRS 1 *Presentation of Financial Statements* (effective for annual periods beginning on or after 1 January 2016)

This amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. This amendment is not expected to have any significant impact on the financial statements of the Group.

(b) FRS 115 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2017)

This is the converged standard on revenue recognition. It replaces FRS 11 *Construction Contracts*, FRS 18 *Revenue*, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Group is in the process of assessing the potential impact of FRS 115 on the financial statements.

(c) FRS 109 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018)

The complete version of FRS 109 replaces most of the guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI and for liabilities designated at fair value through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and the hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 39. The Group is in the process of assessing the potential impact of FRS 109 on the financial statements.

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 16 September 2015.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WING TAI HOLDINGS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Wing Tai Holdings Limited (the "Company") and its subsidiary companies (the "Group") set out on pages 34 to 109, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2016, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

PRICEWATERHOUSECOOPERS LLP
Public Accountants and Chartered Accountants

Singapore
15 September 2016

CONSOLIDATED INCOME STATEMENT

For the Financial Year Ended 30 June 2016

	Note	Group 2016 $'000	Group 2015 $'000
Revenue	3	**544,531**	676,715
Cost of sales		**(347,443)**	(417,348)
Gross profit		**197,088**	259,367
Other gains – net	4	**6,356**	41,884
Expenses			
– Distribution		**(88,457)**	(106,160)
– Administrative and other		**(87,471)**	(91,744)
Operating profit		**27,516**	103,347
Finance costs	7	**(45,542)**	(47,335)
Share of profits of associated and joint venture companies		**59,399**	119,283
Profit before income tax		**41,373**	175,295
Income tax expense	8(a)	**(25,712)**	(9,352)
Total profit		**15,661**	165,943
Attributable to:			
Equity holders of the Company		**7,079**	150,304
Non-controlling interests		**8,582**	15,639
		15,661	165,943
Earnings per share attributable to equity holders of the Company (cents):			
Basic	9(a)	**0.91**	19.16
Diluted	9(b)	**0.87**	19.03

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2016

		Group	
	Note	2016 $'000	2015 $'000
Total profit		**15,661**	165,943
Other comprehensive (expense)/income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges		**(2,217)**	11,743
Currency translation differences		**(43,623)**	86,534
Share of other comprehensive expense of associated and joint venture companies		**(978)**	(1,645)
		(46,818)	96,632
Item that will not be reclassified subsequently to profit or loss:			
Revaluation gains on property, plant and equipment		**6,347**	3,109
Other comprehensive (expense)/income, net of tax	8(a)	**(40,471)**	99,741
Total comprehensive (expense)/income		**(24,810)**	265,684
Attributable to:			
Equity holders of the Company		**(24,989)**	258,779
Non-controlling interests		**179**	6,905
		(24,810)	265,684

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

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2016

		Group		Company	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**722,883**	880,611	**335,091**	463,078
Trade and other receivables	12	**45,359**	28,637	**1,171,470**	361,997
Inventories	13	**21,568**	20,015	**-**	-
Development properties	14	**1,228,769**	1,265,103	**-**	-
Tax recoverable		**3,698**	6,482	**-**	-
Other current assets	15	**29,061**	40,477	**6,111**	7,266
Assets held for sale	16	**495,512**	-	**-**	-
		2,546,850	2,241,325	**1,512,672**	832,341
Non-current assets					
Available-for-sale financial assets	17	**6,276**	6,267	**3,189**	3,189
Trade and other receivables	18	**216,157**	400,111	**518,181**	1,060,578
Derivative financial instruments	11	**15,178**	4,769	**11,322**	3,231
Investments in associated and joint venture companies	19	**1,496,998**	1,530,251	**-**	-
Investments in subsidiary companies	20	**-**	-	**283,063**	252,392
Investment properties	21	**577,732**	585,527	**-**	-
Property, plant and equipment	22	**116,444**	119,310	**10,852**	9,576
		2,428,785	2,646,235	**826,607**	1,328,966
Total assets		**4,975,635**	4,887,560	**2,339,279**	2,161,307
LIABILITIES					
Current liabilities					
Trade and other payables	23	**133,056**	176,878	**93,924**	94,109
Current income tax liabilities		**38,905**	51,222	**1,043**	686
Borrowings	24	**87,348**	35,984	**-**	-
		259,309	264,084	**94,967**	94,795
Non-current liabilities					
Borrowings	24	**1,289,158**	1,155,375	**927,838**	737,796
Deferred income tax liabilities	8(b)	**65,167**	64,010	**-**	-
Other non-current liabilities	26	**29,475**	41,890	**-**	-
		1,383,800	1,261,275	**927,838**	737,796
Total liabilities		**1,643,109**	1,525,359	**1,022,805**	832,591
NET ASSETS		**3,332,526**	3,362,201	**1,316,474**	1,328,716
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27	**838,250**	838,250	**838,250**	838,250
Other reserves	28	**(33,657)**	76,717	**(21,133)**	(5,688)
Retained earnings	29	**2,318,116**	2,258,202	**499,357**	496,154
		3,122,709	3,173,169	**1,316,474**	1,328,716
Non-controlling interests		**209,817**	189,032	**-**	-
TOTAL EQUITY		**3,332,526**	3,362,201	**1,316,474**	1,328,716

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2016

	Note	Attributable to equity holders of the Company					
	Note	**Share capital $'000**	**Other reserves $'000**	**Retained earnings $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
2016							
Beginning of financial year		838,250	76,717	2,258,202	3,173,169	189,032	3,362,201
Total comprehensive (expense)/income		-	(32,068)	7,079	(24,989)	179	(24,810)
Realisation of reserves		-	(64,191)	64,191	-	-	-
Transfer to statutory reserve		-	12	(12)	-	-	-
Redemption of preference shares by a subsidiary company		-	(462)	462	-	-	-
Cost of share-based payment		-	1,845	-	1,845	59	1,904
Reissuance of treasury shares		-	323	-	323	-	323
Purchase of treasury shares		-	(15,441)	-	(15,441)	-	(15,441)
Ordinary dividends paid	25	-	-	(23,448)	(23,448)	-	(23,448)
Dividends paid by a subsidiary company to non-controlling interests		-	-	-	-	(1,628)	(1,628)
Issuance of ordinary shares by a subsidiary company to non-controlling interests		-	-	(232)	(232)	232	-
Issuance of rights shares by a subsidiary company to non-controlling interests		-	-	11,875	11,875	(829)	11,046
Acquisition of additional interest in a subsidiary company		-	-	(1)	(1)	-	(1)
Waiver of loan from non-controlling interests		-	-	-	-	23,262	23,262
Liquidation of subsidiary companies		-	(927)	-	(927)	(490)	(1,417)
Liquidation of joint venture companies		-	535	-	535	-	535
End of financial year		**838,250**	**(33,657)**	**2,318,116**	**3,122,709**	**209,817**	**3,332,526**
2015							
Beginning of financial year		838,250	56,985	2,074,420	2,969,655	173,159	3,142,814
Total comprehensive income		-	108,475	150,304	258,779	6,905	265,684
Realisation of reserves		-	(84,545)	84,545	-	-	-
Transfer to statutory reserve		-	2,310	(2,310)	-	-	-
Transfer from share-based payment reserve		-	(61)	61	-	-	-
Redemption of preference shares by a subsidiary company		-	462	(462)	-	-	-
Cost of share-based payment		-	2,148	-	2,148	119	2,267
Reissuance of treasury shares		-	264	-	264	-	264
Purchase of treasury shares		-	(12,550)	-	(12,550)	-	(12,550)
Ordinary and special dividends paid	25	-	-	(47,267)	(47,267)	-	(47,267)
Dividends paid by subsidiary companies to non-controlling interests		-	-	-	-	(4,145)	(4,145)
Issuance of ordinary shares by a subsidiary company to non-controlling interests		-	-	(1,087)	(1,087)	1,801	714
Acquisition of additional interest in a subsidiary company		-	-	(2)	(2)	(2)	(4)
Disposal of a subsidiary company		-	3,229	-	3,229	11,823	15,052
Liquidation of subsidiary companies		-	-	-	-	(628)	(628)
End of financial year		838,250	76,717	2,258,202	3,173,169	189,032	3,362,201

An analysis of the movements in each category within "Other reserves" is presented in Note 28.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2016

	Note	Group 2016 $'000	Group 2015 $'000
Cash flows from operating activities			
Total profit		**15,661**	165,943
Adjustments for:			
Income tax expense		**25,712**	9,352
Depreciation of property, plant and equipment		**10,511**	14,390
Write-off of property, plant and equipment		**1,152**	262
Impairment loss on property, plant and equipment		**1,429**	3,582
Dividend income		**(141)**	(95)
Fair value losses/(gains) on investment properties		**2,862**	(12,522)
Fair value losses/(gains) on derivative financial instruments		**589**	(121)
Write-back of allowance for stock obsolescence		**(529)**	(72)
Revaluation deficit on property, plant and equipment		**2,563**	-
Dilution loss on interest in an associated company		**2,431**	1,410
Write-back of allowance for foreseeable losses on development properties		**(424)**	-
Gain on disposal of a subsidiary company		**(3,215)**	(20,963)
Gain on disposal of property, plant and equipment		**(262)**	(72)
Loss on disposal of an investment property		**9**	-
Gain on liquidation of subsidiary companies		**(927)**	-
Loss on liquidation of joint venture companies		**542**	-
Interest income		**(8,022)**	(7,561)
Interest expense		**45,542**	47,335
Share of profits of associated and joint venture companies		**(59,399)**	(119,283)
Share-based payment		**1,904**	2,267
Currency translation differences		**(2,131)**	4,972
Operating cash flow before working capital changes		**35,857**	88,824
Changes in operating assets and liabilities:			
Balances with associated and joint venture companies		**2,726**	(310)
Development properties		**728**	211,794
Inventories		**(2,041)**	7,266
Trade and other receivables and other current assets		**(5,463)**	53,179
Trade and other payables and other non-current liabilities		**(29,898)**	(68,978)
Cash generated from operations		**1,909**	291,775
Income tax paid		**(31,718)**	(25,203)
Net cash (used in)/generated from operating activities		**(29,809)**	266,572

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Financial Year Ended 30 June 2016

	Note	Group 2016 $'000	Group 2015 $'000
Cash flows from investing activities			
Purchase of available-for-sale financial assets		**-**	(2,985)
Acquisition of additional interest in a subsidiary company		**(1)**	(4)
Acquisition of additional interest in a joint venture company		**(133)**	(17,900)
Additions to investment properties		**-**	(649)
Additions to property, plant and equipment		**(4,642)**	(6,980)
Disposal of subsidiary companies, net of cash disposed of	10	**1,961**	27,133
Disposal of property, plant and equipment		**332**	156
Disposal of investment property		**140**	-
Liquidation of joint venture companies		**49**	18
Distribution to non-controlling interests upon liquidation of a subsidiary company		**(490)**	(628)
Advancement of the loans to joint venture companies		**(256,487)**	(17,186)
Dividends received		**19,998**	19,453
Interest received		**8,468**	7,803
Net cash (used in)/generated from investing activities		**(230,805)**	8,231
Cash flows from financing activities			
Issuance of ordinary shares by a subsidiary company to non-controlling interests		**-**	714
Issuance of rights shares by a subsidiary company to non-controlling interests		**14,198**	-
Reissuance of treasury shares		**323**	264
Purchase of treasury shares		**(15,441)**	(12,550)
Advancement of the loans to non-controlling interests		**(3,794)**	(3,232)
Proceeds from borrowings		**297,734**	292,794
Repayment of borrowings		**(103,132)**	(401,746)
Ordinary and special dividends paid		**(23,448)**	(47,267)
Dividends paid to non-controlling interests		**(1,628)**	(4,145)
Interest paid		**(50,576)**	(52,869)
Net cash generated from/(used in) financing activities		**114,236**	(228,037)
Net (decrease)/increase in cash and cash equivalents		**(146,378)**	46,766
Cash and cash equivalents at beginning of financial year		**880,611**	834,762
Effects of currency translation on cash and cash equivalents		**(11,350)**	(917)
Cash and cash equivalents at end of financial year	10	**722,883**	880,611

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

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

1. GENERAL INFORMATION

Wing Tai Holdings Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its registered office is 3 Killiney Road, #10-01 Winsland House I, Singapore 239519.

The principal activity of the Company is that of an investment holding company. The principal activities of the Company's subsidiary companies are shown in Note 35.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Notes 8, 14, 19, 21 and 32(e).

Amendments and interpretations to published standards effective in 2016
On 1 July 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of goods and the rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods
Revenue from the sale of goods is recognised when a Group entity has delivered the products to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured, except for income from the sale of development properties which is disclosed in Note 2.8.

(b) Rental income
Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(c) Management fee
Management fee comprises charges for the management and maintenance of properties and finance and administration fees. Revenue from management fee is recognised when management services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Revenue recognition *(continued)*

(d) Dividend income
Dividend income is recognised when the right to receive payment is established.

(e) Interest income
Interest income is recognised using the effective interest method.

2.3 Group accounting

(a) Subsidiary companies

(i) Consolidation
Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary company's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary company, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions
The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary company or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary company measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired, is recorded as goodwill. Please refer to Note 2.4 for the accounting policy on goodwill on acquisitions.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Group accounting *(continued)*

(a) Subsidiary companies *(continued)*

(iii) Disposals
When a change in the Group's ownership interest in a subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to the income statement or transferred directly to retained earnings if required by a specific FRS.

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in the income statement.

Please refer to Note 2.5 for the accounting policy on investments in subsidiary companies in the separate financial statements of the Company.

(b) Transactions with non-controlling interests
Changes in the Group's ownership interest in a subsidiary company that do not result in a loss of control over the subsidiary company are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(c) Associated and joint venture companies
Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Joint venture companies are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities. Investments in associated and joint venture companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions
Investments in associated and joint venture companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated and joint venture companies represents the excess of the cost of acquisition of the associated or joint venture companies over the Group's share of the fair value of the identifiable net assets of the associated or joint venture companies and is included in the carrying amount of the investments. Please refer to Note 2.4 for the accounting policy on goodwill on acquisitions.

(ii) Equity method of accounting
In applying the equity method of accounting, the Group's share of its associated or joint venture companies' post-acquisition profits or losses are recognised in the income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated or joint venture companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated or joint venture company equals or exceeds its interest in the associated or joint venture company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated or joint venture company. If the associated or joint venture company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated or joint venture companies are eliminated to the extent of the Group's interest in the associated or joint venture companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated and joint venture companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Group accounting *(continued)*

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

(iii) Disposals
Investments in associated and joint venture companies are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated or joint venture company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in the income statement.

Please refer to Note 2.5 for the accounting policy on investments in associated and joint venture companies in the separate financial statements of the Company.

2.4 Goodwill on acquisitions

Goodwill on acquisition of subsidiary companies and businesses on or after 1 July 2009 represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiary companies and businesses prior to 1 July 2009 and on acquisition of associated and joint venture companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiary companies is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill on associated and joint venture companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiary, associated and joint venture companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 July 2001. Such goodwill was adjusted against retained earnings in the year of acquisition and is not recognised in the income statement on disposal.

2.5 Investments in subsidiary, associated and joint venture companies

Investments in subsidiary, associated and joint venture companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Property, plant and equipment

(a) Measurement

(i) Land and buildings
Land and buildings are initially recognised at cost.

Freehold and 999-year leasehold land are subsequently carried at the revalued amounts less accumulated impairment losses. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent professional valuers once every three years and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in the income statement. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in the income statement.

(ii) Other property, plant and equipment
All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs
The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purposes other than to produce inventories.

(b) Depreciation

Freehold and 999-year leasehold land are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The annual depreciation rates are as follows:

Leasehold land and buildings	1 – 3% or over the remaining lease period, whichever is shorter
Motor vehicles	20%
Office equipment	10 – 33%
Furniture and fittings	10% or over the remaining lease period, whichever is shorter

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the income statement when the changes arise.

(c) Subsequent expenditure

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Property, plant and equipment *(continued)*

(d) Disposal
On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the income statement. Any amount in the asset revaluation reserve relating to that asset is transferred to retained earnings directly.

2.7 Investment properties

Investment properties are held for long-term rental yields and/or for capital appreciation and are not occupied substantially by the Group.

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

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

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the income statement.

2.8 Development Properties

(a) Properties under development
Properties under development are stated at cost plus attributable profits, less allowance for foreseeable losses and progress billings. An allowance is made when the estimated net realisable value of the property has fallen below the carrying amount.

Cost includes cost of land and other direct and related expenditure, including interest on borrowings incurred in developing the properties. Interest and other related expenditure are capitalised as and when the activities that are necessary to get the asset ready for its intended development are in progress.

Sales of development properties under construction in respect of sale and purchase agreements entered into prior to completion of construction are recognised when the properties are delivered to the buyers, except for in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 *Agreements for the Construction of Real Estate*, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties.

The stage of completion is measured by reference to the physical surveys of construction work completed as certified by the architects or quantity surveyors for the individual units sold. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised in the income statement immediately.

Significant estimates and assumptions are applied in assessing the stage of completion, total development costs, total contract costs and allowance for foreseeable losses on development properties. In making these estimates, management has relied on past experience and the work of specialists.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Development Properties *(continued)*

(a) Properties under development *(continued)*
The Group takes into account the estimated selling prices and estimated total development costs in assessing allowance for foreseeable losses. The estimated selling prices are based on the recent selling prices for the development properties or comparable properties and prevailing property market conditions. The estimated total development costs are based on the contracted amount and in respect of amounts not contracted for management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The allowance for foreseeable losses is included in other gains - net.

(b) Properties held for sale
Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

2.9 Impairment of non-financial assets

(a) Goodwill
Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiary, associated and joint venture companies
Property, plant and equipment and investments in subsidiary, associated and joint venture companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in the income statement, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to Note 2.6 for the treatment of a revaluation decrease.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Impairment of non-financial assets *(continued)*

(b) Property, plant and equipment
Investments in subsidiary, associated and joint venture companies *(continued)*
A reversal of impairment loss for an asset other than goodwill is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the income statement, a reversal of that impairment is also recognised in the income statement.

2.10 Financial assets

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

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

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as “cash and cash equivalents” and “trade and other receivables” on the statement of financial position and also includes deposits and sundry receivables classified as “other current assets”.

(iii) Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Financial assets *(continued)*

(b) Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the income statement. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to the income statement.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in the income statement.

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Investments in unquoted equity investments whose fair value cannot be reliably measured are carried at cost. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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

Interest and dividend income on available-for-sale financial assets are recognised separately in the income statement. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income, together with the related currency translation differences.

(e) Impairment

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

(i) Loans and receivables

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Financial assets *(continued)*

(e) Impairment *(continued)*

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.10(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised in the income statement. The impairment losses recognised in the income statement on equity securities are not reversed through the income statement.

2.11 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary and joint venture companies. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary or joint venture companies fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortised to the income statement over the period of the subsidiary or joint venture companies' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

Intra-group transactions are eliminated on consolidation.

2.12 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.13 Borrowings and borrowing costs

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which they are presented as non-current liabilities.

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

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to borrowings acquired specifically for the construction or development of properties. The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised as cost of the property under development.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.14 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either fair value hedge, cash flow hedge or net investment hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and the hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability, if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The Group has entered into interest rate and cross currency swaps that are cash flow hedges for the Group’s exposure to interest rate and currency risks on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts or on notional principal amounts denominated in a different currency, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rate borrowings denominated in the same or different currencies.

The fair value changes on the effective portion of interest rate and cross currency swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in cash flow hedge reserve and reclassified to the income statement when the hedged interest expense on the borrowings is recognised in the income statement and/or the hedged borrowing is settled. The fair value changes on the ineffective portion of the interest rate and cross currency swaps are recognised immediately in the income statement.

The Group has cross currency swaps that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The currency translation differences on the cross currency swaps relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to income statement as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in the income statement.

The Group has entered into currency forwards to manage the Group’s exposure to currency risk on highly probable forecasted transactions in foreign currencies. These contracts do not qualify for hedge accounting.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Fair value estimation of financial assets and liabilities

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

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

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

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

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

2.16 Offsetting financial instruments

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

2.17 Operating leases

(a) When the Group is the lessee:
Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the lease.

Contingent rents are recognised in the income statement when incurred.

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

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

Contingent rents are recognised in the income statement when earned.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.20 Trade and other payables

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.21 Employee compensation

Employee benefits are recognised in the income statement, unless the cost qualifies to be capitalised as an asset.

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

(b) Share-based payment
The Group operates an equity-settled, share-based payment plan. The value of the employee services received in exchange for the grant of shares and share options is recognised in the income statement with a corresponding increase in the share-based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the shares and share options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares and share options that are expected to vest on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares and share options that are expected to vest on the vesting date and recognises the impact of the revision of the estimates in the income statement, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

2.22 Currency translation

(a) Functional and presentation currency
Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the income statement. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in currency translation reserve. When a foreign operation is disposed of or any loan forming part of the net investment in the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to the income statement, as part of the gain or loss on disposal.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.22 Currency translation *(continued)*

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case the income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to the income statement on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the end of the reporting period.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to management, who are responsible for allocating resources and assessing the performance of the operating segments.

Sales between segments are carried out at market terms. The revenue from external parties reported to management is measured in a manner consistent with that in the income statement.

Management assesses the performance of the operating segments based on a measure of earnings before interest and tax ("EBIT") for continuing operations. Interest income and finance costs are not allocated to the segments.

The amounts provided to management with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment. All assets and liabilities are allocated to the reportable segments other than tax recoverable and current and deferred income tax liabilities.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and investment properties.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include fixed deposits with financial institutions and cash and bank balances, which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.25 Share capital and treasury shares

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share plans and share option schemes, the cost of the treasury shares is reversed from the treasury shares reserve and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in a separate reserve within equity attributable to the equity holders of the Company.

2.26 Dividends to the equity holders of the Company

Dividends to the Company's equity holders are recognised when the dividends are approved for payment.

2.27 Assets held for sale

Assets are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the income statement.

3. REVENUE

	Group	
	2016	**2015**
	$'000	**$'000**
Revenue from sale of:		
– development properties	**329,818**	430,191
– goods	**171,688**	201,578
Rental income	**37,416**	37,529
Management fees	**5,468**	7,322
Dividend income	**141**	95
	544,531	676,715

Included in the Group's revenue from sale of development properties is revenue recognised on a percentage of completion basis amounting to $183.1 million (2015: $238.9 million).

4. OTHER GAINS – NET

	Group	
	2016	**2015**
	$'000	**$'000**
Other gains:		
– Interest income	**8,022**	7,561
– Gain on disposal of a subsidiary company	**3,215**	20,963
– Gain on disposal of property, plant and equipment	**262**	72
– Write-back of allowance for foreseeable losses on development properties	**424**	-
– Fair value gains on investment properties	**-**	12,522
– Fair value gains on derivative financial instruments	**-**	121
– Other miscellaneous gains	**5,845**	5,694
	17,768	46,933
Other losses:		
– Loss on disposal of an investment property	**(9)**	-
– Fair value losses on investment properties	**(2,862)**	-
– Fair value losses on derivative financial instruments	**(589)**	-
– Dilution loss on interest in an associated company	**(2,431)**	(1,410)
– Revaluation losses on property, plant and equipment	**(2,563)**	-
– Impairment loss on property, plant and equipment	**(1,429)**	(3,582)
– Other miscellaneous losses	**(1,529)**	(57)
	(11,412)	(5,049)
	6,356	41,884

5. EXPENSES BY NATURE

	Group	
	2016	**2015**
	$'000	**$'000**
Depreciation of property, plant and equipment	**10,511**	14,390
Employee compensation	**72,479**	74,939
Auditors' remuneration paid/payable to:		
– auditor of the Company	**410**	459
– other auditors	**240**	237
Other fees paid/payable to:		
– auditor of the Company	**19**	15
– other auditors	**301**	330
Write-back of allowance for stock obsolescence	**(529)**	(72)
Write-off of property, plant and equipment	**1,152**	262
Rental expense on operating leases	**52,339**	61,261
Foreign exchange (gain)/loss	**(1,409)**	3,279
Development cost included in cost of sales	**266,598**	315,630
Raw materials and finished goods included in cost of sales	**78,074**	89,952

Included in the Group's rental expense on operating leases is contingent rent amounting to $1.6 million (2015: $1.5 million). Contingent rent on certain leases is based on a percentage of monthly sales in excess of specified amounts. Other contingent rent is based entirely on a percentage of sales.

6. EMPLOYEE COMPENSATION

	Group	
	2016	**2015**
	$'000	**$'000**
Wages and salaries (including directors' remuneration)	**63,591**	65,989
Employer's contribution to defined contribution plans including Central Provident Fund	**6,984**	6,683
Share-based payment	**1,904**	2,267
	72,479	74,939

Please refer to Note 33(b) for directors' remuneration.

7. FINANCE COSTS

	Group	
	2016	**2015**
	$'000	**$'000**
Interest expense to banks	**45,542**	47,335

8. INCOME TAXES

(a) Income tax expense

	Group	
	2016	**2015**
	$'000	**$'000**
Tax expense attributable to profit is made up of:		
Current income tax		
– Singapore	**10,249**	16,181
– Foreign	**15,460**	12,562
	25,709	28,743
Deferred income tax	**1,441**	(9,490)
	27,150	19,253
(Over)/underprovision in preceding financial years		
– Current income tax	**(1,586)**	(9,423)
– Deferred income tax	**148**	(478)
	25,712	9,352

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in estimating the capital allowances and the deductibility of certain expenses in determining the provision for income taxes. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

8. INCOME TAXES *(continued)*

(a) Income tax expense *(continued)*

The tax on Group's profit before income tax excluding share of profits of associated and joint venture companies differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2016 $'000	**2015 $'000**
Tax calculated at Singapore standard rate of income tax	**(3,065)**	9,522
Different tax rates in other countries	**2,790**	4,337
Expenses not deductible for tax purposes	**28,334**	19,405
Income not subject to tax	**(4,006)**	(5,412)
Overprovision of tax	**(1,438)**	(9,901)
Unrecognised tax losses/(utilisation of previously unrecognised tax losses)	**3,097**	(8,599)
	25,712	9,352

The tax charge relating to each component of other comprehensive (expense)/income is as follows:

		Group	
	Before tax $'000	**Tax charge $'000**	**After tax $'000**
2016			
Cash flow hedges	(2,217)	-	(2,217)
Currency translation differences	(43,623)	-	(43,623)
Share of other comprehensive expense of associated and joint venture companies	(978)	-	(978)
Revaluation gains on property, plant and equipment	7,569	(1,222)	6,347
	(39,249)	**(1,222)**	**(40,471)**
2015			
Cash flow hedges	11,743	-	11,743
Currency translation differences	86,534	-	86,534
Share of other comprehensive expense of associated and joint venture companies	(1,645)	-	(1,645)
Revaluation gains on property, plant and equipment	3,109	-	3,109
	99,741	-	99,741

(b) Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group	
	2016 $'000	**2015 $'000**
Deferred income tax liabilities to be settled:		
– within one year	**54**	117
– after one year	**65,113**	63,893
	65,167	64,010

8. INCOME TAXES *(continued)*

(b) Deferred income taxes *(continued)*

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group had unrecognised tax losses of $167.5 million (2015: $161.0 million) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unutilised tax losses in their respective countries of incorporation. These tax losses have no expiry date.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

Deferred income tax liabilities – Group

	Accelerated tax depreciation $'000	Revaluation gains $'000	Recognition of profits on percentage of completion $'000	Others* $'000	Total $'000
2016					
Beginning of financial year	3,909	27,873	14,138	18,724	64,644
Currency translation differences	(18)	(326)	-	(1,293)	(1,637)
(Credited)/charged to income statement	(585)	(1)	(4,379)	6,645	1,680
Charged to equity	449	773	-	-	1,222
Disposal of subsidiary company	(57)	-	-	-	(57)
End of financial year	**3,698**	**28,319**	**9,759**	**24,076**	**65,852**
2015					
Beginning of financial year	4,067	27,592	31,019	10,471	73,149
Currency translation differences	(30)	258	-	1,003	1,231
(Credited)/charged to income statement	(128)	23	(16,881)	7,250	(9,736)
End of financial year	3,909	27,873	14,138	18,724	64,644

* Includes deferred income tax liability of $23.9 million (2015: $18.6 million) relating to land appreciation tax of a development property in the People's Republic of China.

Deferred income tax assets – Group

	Provisions $'000	Tax losses $'000	Others $'000	Total $'000
2016				
Beginning of financial year	16	319	299	634
Currency translation differences	(1)	(20)	(19)	(40)
Credited to income statement	34	27	30	91
End of financial year	**49**	**326**	**310**	**685**
2015				
Beginning of financial year	19	343	93	455
Currency translation differences	(3)	(28)	(22)	(53)
Credited to income statement	-	4	228	232
End of financial year	16	319	299	634

9. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2016	**2015**
Net profit attributable to equity holders of the Company ($'000)	**7,079**	150,304
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**777,271**	784,455
Basic earnings per share (cents)	**0.91**	19.16

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume the effects of all dilutive potential ordinary shares from share plans and share options.

	Group	
	2016	**2015**
	$'000	**$'000**
Net profit attributable to equity holders of the Company	**7,079**	150,304
Adjustments for share options and share plans of:		
– a subsidiary company	**(9)**	(35)
– an associated company	**(268)**	(395)
Net profit used to determine diluted earnings per share	**6,802**	149,874

	2016	**2015**
	'000	**'000**
Weighted average number of ordinary shares in issue for basic earnings per share	**777,271**	784,455
Adjustments for:		
– share plans	**2,233**	2,805
– share options	**28**	138
Number of ordinary shares used to determine diluted earnings per share	**779,532**	787,398
Diluted earnings per share (cents)	**0.87**	19.03

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Fixed deposits with financial institutions	**433,443**	575,561	**147,500**	269,000
Cash and bank balances	**289,440**	305,050	**187,591**	194,078
	722,883	880,611	**335,091**	463,078

Included in cash and cash equivalents of the Group are amounts held under project accounts totalling $106.1 million (2015: $128.5 million), withdrawals of which are restricted to payments for expenditures incurred on projects.

The carrying amounts of cash and cash equivalents approximated their fair values.

10. CASH AND CASH EQUIVALENTS *(continued)*

Significant restrictions
Cash and short-term deposits of $123.0 million (2015: $110.1 million) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Disposal of subsidiary companies
On 30 June 2016, the Group disposed of its 100% interest in Yoshinoya (S) Pte Ltd for a cash consideration of $5.0 million.

In the previous financial year, the Group disposed of its effective interests of 70% in PT Windas Development for a cash consideration of $27.1 million (net of withholding tax).

The effects of the disposal on the cash flows of the Group were:

	Group	
	2016	**2015**
	$'000	**$'000**
Carrying amount of assets and liabilities disposed of:		
Cash and cash equivalents	**2,539**	-
Trade and other receivables	**147**	-
Inventories	**156**	-
Other current assets	**549**	73
Property, plant and equipment	**130**	-
Shareholders' loans	**-**	(39,450)
Trade and other payables	**(1,283)**	(34)
Current income tax liabilities	**(213)**	-
Deferred income tax liabilities	**(57)**	-
Other non-current liabilities	**(166)**	-
Net assets/(liabilities) derecognised	**1,802**	(39,411)
Non-controlling interests	**-**	11,823
Net assets/(liabilities) disposed of	**1,802**	(27,588)
Reclassification of currency translation reserve	**-**	3,229
Novation of shareholders' loans	**-**	30,529
Gain on disposal of a subsidiary company	**3,215**	20,963
Sale proceeds	**5,017**	27,133
Deferred sale proceeds	**(517)**	-
Cash and cash equivalents of subsidiary company disposed of	**(2,539)**	-
Net cash inflow on disposal	**1,961**	27,133

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	Contract notional amount	Fair value asset/ (liability)	Contract notional amount	Fair value asset
	$'000	$'000	$'000	$'000
2016				
Cash flow hedges				
– Interest rate and cross currency swaps	151,020	1,503	131,970	429
Net investment hedges				
– Cross currency swaps	305,049	15,125	-	-
Non-hedging instruments				
– Currency forwards	15,393	(1,450)	-	-
– Cross currency swaps	-	-	208,822	10,893
		15,178		**11,322**
2015				
Cash flow hedges				
– Interest rate and cross currency swaps	151,020	4,635	131,970	3,231
Non-hedging instruments				
– Currency forwards	10,684	134	-	-
		4,769		3,231

As at 30 June 2016, the fixed interest rate on SGD interest rate swap is 3.1% (2015: 3.1%) per annum and the fixed interest rates on HKD interest rate swaps ranges from 2.5% to 3.4% (2015: Nil) per annum. The main floating rates are Singapore Swap Offered Rate and London Interbank Offered Rate.

Interest rate swaps are transacted to hedge variable quarterly interest payments on borrowings and will mature by November 2019 (2015: November 2019).

Cross currency swaps that will mature by November 2019 (2015: November 2019) are transacted to hedge (i) variable quarterly interest payments on borrowings and (ii) currency translation differences from the Group's investment in its associated company.

Please refer to Note 2.14 for details of the financial instruments and hedging policies.

12. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	**30,760**	17,320	**-**	-
Allowance for impairment of receivables	**(143)**	(122)	**-**	-
	30,617	17,198	**-**	-
Due from subsidiary companies				
– non-trade [Note 12(i)]	**-**	-	**1,444,348**	605,977
Allowance for impairment of receivables	**-**	-	**(273,176)**	(244,207)
	-	-	**1,171,172**	361,770
Due from associated and joint venture companies				
– non-trade [Note 12(ii)]	**14,742**	11,439	**298**	227
Total current receivables	**45,359**	28,637	**1,171,470**	361,997

(i) Amounts due from subsidiary companies are unsecured and repayable on demand. Included in the amounts due from subsidiary companies are fixed-interest loan receivables of $335.9 million (2015: $304.3 million).

(ii) Amounts due from associated and joint venture companies are unsecured and repayable on demand. Included in the amounts due from associated and joint venture companies are fixed-interest loan receivables of $11.5 million (2015: $9.0 million).

The carrying amounts of current trade and other receivables approximated their fair values.

13. INVENTORIES

	Group	
	2016	**2015**
	$'000	**$'000**
Raw materials	**118**	257
Work-in-progress	**54**	66
Finished goods	**21,396**	19,692
	21,568	20,015

The cost of inventories recognised as expense and included in "cost of sales" amounted to $78.1 million (2015: $90.0 million).

14. DEVELOPMENT PROPERTIES

	Group	
	2016	**2015**
	$'000	**$'000**
Properties under development		
– Land, at cost	**593,375**	818,500
– Development costs	**244,507**	543,514
– Overhead expenditure capitalised	**20,862**	29,563
	858,744	1,391,577
– Attributable profits	**141,012**	307,892
– Allowance for foreseeable losses	**(11,936)**	(13,213)
	987,820	1,686,256
– Progress billings	**(397,798)**	(852,061)
	590,022	834,195
Properties held for sale	**638,747**	430,908
	1,228,769	1,265,103
Value of development properties mortgaged to secure long term banking facilities granted (Note 24)	**270,950**	271,620
Total interest capitalised during the financial year	**4,953**	4,605

The following table provides information about agreements that are in progress at the end of the financial year whose revenue is recognised on a percentage of completion basis:

	Group	
	2016	**2015**
	$'000	**$'000**
Aggregate amount of costs incurred	**443,379**	731,593
Attributable profits	**141,012**	307,892
Progress billings	**(391,024)**	(821,694)
	193,367	217,791

Significant estimates and judgement are applied in assessing the valuation of development properties in accordance with Note 2.8. The write-back of allowance for foreseeable losses on development properties is disclosed in Note 4.

14. DEVELOPMENT PROPERTIES *(continued)*

The major development properties are as follows:

Location	Type of development	Tenure		% of completion at 30.06.2016	Expected completion date	Land area (Sq m)	Gross floor area (Sq m)	Group's interest in property (%)
Singapore								
Le Nouvel Ardmore at Ardmore Park	43 units of condominium housing	Freehold		100	n/a	5,624	15,746	100
The Tembusu at Tampines Road	337 units of condominium housing and 1 unit of shop	Freehold		95	2016	13,149	27,614	100
Malaysia								
Le Nouvel KLCC at Section 43, Town of Kuala Lumpur	195 units of condominium housing	Freehold		100	n/a	6,084	42,926	66.2
Nobleton Crest at Section 89, Town of Kuala Lumpur	25 units of condominium housing	Freehold		100	n/a	4,047	8,019	66.2
Verticas Residensi at Section 57, Town of Kuala Lumpur	423 units of condominium housing	Freehold	Towers A, B, C, D	100	n/a	9,764	5,058	66.2
Taman Bukit Minyak Utama at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	692 units of terrace and semi-detached houses and shop houses	Freehold	Phases 1-4 Phase 5	100 -	n/a 2018	41,856	34,402	66.2
Impiana Boulevard and Impiana Gallery at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	81 units of shop houses	Freehold		100	n/a	8,312	8,919	66.2
Jesselton Hills at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	950 units of terrace and semi-detached houses and vacant land	Freehold	Phases 1-2 Phases 3-5 Vacant land	100 - -	n/a - -	227,963	7,886	66.2

14. DEVELOPMENT PROPERTIES *(continued)*

Location	Type of development	Tenure		% of completion at 30.06.2016	Expected completion date	Land area (Sq m)	Gross floor area (Sq m)	Group's interest in property (%)
Malaysia *(continued)*								
Mahkota Impian at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	386 units of shop houses and service apartments	Freehold		50	2017	29,793	69,072	66.2
Vacant land at Mukim of Ulu Klang, Gombak, Selangor	-	Freehold		-	-	188,151	n/a	66.2
Vacant land at Pekan Penaga, District of Petaling, Selangor	-	99-year lease expiring 2093		-	-	38,155	n/a	66.2
Vacant land at Section 89A, Town of Kuala Lumpur	-	Freehold		-	-	8,645	n/a	66.2
Vacant land at Mukim 14-16, Daerah Seberang Perai Tengah, Pulau Pinang	-	Freehold		-	-	479,812	n/a	66.2
The People's Republic of China								
The Lakeside at No. 1 Xingzhou Street, Suzhou Industrial Park	-	70-year lease expiring 2066	Phase 2	-	-	19,518	n/a	75
Vacant land at 17/2 Huai Hai Middle Road, Precinct No. 45, Huangpu District, Shanghai	-	40 and 50-year leases expiring 2054 and 2064 respectively		-	-	8,594	n/a	100

n/a: not applicable

15. OTHER CURRENT ASSETS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Deposits	**7,153**	10,552	**33**	218
Prepayments	**16,360**	24,345	**4,993**	5,807
Sundry receivables	**5,548**	5,580	**1,085**	1,241
	29,061	40,477	**6,111**	7,266

The carrying amounts of deposits and sundry receivables approximated their fair values.

16. ASSETS HELD FOR SALE

On 5 July 2016, the Group's wholly-owned subsidiary company, Wing Tai Land Pte. Ltd. disposed of its 50% interest in the issued share capital and shareholders' loans of Summervale Properties Pte Ltd ("Summervale") with net carrying amount of $411.0 million to Sunmaster Holdings Pte. Ltd. for a cash consideration of $411.0 million. Following the disposal of shares, Summervale ceased to be a joint venture company of the Group.

On 26 August 2016, the Group's wholly-owned subsidiary company, Wing Tai (China) Investment Pte. Ltd. disposed of its 40% interest in the issued share capital and shareholders' loans of Optima Investment & Development Pte. Ltd. ("Optima") with net carrying amount of $84.6 million to Singbridge Guangzhou Pte. Ltd. for a cash consideration of $89.3 million. Following the disposal of shares, Optima ceased to be a joint venture company of the Group.

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Beginning of financial year	**6,267**	3,189	**3,189**	3,189
Addition	**-**	3,078	**-**	-
Currency translation differences	**9**	-	**-**	-
End of financial year	**6,276**	6,267	**3,189**	3,189

The available for sale financial assets comprised unquoted equity shares in Singapore and Hong Kong SAR. There are no active markets and no recent transactions for these investments and the fair values cannot currently be estimated within a reasonable range using valuation techniques.

18. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Loans to subsidiary companies [Note 18(i)]	**-**	-	**518,181**	1,060,578
Loans to joint venture companies [Note 18(ii)]	**195,416**	383,103	**-**	-
Allowance for impairment of receivables	**(189)**	(199)	**-**	-
	195,227	382,904	**-**	-
Loans to non-controlling interests [Note 18(iii)]	**20,930**	17,207	**-**	-
Total non-current receivables	**216,157**	400,111	**518,181**	1,060,578

(i) Loans to subsidiary companies are unsecured, have no fixed terms of repayment and are not expected to be repayable within the next 12 months. Included in the loans to subsidiary companies are fixed-interest loan receivables of $146.0 million (2015: $364.3 million).

The interest-free loans to subsidiary companies are intended to be a long-term source of additional capital for the subsidiary companies. As a result, management considers such loans to be in substance part of the Company's net investment in these subsidiary companies and has accounted for these loans in accordance with Note 2.5.

(ii) Loans to joint venture companies are unsecured, have no fixed terms of repayment and are not expected to be repayable within the next 12 months. Included in the loans to joint venture companies are fixed-interest loan receivables of $129.8 million (2015: $317.0 million), which are subordinated to banking facilities of $420.0 million (2015: $967.8 million) granted by banks to the said joint venture companies.

(iii) Loans by a certain subsidiary company to non-controlling interests are made proportionate to the shareholders' equity stake in the subsidiary company on a pari passu basis. The loans are unsecured, interest-free, have no fixed terms of repayment and are not expected to be repayable within the next 12 months.

The carrying amounts of non-current trade and other receivables approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy.

19. INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES

The summarised financial information of the associated and joint venture companies, not adjusted for the proportionate ownership interest held by the Group, is as follows:

	Wing Tai Properties Limited		Uniqlo (Singapore) Pte. Ltd.		Uniqlo (Malaysia) Sdn. Bhd.	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Summarised statement of financial position						
Current assets	**741,570**	670,677	**112,725**	99,308	**52,410**	41,859
Non-current assets	**4,246,942**	4,095,476	**17,651**	18,332	**22,583**	25,677
Current liabilities	**(212,644)**	(107,577)	**(56,639)**	(44,866)	**(34,175)**	(30,898)
Non-current liabilities	**(689,395)**	(737,297)	**-**	-	**(1,046)**	(543)
Net assets	**4,086,473**	3,921,279	**73,737**	72,774	**39,772**	36,095
Summarised statement of comprehensive income						
Revenue	**173,254**	310,817	**242,947**	205,620	**168,777**	146,785
Expenses	**65,192**	36,970	**(223,743)**	(191,525)	**(156,487)**	(134,304)
Profit before income tax	**238,446**	347,787	**19,204**	14,095	**12,290**	12,481
Income tax expense	**(18,759)**	(15,777)	**(3,812)**	(2,525)	**(5,764)**	(3,996)
Total profit	**219,687**	332,010	**15,392**	11,570	**6,526**	8,485
Other comprehensive expense	**(27,172)**	(4,811)	**(1,429)**	-	**(539)**	-
Total comprehensive income	**192,515**	327,199	**13,963**	11,570	**5,987**	8,485

	Wing Tai Properties Limited	
	2016 $'000	2015 $'000
Net assets of an associated company attributable to:		
– Non-controlling interests	**174**	191
– Equity holders	**4,086,299**	3,921,088
Total comprehensive income of an associated company attributable to:		
– Non-controlling interests	**(17)**	(51)
– Equity holders	**192,532**	327,250

	Uniqlo (Singapore) Pte. Ltd.		Uniqlo (Malaysia) Sdn. Bhd.	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Included in net assets of the joint venture companies are:				
– Cash and cash equivalents	**65,529**	56,961	**14,426**	5,996
– Financial liabilities (excluding trade and other payables and provisions)				
– Current	**(2,393)**	-	**-**	(2,857)
– Non-current	**-**	-	**-**	-
Included in total comprehensive income of the joint venture companies are:				
– Interest income	**283**	191	**240**	155
– Depreciation and amortisation	**(6,675)**	(6,123)	**(7,298)**	(7,240)
– Interest expense	**(135)**	-	**(99)**	(247)

19. INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES *(continued)*

	Wing Tai Properties Limited $'000	Uniqlo (Singapore) Pte. Ltd. $'000	Uniqlo (Malaysia) Sdn. Bhd. $'000	Other individually immaterial joint venture companies $'000	Total for joint venture companies $'000	Total $'000
Reconciliation of carrying amounts of investments in associated and joint venture companies						
2016						
Beginning of financial year	1,353,952	35,659	16,243	124,397	176,299	1,530,251
Currency translation differences	1,628	-	(1,040)			
Dilution loss	(2,431)	-	-			
Dividends received	(12,428)	(6,370)	-	(1,200)	(7,570)	(19,998)
Group's share of:						
– Profit/(loss) for the year	77,190	7,542	2,937	(28,270)	(17,791)	59,399
– Other comprehensive (expense)/income	(9,364)	(700)	(243)	9,329	8,386	(978)
End of financial year	**1,408,547**	**36,131**	**17,897**	**34,423**	**88,451**	**1,496,998**
2015						
Beginning of financial year	1,162,428	29,990	13,773	107,322	151,085	1,313,513
Currency translation differences	90,435	-	(1,348)			
Dilution loss	(1,410)	-	-			
Dividends received	(10,508)	-	-	(8,850)	(8,850)	(19,358)
Group's share of:						
– Profit/(loss) for the year	114,652	5,669	3,818	(4,856)	4,631	119,283
– Other comprehensive expense	(1,645)	-	-	-	-	(1,645)
End of financial year	1,353,952	35,659	16,243	124,397	176,299	1,530,251

	Group 2016 $'000	Group 2015 $'000
Capital commitments in relation to interest in a joint venture company	**13,089**	16,603
Share of joint venture companies' capital commitments	**65,772**	70,440
Share of an associated company's contingent liabilities and financial guarantees incurred jointly with other investors	**152,109**	171,099
Market value of quoted equity shares of an associated company	**343,224**	404,987

The Group's associated company, Wing Tai Properties Limited ("WTP") is listed on the Hong Kong Exchanges and Clearing Limited and its financial year-end is 31 December. Due to the timing of availability of the financial information of WTP and as WTP is unable to provide financial information to the Group without providing equivalent information to all its other investors, the Group equity accounts for WTP for the period from 1 April 2015 to 31 March 2016 (2015: 1 April 2014 to 31 March 2015) and adjusts for any significant transactions and events that occur between 1 April and 30 June 2016 that become publicly available prior to the date of the Group's consolidated financial statements.

As at 30 June 2016, the carrying amount of quoted equity shares of the associated company is higher than the market value. The directors consider the carrying amount of the investment to be appropriate, after having evaluated various qualitative and quantitative factors including the historical financial performance of the associated company.

19. INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES *(continued)*

The market value of the investment in an associated company is determined by reference to the published market bid price at the end of the reporting period and is categorised under Level 1 of the fair value measurement hierarchy.

Details of the Group's associated and joint venture companies are listed in Note 35 to the financial statements.

20. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2016	**2015**
	$'000	**$'000**
Equity investments, at cost	**283,063**	252,392

Details of the Group's subsidiary companies are listed in Note 35 to the financial statements.

The following subsidiary companies of the Group have material non-controlling interests:

	Effective interest held by non-controlling interests	
	2016	**2015**
Name of company	**%**	**%**
Wing Tai Malaysia Berhad	**33.8**	39.6
Suzhou Property Development Pte Ltd	**25**	25

There were no significant transactions with non-controlling interests for the financial years ended 30 June 2016 and 2015.

20. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

The following table summarises the financial information of each of the Group's subsidiary companies with material non-controlling interests, based on their respective consolidated financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations with other companies in the Group.

	Wing Tai Malaysia Berhad $'000	Suzhou Property Development Pte Ltd $'000	Total $'000
2016			
Summarised statement of financial position			
Current assets	514,132	125,423	639,555
Non-current assets	110,909	21,255	132,164
Current liabilities	(51,032)	(5,827)	(56,859)
Non-current liabilities	(153,141)	(60,347)	(213,488)
Net assets	420,868	80,504	501,372
Net assets attributable to non-controlling interests	142,338	20,126	162,464
Add: Carrying amount of individually immaterial non-controlling interests of other subsidiary companies			47,353
Carrying amount of non-controlling interests			**209,817**
Summarised statement of comprehensive income			
Revenue	118,739	36,224	154,963
Total profit	10,228	8,392	18,620
Other comprehensive income/(expense)	4,913	(6,076)	(1,163)
Total comprehensive income	15,141	2,316	17,457
Total comprehensive income attributable to non-controlling interests	5,121	579	5,700
Dividends paid to non-controlling interests	1,628	-	1,628
Summarised cash flows			
Cash flows from:			
– Operating activities	(52,042)	17,621	(34,421)
– Investing activities	(210)	1,535	1,325
– Financing activities	52,531	-	52,531
Net increase in cash and cash equivalents	279	19,156	19,435

20. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

	Wing Tai Malaysia Berhad $'000	Suzhou Property Development Pte Ltd $'000	Total $'000
2015			
Summarised statement of financial position			
Current assets	465,565	124,693	590,258
Non-current assets	113,983	22,094	136,077
Current liabilities	(77,112)	(13,606)	(90,718)
Non-current liabilities	(129,596)	(54,994)	(184,590)
Net assets	372,840	78,187	451,027
Net assets attributable to non-controlling interests	147,496	19,547	167,043
Add: Carrying amount of individually immaterial non-controlling interests of other subsidiary companies			21,989
Carrying amount of non-controlling interests			189,032
Summarised statement of comprehensive income			
Revenue	103,624	49,630	153,254
Total profit	20,356	13,471	33,827
Other comprehensive (expense)/income	(623)	5,376	4,753
Total comprehensive income	19,733	18,847	38,580
Total comprehensive income attributable to non-controlling interests	7,806	4,712	12,518
Dividends paid to non-controlling interests	3,345	-	3,345
Summarised cash flows			
Cash flows from:			
– Operating activities	(26,389)	30,226	3,837
– Investing activities	6,960	1,561	8,521
– Financing activities	(11,127)	-	(11,127)
Net (decrease)/increase in cash and cash equivalents	(30,556)	31,787	1,231

21. INVESTMENT PROPERTIES

	Group 2016 $'000	Group 2015 $'000
Beginning of financial year	**585,527**	575,263
Fair value (losses)/gains recognised in income statement	**(2,862)**	12,522
Disposals	**(149)**	-
Additions	**-**	649
Transfer to property, plant and equipment	**(3,648)**	-
Transfer from development properties	**3,273**	-
Currency translation differences	**(4,409)**	(2,907)
End of financial year	**577,732**	585,527

The following amounts are recognised in the income statement:

	Group 2016 $'000	Group 2015 $'000
Rental income	**31,677**	30,928
Direct operating expenses arising from investment properties that generated rental income	**(10,030)**	(10,542)

The major investment properties are as follows:

Name of building/ location	Description	Tenure of land	Lettable area (Sq m)	Group's interest in property (%)
Singapore				
Winsland House I at 3 Killiney Road (1^{st} to 9^{th} floor)	10-storey commercial building	99-year lease expiring 2082	13,283	100
Winsland House II at 163 Penang Road	8-storey commercial building	99-year lease expiring 2093	7,311	100
Winsland House II at 165 Penang Road	Conservation house	99-year lease expiring 2093	584	100
Lanson Place Winsland Serviced Residences at 167 Penang Road	67 units of serviced apartments in a 9-storey building	99-year lease expiring 2093	6,030	100
Malaysia				
Kondominium No. 8 at Section 89A, Town of Kuala Lumpur	132 units of condominium housing	Freehold	22,702	66.2
Sering Ukay at Jalan SU1E, Ampang, Selangor	10 units of shop offices	Freehold	2,872	66.2

21. INVESTMENT PROPERTIES *(continued)*

Name of building/ location	Description	Tenure of land	Lettable area (Sq m)	Group's interest in property (%)
Malaysia *(continued)*				
Taman Bukit Minyak Utama at Lorong Bukit Minyak Utama 2, Daerah Seberang Perai Tengah, Pulau Pinang	8 units of shop offices	Freehold	3,265	66.2
The People's Republic of China				
Singa Plaza at No. 8 Jinji Hu Road, Suzhou Industrial Park	8-storey commercial building	50-year lease expiring 2046	8,255	75

Investment properties are valued by independent professional valuers based on the properties' highest and best use determined using the Direct Comparison Approach and/or the Capitalisation Approach. A description of the valuation techniques and the valuation processes of the Group are provided in Note 32(e).

Investment properties are leased to third parties under operating leases (Note 30).

Investment properties with a total valuation of $547.6 million (2015: $554.3 million) were mortgaged to banks to secure long term banking facilities granted to certain subsidiary companies (Note 24).

22. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Group						
2016						
Cost or valuation						
Beginning of financial year						
Cost	-	-	6,315	26,209	64,348	96,872
Valuation	33,692	58,177	-	-	-	91,869
	33,692	58,177	6,315	26,209	64,348	188,741
Additions	-	13	1,103	1,985	1,541	4,642
Disposals	-	-	(820)	(250)	(28)	(1,098)
Disposal of a subsidiary company	-	-	-	(1,156)	(2,342)	(3,498)
Write-off	-	-	-	(989)	(10,667)	(11,656)
Transfer from investment properties	-	3,648	-	-	-	3,648
Revaluation gains	1,876	96	-	-	-	1,972
Currency translation differences	(2,121)	(450)	(196)	(624)	(1,422)	(4,813)
End of financial year	33,447	61,484	6,402	25,175	51,430	177,938
Representing:						
Cost	-	-	6,402	25,175	51,430	83,007
Valuation	33,447	61,484	-	-	-	94,931
	33,447	61,484	6,402	25,175	51,430	177,938
Accumulated depreciation and impairment losses						
Beginning of financial year	1,130	851	4,982	14,452	48,016	69,431
Depreciation charge	287	1,170	613	1,841	6,600	10,511
Disposals	-	-	(820)	(180)	(28)	(1,028)
Disposal of a subsidiary company	-	-	-	(1,105)	(2,263)	(3,368)
Write-off	-	-	-	(919)	(9,585)	(10,504)
Impairment loss	-	-	-	104	1,325	1,429
Revaluation adjustments	(1,356)	(1,678)	-	-	-	(3,034)
Currency translation differences	(61)	(47)	(150)	(547)	(1,138)	(1,943)
End of financial year	-	296	4,625	13,646	42,927	61,494
Net book value						
End of financial year	**33,447**	**61,188**	**1,777**	**11,529**	**8,503**	**116,444**

22. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Group						
2015						
Cost or valuation						
Beginning of financial year						
Cost	-	-	6,314	24,941	64,573	95,828
Valuation	36,616	56,632	-	-	-	93,248
	36,616	56,632	6,314	24,941	64,573	189,076
Additions	-	27	568	2,525	3,860	6,980
Disposals	-	-	(347)	(147)	(28)	(522)
Write-off	-	-	-	(276)	(2,132)	(2,408)
Revaluation gains	-	2,143	-	-	-	2,143
Currency translation differences	(2,924)	(625)	(220)	(834)	(1,925)	(6,528)
End of financial year	33,692	58,177	6,315	26,209	64,348	188,741
Representing:						
Cost	-	-	6,315	26,209	64,348	96,872
Valuation	33,692	58,177	-	-	-	91,869
	33,692	58,177	6,315	26,209	64,348	188,741
Accumulated depreciation and impairment losses						
Beginning of financial year	898	724	4,662	12,960	38,341	57,585
Depreciation charge	324	1,163	763	2,325	9,815	14,390
Disposals	-	-	(278)	(135)	(25)	(438)
Write-off	-	-	-	(247)	(1,899)	(2,146)
Impairment loss	-	-	-	277	3,305	3,582
Revaluation adjustments	-	(966)	-	-	-	(966)
Currency translation differences	(92)	(70)	(165)	(728)	(1,521)	(2,576)
End of financial year	1,130	851	4,982	14,452	48,016	69,431
Net book value						
End of financial year	32,562	57,326	1,333	11,757	16,332	119,310

22. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Company				
2016				
Cost				
Beginning of financial year	1,744	10,209	2,488	14,441
Additions	965	1,174	47	2,186
Disposals	(756)	(30)	(28)	(814)
Write-off	-	(1)	-	(1)
End of financial year	1,953	11,352	2,507	15,812
Accumulated depreciation				
Beginning of financial year	1,669	1,419	1,777	4,865
Depreciation charge	157	445	308	910
Disposals	(756)	(30)	(28)	(814)
Write-off	-	(1)	-	(1)
End of financial year	1,070	1,833	2,057	4,960
Net book value				
End of financial year	**883**	**9,519**	**450**	**10,852**
2015				
Cost				
Beginning of financial year	1,841	8,622	2,491	12,954
Additions	-	1,691	12	1,703
Disposals	(97)	(104)	(4)	(205)
Write-off	-	-	(11)	(11)
End of financial year	1,744	10,209	2,488	14,441
Accumulated depreciation				
Beginning of financial year	1,615	1,083	1,469	4,167
Depreciation charge	151	433	319	903
Disposals	(97)	(97)	(1)	(195)
Write-off	-	-	(10)	(10)
End of financial year	1,669	1,419	1,777	4,865
Net book value				
End of financial year	75	8,790	711	9,576

22. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The freehold and leasehold land and buildings are valued by independent professional valuers based on the properties' highest and best use using the Direct Comparison Approach and/or the Capitalisation Approach. A description of the valuation techniques and the valuation processes of the Group are provided in Note 32(e).

If the freehold and leasehold land and buildings stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would be as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Freehold land and buildings	**29,854**	28,385
Leasehold land and buildings	**42,404**	39,025

The major properties included in freehold and leasehold land and buildings are as follows:

Name of building/ location	**Description**	**Tenure of land**	**Lettable area (Sq m)**
Singapore			
Winsland House I at 3 Killiney Road (Basement 1 and 10th floor)	10-storey commercial building	99-year lease expiring 2082	2,858
Malaysia			
166-A, Rifle Range Road, Pulau Pinang	5-storey commercial building	99-year lease expiring 2109	11,136
Ambassador Row Serviced Suites at 1 Jalan Ampang Hilir, Kuala Lumpur	221 units of serviced apartments in a 20-storey building	Freehold	17,452

Property, plant and equipment with net book values amounting to $85.5 million (2015: $83.0 million) were mortgaged to banks to secure long term banking facilities granted to subsidiary companies (Note 24).

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Due to subsidiary companies – non-trade [Note 23(i)]	**-**	-	**84,220**	83,333
Due to associated and joint venture companies – non-trade [Note 23(ii)]	**16,914**	15,709	**-**	-
Due to non-controlling interests – non-trade [Note 23(iii)]	**-**	23,262	**-**	-
Accrued project costs	**57,508**	75,263	**-**	-
Accrued operating expenses	**26,297**	26,663	**9,534**	9,029
Trade creditors	**25,416**	20,232	**-**	-
Other creditors	**3,597**	13,099	**170**	1,747
Tenancy deposits	**3,324**	2,650	**-**	-
	116,142	137,907	**9,704**	10,776
Total trade and other payables	**133,056**	176,878	**93,924**	94,109

(i) Non-trade amounts due to subsidiary companies are unsecured and repayable on demand. Included in the amounts due to subsidiary companies are floating-interest payables of $40.7 million (2015: $40.7 million).

(ii) Non-trade amounts due to associated and joint venture companies are unsecured, interest-free and repayable on demand.

(iii) Non-trade amounts due to non-controlling interests are unsecured, interest-free and repayable on demand.

The carrying amounts of trade and other payables approximated their fair values.

24. BORROWINGS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Current				
– Secured bank loans	**5,859**	30,628	**-**	-
– Unsecured bank loans	**81,489**	5,356	**-**	-
	87,348	35,984	**-**	-
Non-current				
– Secured bank loans	**341,087**	315,951	**-**	-
– Unsecured bank loans	**528,071**	359,424	**507,838**	257,796
– Unsecured medium term notes due in 2018	**-**	60,000	**-**	60,000
– Unsecured medium term notes due in 2021	**120,000**	120,000	**120,000**	120,000
– Unsecured medium term notes due in 2022	**100,000**	100,000	**100,000**	100,000
– Unsecured medium term notes due in 2023	**100,000**	100,000	**100,000**	100,000
– Unsecured medium term notes due in 2024	**100,000**	100,000	**100,000**	100,000
	1,289,158	1,155,375	**927,838**	737,796
Total borrowings	**1,376,506**	1,191,359	**927,838**	737,796

The carrying amounts of borrowings approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy.

(a) Interest rate risks

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Less than one year	**716,435**	558,386	**288,000**	125,000
Between one and two years	**87,000**	-	**87,000**	-
Between two and five years	**153,071**	212,973	**132,838**	192,796
Over five years	**420,000**	420,000	**420,000**	420,000
	1,376,506	1,191,359	**927,838**	737,796

(b) Security granted

The Group's secured borrowings are generally secured by mortgages on certain development properties (Note 14), investment properties (Note 21) and property, plant and equipment (Note 22) and assignment of all rights, titles and benefits with respect to the properties.

25. DIVIDENDS

	Group and Company	
	2016	2015
	$'000	$'000
Dividends paid in respect of the preceding financial year		
First and final dividend of 3 cents per share (2015: 3 cents per share)	**23,448**	23,634
Special dividend of nil (2015: 3 cents per share)	**-**	23,633
	23,448	47,267

The directors have recommended a first and final dividend in respect of the financial year ended 30 June 2016 of 3 cents per share and a special dividend of 3 cents per share. These financial statements do not reflect these proposed dividends, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 June 2017.

The proposed first and final dividend in respect of the financial year ended 30 June 2015 have been accounted for in the shareholders' equity as an appropriation of retained earnings in the current financial year.

26. OTHER NON-CURRENT LIABILITIES

	Group	
	2016	2015
	$'000	$'000
Tenancy deposits	**4,808**	5,572
Loans from non-controlling interests	**7,903**	7,894
Retention payable	**14,592**	25,345
Others	**2,172**	3,079
	29,475	41,890

Loans from non-controlling interests are unsecured, interest-free, have no fixed terms of repayment and are not expected to be repayable within the next 12 months.

The carrying amounts of other non-current liabilities approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy.

27. SHARE CAPITAL

	Group and Company	
	Issued share capital	
	Number of ordinary shares	Amount
	'000	$'000
2016		
Beginning and end of financial year	**793,927**	**838,250**
2015		
Beginning and end of financial year	793,927	838,250

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

27. SHARE CAPITAL *(continued)*

(a) The Wing Tai Holdings Limited (2001) Share Option Scheme (the "Scheme")

The Scheme was approved and adopted by the members of the Company at an Extraordinary General Meeting ("EGM") held on 31 August 2001. The Scheme was terminated by the members of the Company at an EGM held on 30 October 2008 (without prejudice to the rights of holders of options thereunder in respect of options which have been granted).

Details of the movement in the options granted under the Scheme on the unissued ordinary shares of the Company during the year were as follows:

Date of grant	Beginning of financial year	Number of options exercised	Number of options forfeited	End of financial year	Exercise price ($)	Expiry date
2016						
30.09.2005	230,000	223,300	6,700	**-**	1.300	29.09.2015
05.09.2006	702,200	20,200	61,600	**620,400**	1.645	04.09.2016
06.09.2007	1,529,000	-	176,000	**1,353,000**	3.136	05.09.2017
Total	**2,461,200**	**243,500**	**244,300**	**1,973,400**		
2015						
19.11.2004	103,400	103,400	-	-	0.849	18.11.2014
30.09.2005	315,800	48,400	37,400	230,000	1.300	29.09.2015
05.09.2006	825,400	46,200	77,000	702,200	1.645	04.09.2016
06.09.2007	1,688,500	-	159,500	1,529,000	3.136	05.09.2017
Total	2,933,100	198,000	273,900	2,461,200		

All the outstanding share options are exercisable.

The Company reissued 243,500 (2015: 222,200) treasury shares at an average price of $1.33 (2015: $1.19) per share during the financial year for the fulfilment of share options exercised during the financial year. The weighted average share price at the time of exercise was $1.66 (2015: $1.89) per share.

27. SHARE CAPITAL *(continued)*

(b) Share Plans

The Wing Tai Performance Share Plan ("Wing Tai PSP") and the Wing Tai Restricted Share Plan ("Wing Tai RSP") (collectively referred to as the "Share Plans") were adopted by the members of the Company at an EGM held on 30 October 2008.

Wing Tai PSP

On 14 September 2015 (2015: 26 September 2014), awards were granted by the Company to qualifying employees pursuant to the Wing Tai PSP in respect of 223,000 (2015: 210,000) shares of the Company. Under the Wing Tai PSP, performance conditions are set over a three-year performance period. A specified number of shares will be released by the Committee to the participants at the end of the performance period, provided the threshold targets are achieved. The total number of shares released varies depending on the achievement of pre-set performance targets over the performance period. The achievement factor ranges from 0% to 200%.

Details of the movement in the awards of the Company during the year were as follows:

Date of grant	Beginning of financial year	Number of shares granted	Additional shares awarded arising from targets achieved	Number of shares released	Number of shares forfeited	End of financial year
2016						
19.09.2012	147,000	-	41,600	188,600	-	**-**
25.09.2013	115,000	-	-	-	-	**115,000**
26.09.2014	210,000	-	-	-	28,000	**182,000**
14.09.2015	-	223,000	-	-	32,000	**191,000**
Total	**472,000**	**223,000**	**41,600**	**188,600**	**60,000**	**488,000**
2015						
08.09.2011	183,000	-	11,200	194,200	-	-
19.09.2012	147,000	-	-	-	-	147,000
25.09.2013	115,000	-	-	-	-	115,000
26.09.2014	-	210,000	-	-	-	210,000
Total	445,000	210,000	11,200	194,200	-	472,000

27. SHARE CAPITAL *(continued)*

(b) Share Plans *(continued)*

Wing Tai RSP
On 14 September 2015 (2015: 26 September 2014), awards were granted by the Company to qualifying employees pursuant to the Wing Tai RSP in respect of 970,000 (2015: 1,089,000) shares of the Company. Under the Wing Tai RSP, performance conditions are set over a one-year performance period. A specified number of shares will be awarded to eligible participants at the end of the performance period depending on the extent of achievement of the performance conditions established. The shares have a vesting schedule of three years. The participant will receive fully paid shares, without any cash consideration payable by the participant.

Details of the movement in the awards of the Company during the year were as follows:

Date of grant	Beginning of financial year	Number of shares granted	Number of shares released	Number of shares forfeited	End of financial year
2016					
19.09.2012	594,400	-	594,400	-	**-**
25.09.2013	887,600	-	380,400	46,800	**460,400**
26.09.2014	1,063,000	-	313,800	129,700	**619,500**
14.09.2015	-	970,000	-	133,000	**837,000**
Total	**2,545,000**	**970,000**	**1,288,600**	**309,500**	**1,916,900**
2015					
08.09.2011	744,800	-	738,000	6,800	-
19.09.2012	1,139,500	-	523,600	21,500	594,400
25.09.2013	1,336,500	-	420,000	28,900	887,600
26.09.2014	-	1,089,000	-	26,000	1,063,000
Total	3,220,800	1,089,000	1,681,600	83,200	2,545,000

The fair values of the awards granted pursuant to the Wing Tai PSP and the Wing Tai RSP on 14 September 2015 (2015: 26 September 2014) determined using the Monte Carlo simulation model was $0.2 million (2015: $0.2 million) and $1.6 million (2015: $1.9 million) respectively. The significant inputs into the model were share price at grant date of $1.64 (2015: $1.77) per share, standard deviation of expected share price returns of 20.9% (2015: 28.4%), dividend yield of 0.2% (2015: 1.5%) and annual risk-free one-year, two-year and three-year interest rates of 1.1%, 1.2% and 1.5% respectively (2015: 0.4%, 0.6% and 0.9% respectively). The volatility measured at the standard deviation of expected share price returns is based on the statistical analysis of monthly share prices over the past three years.

28. OTHER RESERVES

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Share-based payment reserve	**11,996**	12,360	**10,889**	11,368
Cash flow hedge reserve	**1,220**	3,437	**471**	2,528
Asset revaluation reserve	**22,595**	82,224	**-**	-
Share of capital reserves of associated and joint venture companies	**62,284**	61,043	**-**	-
Currency translation reserve	**(102,553)**	(66,507)	**-**	-
Treasury shares reserve	**(32,493)**	(19,584)	**(32,493)**	(19,584)
Statutory reserve	**3,294**	3,282	**-**	-
Capital redemption reserve	**-**	462	**-**	-
	(33,657)	76,717	**(21,133)**	(5,688)

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
(a) Share-based payment reserve				
Beginning of financial year	**12,360**	12,420	**11,368**	11,549
Employee share plans and share option schemes:				
– Value of employee services (Notes 6 and 27)	**1,904**	2,267	**1,730**	1,966
– Reissuance of treasury shares	**(2,209)**	(2,147)	**(2,209)**	(2,147)
Transfer to retained earnings upon expiry of share options	**-**	(101)	**-**	-
Attributable to non-controlling interests	**(59)**	(79)	**-**	-
End of financial year	**11,996**	12,360	**10,889**	11,368
(b) Cash flow hedge reserve				
Beginning of financial year	**3,437**	(8,306)	**2,528**	-
Fair value (losses)/gains	**(4,054)**	8,625	**(2,197)**	1,695
Reclassify to income statement as finance costs	**1,837**	3,118	**140**	833
End of financial year	**1,220**	3,437	**471**	2,528
(c) Asset revaluation reserve				
Beginning of financial year	**82,224**	163,660	**-**	-
Revaluation gains on property, plant and equipment	**7,569**	3,109	**-**	-
Deferred income tax charged to other comprehensive income	**(1,222)**	-	**-**	-
Transfer to retained earnings upon realisation	**(64,191)**	(84,545)	**-**	-
Attributable to non-controlling interests	**(1,785)**	-	**-**	-
End of financial year	**22,595**	82,224	**-**	-
(d) Share of capital reserves of associated and joint venture companies				
Beginning of financial year	**61,043**	62,634	**-**	-
Share of capital reserves of associated and joint venture companies	**(978)**	(1,645)	**-**	-
Liquidation of joint venture companies	**1,833**	-	**-**	-
Attributable to non-controlling interests	**386**	54	**-**	-
End of financial year	**62,284**	61,043	**-**	-

28. OTHER RESERVES *(continued)*

		Group		Company	
		2016	**2015**	**2016**	**2015**
		$'000	**$'000**	**$'000**	**$'000**
(e)	**Currency translation reserve**				
	Beginning of financial year	**(66,507)**	(164,950)	**-**	-
	Translation of financial statements of foreign subsidiary, associated and joint venture companies	**(40,248)**	76,358	**-**	-
	Translation of foreign currency denominated loans which form part of net investment in subsidiary companies	**(3,375)**	10,176	**-**	-
	Disposal of a subsidiary company	**-**	3,229	**-**	-
	Liquidation of joint venture companies	**(1,298)**	-	**-**	-
	Liquidation of subsidiary companies	**(927)**	-	**-**	-
	Attributable to non-controlling interests	**9,802**	8,680	**-**	-
	End of financial year	**(102,553)**	(66,507)	**-**	-
(f)	**Treasury shares reserve**				
	Beginning of financial year	**(19,584)**	(9,445)	**(19,584)**	(9,445)
	Purchase of treasury shares	**(15,441)**	(12,550)	**(15,441)**	(12,550)
	Reissuance of treasury shares	**2,532**	2,411	**2,532**	2,411
	End of financial year	**(32,493)**	(19,584)	**(32,493)**	(19,584)
(g)	**Statutory reserve**				
	Beginning of financial year	**3,282**	972	**-**	-
	Transfer to revenue reserves	**16**	3,080	**-**	-
	Attributable to non-controlling interests	**(4)**	(770)	**-**	-
	End of financial year	**3,294**	3,282	**-**	-
(h)	**Capital redemption reserve**				
	Beginning of financial year	**462**	-	**-**	-
	Redemption of preference shares by a subsidiary company	**(720)**	764	**-**	-
	Attributable to non-controlling interests	**258**	(302)	**-**	-
	End of financial year	**-**	462	**-**	-
	Total	**(33,657)**	76,717	**(21,133)**	(5,688)

Capital reserves of associated and joint venture companies arise from currency translation and other reserves which are not distributable.

The total number of treasury shares held by the Company as at 30 June 2016 was 21,418,100 (2015: 13,379,900). The Company reissued 1,720,700 (2015: 2,098,000) treasury shares during the financial year pursuant to the Wing Tai PSP, Wing Tai RSP and share options. The purchase cost of the treasury shares reissued amounted to $2.5 million (2015: $2.4 million). The total consideration for the treasury shares reissued which comprised the value of employee services amounted to $2.2 million (2015: $2.1 million).

29. RETAINED EARNINGS

(a) Retained earnings of the Group are distributable except for accumulated retained earnings of associated and joint venture companies amounting to $1,013.1 million (2015: $947.7 million) and the amount of $32.5 million (2015: $19.6 million) utilised to purchase treasury shares. Retained earnings of the Company are distributable except for the amount of $32.5 million (2015: $19.6 million) utilised to purchase treasury shares.

(b) Movement in retained earnings for the Company is as follows:

	Company	
	2016	**2015**
	$'000	**$'000**
Beginning of financial year	**496,154**	472,161
Net profit	**26,651**	71,260
Dividends paid (Note 25)	**(23,448)**	(47,267)
End of financial year	**499,357**	496,154

30. COMMITMENTS

(a) Capital commitments
Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements, excluding those relating to investments in associated and joint venture companies (Note 19), are as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Commitments in respect of contracts placed	**39,509**	55,851

(b) Operating lease commitments – where the Group is a lessee
The Group leases office and retail units and warehouse space under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Not later than one year	**28,518**	49,506
Between one and five years	**20,390**	46,281
	48,908	95,787

30. COMMITMENTS *(continued)*

(c) Operating lease commitments – where the Group is a lessor

The Group leases out office and retail units and serviced apartments under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Not later than one year	**24,535**	22,398
Between one and five years	**27,352**	23,889
Later than five years	**-**	88
	51,887	46,375

31. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

The details and estimates of the maximum amounts of contingent liabilities and financial guarantees, excluding those relating to investments in associated and joint venture companies (Note 19), are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Financial guarantees issued to banks for credit facilities granted to:				
– subsidiary companies	**-**	-	**106,723**	109,228
– joint venture companies	**19,691**	19,935	**8,280**	8,280
	19,691	19,935	**115,003**	117,508

The Company has given financial guarantees for all liabilities incurred under a tender bond facility of a subsidiary company amounting to $15.0 million (2015: $15.0 million) granted by a bank to the subsidiary company.

32. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. After identifying and evaluating its exposure to the financial risks, the Group establishes policies to monitor and manage these risks in accordance with its risk management philosophy. The Group uses financial instruments such as currency forwards, cross currency swaps, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore, Malaysia, the People's Republic of China and Hong Kong SAR. Entities in the Group may transact in currencies other than their respective functional currencies. Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. To manage the currency exposure, the Group enters into currency forwards and cross currency swaps with banks.

The Group also holds long-term overseas investments and its net assets are exposed to currency translation risk. The Group enters into cross currency swaps and uses natural hedging opportunities, like borrowing in the currency of the country in which these investments are located whenever practicable. The exchange differences arising from such translations are captured under the currency translation reserve. These currency translation differences are reviewed and monitored on a regular basis.

The Group's and the Company's currency exposure are as follows:

	SGD $'000	RM $'000	USD $'000	HKD $'000	RMB $'000	Other $'000	Total $'000
Group							
2016							
Financial assets							
Cash and cash equivalents	542,318	48,286	21,235	169	110,875	-	722,883
Available-for-sale financial assets	3,189	-	3,087	-	-	-	6,276
Trade and other receivables (current and non-current)	220,860	19,052	644	20,938	22	-	261,516
Other financial assets	8,081	2,825	9	6	1,780	-	12,701
	774,448	70,163	24,975	21,113	112,677	-	1,003,376
Financial liabilities							
Trade and other payables	(81,789)	(42,078)	(2,022)	(460)	(3,466)	(3,241)	(133,056)
Borrowings	(1,180,000)	(147,946)	(48,560)	-	-	-	(1,376,506)
Other financial liabilities	(16,168)	(10,002)	(3,305)	-	-	-	(29,475)
	(1,277,957)	(200,026)	(53,887)	(460)	(3,466)	(3,241)	(1,539,037)
Net financial (liabilities)/assets	(503,509)	(129,863)	(28,912)	20,653	109,211	(3,241)	(535,661)
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	435,504	129,923	30,677	(20,975)	(109,209)	-	465,920
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	(1,572)	(857)	-	(8,472)	(10,901)
Currency forwards and cross currency swaps	68,005	-	16,687	(304,803)	-	11,688	(208,423)
Currency exposure	**-**	**60**	**16,880**	**(305,982)***	**2**	**(25)**	**(289,065)**

* The HKD net currency exposure of $306.0 million mainly relates to cross currency swaps entered into as net investment hedges.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

	SGD $'000	RM $'000	USD $'000	HKD $'000	RMB $'000	Other $'000	Total $'000
Group							
2015							
Financial assets							
Cash and cash equivalents	667,566	92,362	13,714	8,042	98,300	627	880,611
Available-for-sale financial assets	3,189	-	3,078	-	-	-	6,267
Trade and other receivables (current and non-current)	389,552	21,064	636	17,211	285	-	428,748
Other financial assets	11,257	2,976	194	4	1,701	-	16,132
	1,071,564	116,402	17,622	25,257	100,286	627	1,331,758
Financial liabilities							
Trade and other payables	(124,196)	(39,238)	(1,657)	(459)	(8,327)	(3,001)	(176,878)
Borrowings	(990,000)	(152,935)	(48,424)	-	-	-	(1,191,359)
Other financial liabilities	(26,579)	(12,016)	(3,295)	-	-	-	(41,890)
	(1,140,775)	(204,189)	(53,376)	(459)	(8,327)	(3,001)	(1,410,127)
Net financial (liabilities)/assets	(69,211)	(87,787)	(35,754)	24,798	91,959	(2,374)	(78,369)
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	1,487	128,602	30,583	(17,261)	(91,957)	-	51,454
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	(2,817)	(155)	-	(6,477)	(9,449)
Currency forwards and cross currency swaps	(19,138)	-	17,714	-	-	7,871	6,447
Currency exposure	(86,862)	40,815	9,726	7,382	2	(980)	(29,917)

The Group does not have significant currency exposure arising from inter-company balances.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

	SGD $'000	RM $'000	HKD $'000	Other $'000	Total $'000
Company					
2016					
Financial assets					
Cash and cash equivalents	335,031	41	-	19	335,091
Available-for-sale financial assets	3,189	-	-	-	3,189
Trade and other receivables (current and non-current)	1,210,898	-	106,541	-	1,317,439
Other financial assets	1,105	-	2	11	1,118
	1,550,223	41	106,543	30	1,656,837
Financial liabilities					
Trade and other payables	(92,794)	-	(773)	(357)	(93,924)
Borrowings	(913,000)	-	-	(14,838)	(927,838)
	(1,005,794)	-	(773)	(15,195)	(1,021,762)
Net financial assets/(liabilities)	544,429	41	105,770	(15,165)	635,075
Net financial assets denominated in the Company's functional currency	(544,429)	-	-	-	(544,429)
Cross currency swaps	-	-	(209,307)	14,885	(194,422)
Currency exposure	**-**	**41**	**(103,537)***	**(280)**	**(103,776)**
2015					
Financial assets					
Cash and cash equivalents	414,483	40,798	7,771	26	463,078
Available-for-sale financial assets	3,189	-	-	-	3,189
Trade and other receivables (current and non-current)	618,031	-	108,239	-	726,270
Other financial assets	1,263	-	-	196	1,459
	1,036,966	40,798	116,010	222	1,193,996
Financial liabilities					
Trade and other payables	(92,866)	-	(760)	(483)	(94,109)
Borrowings	(723,000)	-	-	(14,796)	(737,796)
	(815,866)	-	(760)	(15,279)	(831,905)
Net financial assets/(liabilities)	221,100	40,798	115,250	(15,057)	362,091
Net financial assets denominated in the Company's functional currency	(221,100)	-	-	-	(221,100)
Cross currency swaps	-	-	-	14,836	14,836
Currency exposure	-	40,798	115,250	(221)	155,827

* The HKD net currency exposure of $103.5 million mainly relates to cross currency swaps which are non-hedging instruments.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

If the RM, USD, HKD and RMB change against the SGD by 1% (2015: 1%) each with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit before income tax		(Decrease)/increase Other comprehensive income	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Group				
RM against SGD				
– strengthened	**1**	408	**-**	-
– weakened	**(1)**	(408)	**-**	-
USD against SGD				
– strengthened	**185**	997	**-**	(191)
– weakened	**(185)**	(997)	**-**	191
HKD against SGD				
– strengthened	**(3,051)**	75	**-**	-
– weakened	**3,051**	(75)	**-**	-
RMB against SGD				
– strengthened	**-**	(2)	**-**	-
– weakened	**-**	2	**-**	-
Company				
RM against SGD				
– strengthened	**-**	408	**-**	-
– weakened	**-**	(408)	**-**	-
HKD against SGD				
– strengthened	**(1,035)**	1,153	**-**	-
– weakened	**1,035**	(1,153)	**-**	-

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(ii) Cash flow and fair value interest rate risks
Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's and the Company's exposure to cash flow interest rate risks arises mainly from floating rate borrowings. The Group manages these cash flow interest rate risks by maintaining a prudent mix of fixed and floating rate borrowings and using floating-to-fixed interest rate swaps.

The Group's borrowings at floating rates on which effective hedges have not been entered into are denominated mainly in SGD and RM. If the SGD and RM interest rates increase/decrease by 1% (2015: 1%) with all other variables being held constant, the profit before income tax would have been lower/higher by $5.5 million (2015: $5.5 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $1.5 million (2015: $6.2 million) as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of floating rate borrowings.

The Company's borrowings at floating rates on which effective hedges have not been entered into are denominated in SGD. If the SGD interest rate increases/decreases by 1% (2015: 1%) with all other variables being held constant, the profit before income tax would have been lower/higher by $1.8 million (2015: $1.3 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $1.1 million (2015: $5.3 million) as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of floating rate borrowings.

(b) Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. The Group has no significant concentration of credit risk with any single entity. The Group has policies in place to ensure that the sale of goods and the rendering of services are to customers with acceptable credit standing. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position and disclosed in Note 31.

The credit risk for trade receivables is as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
By business segments		
Development properties	**26,306**	12,739
Investment properties	**368**	718
Retail	**2,930**	2,234
Others	**1,013**	1,507
	30,617	17,198

32. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Credit risk *(continued)*

(i) *Financial assets that are neither past due nor impaired*
Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially due from companies with a good collection track record with the Group.

(ii) *Financial assets that are past due and/or impaired*
There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2016 $'000	**2015 $'000**
Past due less than 3 months	**493**	2,026
Past due 3 to 6 months	**19**	257
Past due over 6 months	**313**	551
	825	2,834

The carrying amount of trade and other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Gross amount	**332**	321	**508,877**	467,343
Less: Allowance for impairment	**(332)**	(321)	**(273,176)**	(244,207)
	-	-	**235,701**	223,136
Beginning of financial year	**321**	410	**244,207**	229,219
Allowance made	**31**	23	**28,969**	28,893
Allowance utilised	**-**	(84)	**-**	(13,905)
Currency translation differences	**(20)**	(28)	**-**	-
End of financial year	**332**	321	**273,176**	244,207

The impaired trade and other receivables of the Group and the Company arose mainly from loans to joint venture and subsidiary companies for which recoverability is uncertain.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all refinancing, repayment and funding needs are met. The Group adopts prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with short term funding so as to achieve overall cost effectiveness.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Group				
2016				
Net-settled interest rate swaps	640	640	868	-
Gross-settled cross currency swaps				
– Receipts	(90,435)	(93,784)	(158,996)	-
– Payments	86,901	89,829	148,518	-
Gross-settled currency forwards				
– Receipts	(14,290)	-	-	-
– Payments	15,393	-	-	-
Trade and other payables	133,056	-	-	-
Borrowings	129,969	277,260	571,770	579,105
Other financial liabilities	-	26,535	2,940	-
	261,234	**300,480**	**565,100**	**579,105**
2015				
Net-settled interest rate swaps	658	656	1,546	-
Gross-settled cross currency swaps				
– Receipts	(631)	(629)	(36,455)	-
– Payments	1,073	1,070	35,541	-
Gross-settled currency forwards				
– Receipts	(10,749)	-	-	-
– Payments	10,684	-	-	-
Trade and other payables	176,878	-	-	-
Borrowings	78,344	264,901	520,638	535,914
Other financial liabilities	-	37,791	3,835	264
	256,257	303,789	525,105	536,178

32. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity risk *(continued)*

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Company				
2016				
Net-settled interest rate swaps	640	640	868	-
Gross-settled cross currency swaps				
– Receipts	(6,360)	(93,347)	(138,170)	-
– Payments	6,024	89,369	129,783	-
Trade and other payables	95,036	-	-	-
Borrowings	25,299	125,148	467,366	446,670
	120,639	**121,810**	**459,847**	**446,670**
2015				
Net-settled interest rate swaps	658	656	1,546	-
Gross-settled cross currency swaps				
– Receipts	(267)	(266)	(15,423)	-
– Payments	454	453	15,037	-
Trade and other payables	95,135	-	-	-
Borrowings	27,583	27,507	386,619	464,920
	123,563	28,350	387,779	464,920

In addition to the above, the Group and the Company issued financial guarantees of $19.7 million (2015: $19.9 million) and $115.0 million (2015: $117.5 million) respectively (Note 31).

(d) Capital risk

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

Management monitors capital based on debt-equity ratio. The debt-equity ratio is calculated as net debt divided by shareholders' equity. Net debt is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Borrowings	**1,376,506**	1,191,359	**927,838**	737,796
Less: Cash and cash equivalents	**(722,883)**	(880,611)	**(335,091)**	(463,078)
Net debt	**653,623**	310,748	**592,747**	274,718
Shareholders' equity	**3,122,709**	3,173,169	**1,316,474**	1,328,716
Debt-equity ratio	**21%**	10%	**45%**	21%

The Group and the Company are required by the banks to maintain a certain level of the debt-equity ratio. The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2016 and 2015.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements

(i) Fair value measurement hierarchy
The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2016				
Assets				
Derivative financial instruments	-	15,178	-	15,178
Investment properties	-	-	577,732	577,732
Property, plant and equipment	-	-	94,931	94,931
Total	**-**	**15,178**	**672,663**	**687,841**
2015				
Assets				
Derivative financial instruments	-	4,769	-	4,769
Investment properties	-	-	585,527	585,527
Property, plant and equipment	-	-	91,869	91,869
Total	-	4,769	677,396	682,165
Company				
2016				
Assets				
Derivative financial instruments	-	11,322	-	11,322
2015				
Assets				
Derivative financial instruments	-	3,231	-	3,231

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

(ii) Level 2 fair value measurements
The fair value of interest rate and cross currency swaps is calculated as the present value of the estimated future cash flows discounted at actively quoted interest and forward exchange rates. The fair value of currency forwards is determined using actively quoted forward exchange rates at the end of the reporting period. These instruments are classified as Level 2 and comprise derivative financial instruments.

(iii) Level 3 fair value measurements
(a) Valuation techniques and inputs used in Level 3 fair value measurements
The following table presents the valuation techniques and key inputs used to determine the fair values of investment properties and freehold and leasehold land and buildings classified as property, plant and equipment that are categorised under Level 3 of the fair value measurement hierarchy which involves significant unobservable inputs.

Type	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Commercial buildings, serviced apartments, condominium housing and shop offices in Singapore, Malaysia and the People's Republic of China	Direct Comparison Approach	Market value per square metre	\$377 - \$20,939	The higher the adjusted valuation, the higher the fair value
	Capitalisation Approach	Estimated rental rate per square metre per month	\$95 - \$108	The higher the rental rate, the higher the fair value
		Capitalisation rate	4.25% - 4.35%	The higher the capitalisation rate, the lower the fair value

There were no significant inter-relationships between the significant unobservable inputs.

(b) Valuation processes of the Group
The Group engages external, independent and qualified valuers to determine the fair values of the Group's investment properties and freehold and leasehold land and buildings classified as property, plant and equipment based on the properties' highest and best use using the Direct Comparison Approach and/or the Capitalisation Approach.

The Direct Comparison Approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the properties. The Capitalisation Approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and in Notes 11 and 17 to the financial statements, except for the following:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Loans and receivables	**997,100**	1,325,491	**1,653,648**	1,190,807
Financial liabilities at amortised cost	**1,539,037**	1,410,127	**1,021,762**	831,905

33. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year at terms agreed between the parties:

(a) Sale of goods and rendering of services

	Group	
	2016	**2015**
	$'000	**$'000**
Commission income received from a joint venture company	**861**	1,418
Management and service fees received from joint venture companies	**4,186**	4,838
Management fees paid to an associated company	**702**	414
Payments on behalf of joint venture companies	**5,443**	5,845

(b) Key management personnel compensation

	Group	
	2016	**2015**
	$'000	**$'000**
Salaries and other short term employee benefits	**8,516**	9,435
Share-based payment	**707**	951
	9,223	10,386

Included in the above is compensation to directors of the Company which amounted to $5.5 million (2015: $5.6 million).

34. SEGMENT INFORMATION

The Group is organised into three main business segments - development properties, investment properties and retail. Other operations of the Group comprise mainly garment manufacturing and investment holding, neither of which constitutes a separately reportable segment. The segment information for the reportable segments is as follows:

2016	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Group $'000
Revenue	329,818	37,416	169,640	7,657	**544,531**
EBIT*	22,858	98,412	4,169	(46,546)	**78,893**
Interest income					**8,022**
Finance costs					**(45,542)**
Profit before income tax					**41,373**
Income tax expense					**(25,712)**
Total profit					**15,661**
Segment assets	1,927,550	665,785	54,638	121,485	**2,769,458**
Assets held for sale	495,512	-	-	-	**495,512**
Investment in an associated company	253,690	1,246,542	-	(91,685)	**1,408,547**
Investments in joint venture companies	22,174	-	63,135	3,142	**88,451**
Due from associated and joint venture companies	197,252	11,558	922	237	**209,969**
	2,896,178	1,923,885	118,695	33,179	**4,971,937**
Tax recoverable					**3,698**
Consolidated total assets					**4,975,635**
Segment liabilities	102,673	9,762	14,447	35,649	**162,531**
Borrowings	147,946	199,000	-	1,029,560	**1,376,506**
	250,619	208,762	14,447	1,065,209	**1,539,037**
Current income tax liabilities					**38,905**
Deferred income tax liabilities					**65,167**
Consolidated total liabilities					**1,643,109**
Capital expenditure	17	38	1,463	3,124	**4,642**
Depreciation	225	1,101	5,593	3,592	**10,511**

34. SEGMENT INFORMATION *(continued)*

2015	**Development properties $'000**	**Investment properties $'000**	**Retail $'000**	**Others $'000**	**Group $'000**
Revenue	430,191	37,529	199,012	9,983	676,715
EBIT*	96,392	145,776	1,801	(28,900)	215,069
Interest income					7,561
Finance costs					(47,335)
Profit before income tax					175,295
Income tax expense					(9,352)
Total profit					165,943
Segment assets	2,134,168	666,092	68,872	87,352	2,956,484
Investment in an associated company	208,359	1,206,278	-	(60,685)	1,353,952
Investments in joint venture companies	95,862	-	60,117	20,320	176,299
Due from associated and joint venture companies	384,071	9,087	568	617	394,343
	2,822,460	1,881,457	129,557	47,604	4,881,078
Tax recoverable					6,482
Consolidated total assets					4,887,560
Segment liabilities	131,512	11,320	17,819	58,117	218,768
Borrowings	138,142	213,793	-	839,424	1,191,359
	269,654	225,113	17,819	897,541	1,410,127
Current income tax liabilities					51,222
Deferred income tax liabilities					64,010
Consolidated total liabilities					1,525,359
Capital expenditure	208	1,147	3,785	2,489	7,629
Depreciation	289	1,566	8,974	3,561	14,390

* EBIT includes share of profits of associated and joint venture companies which are disclosed in Note 19.

34. SEGMENT INFORMATION *(continued)*

The Group's three main business segments operate in four main geographical areas - Singapore, Malaysia, the People's Republic of China ("PRC") and Hong Kong SAR.

	Revenue		**Non-current assets**	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**389,394**	522,637	**786,728**	972,023
Malaysia	**118,739**	103,624	**111,450**	114,475
PRC	**36,398**	50,454	**92,718**	183,998
Hong Kong SAR	**-**	-	**1,437,889**	1,375,739
	544,531	676,715	**2,428,785**	2,646,235

35. COMPANIES IN THE GROUP

Information relating to the companies in the Group is given below, with the exception of inactive and dormant companies. Singapore-incorporated subsidiary and joint venture companies are audited by PricewaterhouseCoopers LLP, Singapore unless otherwise indicated.

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2016 %	2015 %
(a) Wing Tai Holdings Limited		Singapore-Quoted on Singapore Exchange Securities Trading Limited	Investment holding	**n/a**	n/a
(b) Subsidiary companies					
Wing Tai Malaysia Berhad	!	Malaysia-Quoted on Bursa Malaysia Securities Berhad	Investment holding	**66.2**	60.4
Angel Wing (M) Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Angkasa Indah Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Bergendale Investments Limited	*,#	British Virgin Islands ("BVI")	Investment holding	**100**	100
Brave Dragon Ltd	*, #	BVI/Hong Kong SAR	Investment holding	**89.4**	89.4
Chanlai Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Crossbrook Group Ltd	#	BVI/Hong Kong SAR	Investment holding	**100**	100
DNP Hartajaya Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
DNP Jaya Sdn. Bhd.	*, !	Malaysia	Property investment	**66.2**	60.4
DNP Land Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
DNP Property Management Sdn. Bhd.	*, !	Malaysia	Project management and maintenance of properties	**66.2**	60.4
D & P-Ejenawa Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Grand Eastern Realty & Development Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4

n/a: not applicable

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2016 %	2015 %
(b) Subsidiary companies *(continued)*					
Harta-Aman Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Hartamaju Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Jiaxin (Suzhou) Property Development Co., Ltd	*, >	The People's Republic of China ("PRC")	Property development, investment and management	**75**	75
Quality Frontier Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Seniharta Sdn. Bhd.	*, !	Malaysia	Property investment	**66.2**	60.4
Sri Rampaian Sdn. Bhd.	*, !	Malaysia	Manufacture of textile garments	**66.2**	60.4
Starpuri Development Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Suzhou Property Development Pte Ltd	*	Singapore	Property development and investment holding	**75**	75
Wincheer Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Wingold Investment Pte Ltd	*	Singapore	Investment holding	**100**	100
Wingstar Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Winmax Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winnervest Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winnorth Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winquest Investment Pte Ltd	*	Singapore	Property investment and development	**60**	60
Winrose Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winshine Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winsland Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winsmart Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2016 %	2015 %
(b) Subsidiary companies *(continued)*					
Wing Mei (M) Sdn. Bhd.	*, !	Malaysia	Property investment	**66.2**	60.4
Wing Tai China Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wing Tai (China) Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wing Tai Clothing Pte Ltd	*	Singapore	Retailing of garments	**100**	100
Wing Tai Clothing Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**66.2**	60.4
Wing Tai Fashion Apparel Pte. Ltd.	*	Singapore	Retailing of garments	**100**	100
Wing Tai Fashion Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**66.2**	60.4
Wing Tai Investment & Development Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Investment Management Pte Ltd	*	Singapore	Management of investment properties	**100**	100
Wing Tai Land Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Property Management Pte Ltd	*	Singapore	Project management and maintenance of properties	**100**	100
Wing Tai Retail Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Retail Management Pte. Ltd.	*	Singapore	Management of retail operations	**100**	100
Wing Tai (Shanghai) Management Co., Ltd	*, @	PRC	Provision of consultancy and advisory services	**100**	100
WT Fund Management Pte. Ltd.	*	Singapore	Fund management	**100**	-
Yong Yue (Shanghai) Property Development Co., Ltd	*, @	PRC	Property development	**100**	100
(c) Associated company					
Wing Tai Properties Limited	*, %	Bermuda-Quoted on The Hong Kong Exchanges and Clearing Limited/ Hong Kong SAR	Property development, property investment and management and hospitality investment and management	**33.4**	33.4

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2016 %	2015 %
(d) Joint venture companies					
G2000 Apparel (S) Pte Ltd	*	Singapore	Retailing of garments	**45**	45
Kualiti Gold Sdn. Bhd.	*, !	Malaysia	Property investment	**33.1**	30.2
Optima Investment & Development Pte. Ltd.	*, ~	Singapore/PRC	Property development and investment holding	**40**	40
Summervale Properties Pte Ltd	*, &	Singapore	Property investment and development	**50**	50
Uniqlo (Malaysia) Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**29.8**	27.2
Uniqlo (Singapore) Pte. Ltd.	*, ~	Singapore	Retailing of garments	**49**	49
Wingcrown Investment Pte. Ltd.	*	Singapore	Property investment and development	**40**	40
Winnoma Investment Pte. Ltd.	*	Singapore/PRC	Property investment and development and investment holding	**50**	50

* Held by Group companies.

! Audited by Ernst and Young, Malaysia.

These companies are not required to be audited by law in the country of incorporation.

% Audited by PricewaterhouseCoopers, Hong Kong SAR.

& Audited by KPMG LLP, Singapore.

~ Audited by Ernst and Young LLP, Singapore.

> Audited by RSM, PRC.

@ Audited by PricewaterhouseCoopers, PRC.

In accordance to Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit and Risk Committee and the Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its significant subsidiary and associated companies would not compromise the standard and effectiveness of the audit of the Company.

36. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2016 or later periods and which the Group has not early adopted:

(a) FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associated and Joint Venture Companies* (effective for annual periods beginning on or after 1 January 2016)
These amendments address an inconsistency between FRS 110 and FRS 28 in the sale or contribution of assets between an investor and its associated or joint venture company. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary company. The Group is in the process of assessing the potential impact of FRS 110 and 28 on the financial statements.

(b) FRS 1 *Presentation of Financial Statements* (effective for annual periods beginning on or after 1 January 2016)
This amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. This amendment is not expected to have any significant impact on the financial statements of the Group.

(c) FRS 115 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)
This is the converged standard on revenue recognition. It replaces FRS 11 *Construction Contracts*, FRS 18 *Revenue*, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Group is in the process of assessing the potential impact of FRS 115 on the financial statements.

(d) FRS 109 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018)
The complete version of FRS 109 replaces most of the guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI and for liabilities designated at fair value through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and the hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 39. The Group is in the process of assessing the potential impact of FRS 109 on the financial statements.

36. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS *(continued)*

(e) FRS 116 *Leases* (effective for annual periods beginning on or after 1 January 2019)
FRS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The income statement will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBIT will change.

Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under FRS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

37. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 15 September 2016.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF WING TAI HOLDINGS LIMITED FOR THE NINE MONTHS ENDED 31 MARCH 2017

WING TAI HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 196300239D)

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 MARCH 2017

The Company announces the unaudited consolidated results for the nine months and third quarter ended 31 March 2017.

1 (a)(i) **Income Statement**

	Group			**Group**			
	Nine Months ended 31-Mar-17 S$'000	Nine Months ended 31-Mar-16 S$'000	+/(-) %	**Third Quarter ended 31-Mar-17 S$'000**	Third Quarter ended 31-Mar-16 S$'000	+/(-) %	Note
Revenue	**204,568**	403,846	(49)	**73,477**	112,979	(35)	
Cost of sales	**(100,534)**	(243,372)	(59)	**(36,546)**	(69,997)	(48)	
Gross profit	**104,034**	160,474	(35)	**36,931**	42,982	(14)	
Other gains - net	**11,639**	7,614	53	**1,378**	3,460	(60)	(a)
Expenses							
- Distribution	**(50,492)**	(69,225)	(27)	**(15,992)**	(22,057)	(27)	(b)
- Administrative and other	**(64,029)**	(67,223)	(5)	**(20,223)**	(22,777)	(11)	(c)
Operating profit	**1,152**	31,640	(96)	**2,094**	1,608	30	
Finance costs	**(30,253)**	(33,348)	(9)	**(9,281)**	(11,781)	(21)	
Share of profits of associated and joint venture companies	**41,250**	29,515	40	**16,909**	13,673	24	
Profit before income tax	**12,149**	27,807	(56)	**9,722**	3,500	178	
Income tax credit/(expense)	**1,399**	(15,621)	n.m.	**(1,083)**	(1,017)	6	
Total profit	**13,548**	12,186	11	**8,639**	2,483	248	
Attributable to:							
Equity holders of the Company	**10,625**	5,202	104	**7,433**	2,091	255	
Non-controlling interests	**2,923**	6,984	(58)	**1,206**	392	208	
	13,548	12,186	11	**8,639**	2,483	248	

1 (a)(ii) **Notes to Income Statement**

		Group			Group		
		Nine Months ended 31-Mar-17 S$'000	Nine Months ended 31-Mar-16 S$'000	+/(-) %	**Third Quarter ended 31-Mar-17 S$'000**	Third Quarter ended 31-Mar-16 S$'000	+/(-) %
(A)	Investment income	**136**	141	(4)	**-**	-	-
(B)	Interest income	**5,296**	6,321	(16)	**1,661**	2,267	(27)
(C)	Finance costs	**(30,253)**	(33,348)	(9)	**(9,281)**	(11,781)	(21)
(D)	Depreciation and amortisation	**(6,199)**	(8,011)	(23)	**(2,058)**	(2,407)	(14)
(E)	(Allowance)/write-back of allowance for doubtful debts	**(263)**	(13)	n.m.	**3**	15	(80)
(F)	(Allowance)/write-back of allowance for stock obsolescence	**(942)**	308	n.m.	**21**	948	(98)
(G)	Impairment in value of investments	**-**	-	-	**-**	-	-
(H)	Foreign exchange gain/(loss)	**701**	1,961	(64)	**(600)**	700	n.m.
(I)	Adjustment for tax in respect of prior years	**-**	-	-	**-**	-	-
(J)	Gain on disposal of property, plant and equipment	**251**	158	59	**1**	9	(89)
(K)	Exceptional items						
	Gain on disposal of a joint venture company	**4,522**	-	n.m.	**-**	-	-
(L)	Extraordinary items	**-**	-	-	**-**	-	-

Note:-

(a) The increase in other gains - net for the current period is mainly due to the one-off gain on disposal of a joint venture company.
(b) The decrease in distribution expenses is largely due to the lower rental and depreciation from retail outlets in Singapore.
(c) The decrease in administrative and other expenses is largely due to the lower accrued operating expenses.

n.m. - not meaningful

1 (b)(i) **Statements of Financial Position**

	Group		Company		
	As at 31-Mar-17 S$'000	As at 30-Jun-16 S$'000	**As at 31-Mar-17 S$'000**	As at 30-Jun-16 S$'000	Note
ASSETS					
Current assets					
Cash and cash equivalents	**748,039**	722,883	**517,678**	335,091	
Trade and other receivables	**39,809**	45,359	**542,228**	1,171,470	(f)
Inventories	**17,149**	21,568	**-**	-	
Development properties	**1,050,376**	1,228,769	**-**	-	(a)
Tax recoverable	**5,458**	3,698	**-**	-	
Other current assets	**49,612**	29,061	**5,278**	6,111	
Assets held for sale	**-**	495,512	**-**	-	
	1,910,443	2,546,850	**1,065,184**	1,512,672	
Non-current assets					
Available-for-sale financial assets	**23,984**	6,276	**3,189**	3,189	
Trade and other receivables	**225,963**	216,157	**583,707**	518,181	(g)
Derivative financial instruments	**9,269**	15,178	**5,801**	11,322	
Investments in associated and joint venture companies	**1,574,815**	1,496,998	**-**	-	(b)
Investments in subsidiary companies	**-**	-	**282,063**	283,063	
Investment properties	**610,108**	577,732	**-**	-	(c)
Property, plant and equipment	**112,798**	116,444	**11,169**	10,852	
	2,556,937	2,428,785	**885,929**	826,607	
Total assets	**4,467,380**	4,975,635	**1,951,113**	2,339,279	
LIABILITIES					
Current liabilities					
Trade and other payables	**101,272**	133,056	**30,186**	93,924	(d),(h)
Current income tax liabilities	**32,452**	38,905	**938**	1,043	
Borrowings	**4,716**	87,348	**-**	-	(e)
	138,440	259,309	**31,124**	94,967	
Non-current liabilities					
Borrowings	**951,152**	1,289,158	**650,410**	927,838	(e)
Deferred income tax liabilities	**42,874**	65,167	**-**	-	
Other non-current liabilities	**20,854**	29,475	**-**	-	
	1,014,880	1,383,800	**650,410**	927,838	
Total liabilities	**1,153,320**	1,643,109	**681,534**	1,022,805	
NET ASSETS	**3,314,060**	3,332,526	**1,269,579**	1,316,474	
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	**838,250**	838,250	**838,250**	838,250	
Other reserves	**(20,582)**	(33,657)	**(16,319)**	(21,133)	
Retained earnings	**2,291,615**	2,318,116	**447,648**	499,357	
	3,109,283	3,122,709	**1,269,579**	1,316,474	
Non-controlling interests	**204,777**	209,817	**-**	-	
TOTAL EQUITY	**3,314,060**	3,332,526	**1,269,579**	1,316,474	

1 (b)(i) **Statements of Financial Position** (continued)

Note:-

(a) The decrease in the Group's development properties is primarily attributable to the progress billings made partially offset by the development costs incurred and capitalised.
(b) The increase in the Group's investments in associated and joint venture companies is largely due to the share of profits and currency translation gains.
(c) The increase in the Group's investment properties is due to the acquisition of a commercial building.
(d) The decrease in the Group's trade and other payables is mainly due to the settlement of project related costs.
(e) The decrease in the Group's and Company's borrowings is largely attributable to the repayment of bank borrowings.
(f) The decrease in Company's current trade and other receivables is due to the repayment of loans from its subsidiary companies.
(g) The increase in the Company's non-current trade and other receivables is largely due to the advancement of loans to its subsidiary companies.
(h) The decrease in the Company's current trade and other payables is primarily attributable to the repayment of loans to its subsidiary companies.

1 (b)(ii) **Aggregate amount of group's borrowings and debt securities**

Amount repayable in one year or less, or on demand

As at 31-Mar-17		As at 30-Jun-16	
Secured	**Unsecured**	Secured	Unsecured
S$'000	**S$'000**	S$'000	S$'000
4,716	**-**	5,859	81,489

Amount repayable after one year

As at 31-Mar-17		As at 30-Jun-16	
Secured	**Unsecured**	Secured	Unsecured
S$'000	**S$'000**	S$'000	S$'000
197,720	**753,432**	341,087	948,071

Details of any collateral

Secured borrowings are generally secured by the borrowing companies' property, plant and equipment, investment properties, development properties and assignment of all rights and benefits with respect to the properties.

1 (c) **Statement of Cash Flows**

	Group		Group	
	Nine Months ended 31-Mar-17 S$'000	Nine Months ended 31-Mar-16 S$'000	**Third Quarter ended 31-Mar-17 S$'000**	Third Quarter ended 31-Mar-16 S$'000
Cash flows from operating activities				
Total profit	**13,548**	12,186	**8,639**	2,483
Adjustments for:				
Non-cash items	**(12,937)**	25,167	**(4,379)**	(717)
Operating cash flow before working capital changes	**611**	37,353	**4,260**	1,766
Changes in operating assets and liabilities:				
Development properties	**151,983**	27,851	**16,330**	(23,594)
Other current assets/liabilities	**(42,210)**	(35,817)	**(35,340)**	(7,533)
Cash generated from/(used in) operations	**110,384**	29,387	**(14,750)**	(29,361)
Income tax paid	**(32,602)**	(31,384)	**(26,216)**	(11,110)
Net cash generated from/(used in) operating activities	**77,782**	(1,997)	**(40,966)**	(40,471)
Cash flows from investing activities				
Acquisition of additional interest in a joint venture company	**-**	(133)	**-**	-
Additions to investment properties	**(34,596)**	-	**-**	-
Additions to property, plant and equipment	**(5,177)**	(3,006)	**(1,013)**	(521)
Purchase of available-for-sale financial assets	**(17,589)**	-	**(17,589)**	-
Disposal of property, plant and equipment	**266**	160	**1**	9
Disposal of joint venture companies	**498,958**	-	**-**	-
Liquidation of joint venture companies	**152**	49	**-**	-
Distribution to non-controlling interests upon liquidation of subsidiary companies	**-**	(490)	**-**	-
Advancement of the loans to joint venture companies	**(28,317)**	(255,919)	**(27,716)**	(412)
Dividends received	**8,920**	11,067	**-**	1,220
Interest received	**4,420**	6,704	**1,324**	2,436
Net cash generated from/(used in) investing activities	**427,037**	(241,568)	**(44,993)**	2,732
Cash flows from financing activities				
Issuance of rights shares by a subsidiary company to non-controlling interests	**-**	14,198	**-**	-
Reissuance of treasury shares	**470**	323	**-**	33
Purchase of treasury shares	**-**	(15,441)	**-**	(12,852)
Repayment/(advancement) of the loans to non-controlling interests	**18,624**	(1,073)	**-**	(6)
Net (repayment of)/proceeds from borrowings	**(414,413)**	229,032	**(11,369)**	261,854
Ordinary and special dividends paid	**(46,426)**	(23,448)	**-**	-
Dividends paid to non-controlling interests	**(1,583)**	(1,623)	**-**	-
Interest paid	**(34,072)**	(38,606)	**(11,644)**	(13,491)
Net cash (used in)/generated from financing activities	**(477,400)**	163,362	**(23,013)**	235,538
Net increase/(decrease) in cash and cash equivalents	**27,419**	(80,203)	**(108,972)**	197,799
Cash and cash equivalents at beginning of financial period	**722,883**	880,611	**861,557**	594,442
Effects of currency translation on cash and cash equivalents	**(2,263)**	(6,742)	**(4,546)**	1,425
Cash and cash equivalents at end of financial period	**748,039**	793,666	**748,039**	793,666

Note:-

- Cash and cash equivalents consist of fixed deposits, cash and bank balances.
- The increase in the Group's cash and cash equivalents in the current period is mainly attributable to the proceeds from the disposal of joint venture companies partially offset by the repayment of bank borrowings.

1 (d) **Statement of Comprehensive Income**

	Group			**Group**		
	Nine Months ended 31-Mar-17 S$'000	Nine Months ended 31-Mar-16 S$'000	+/(-) %	**Third Quarter ended 31-Mar-17 S$'000**	Third Quarter ended 31-Mar-16 S$'000	+/(-) %
Total profit	**13,548**	12,186	11	**8,639**	2,483	248
Other comprehensive income/(expense), net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges	**4,358**	(3,272)	n.m.	**(1,766)**	(5,221)	(66)
Currency translation differences	**14,831**	4,990	197	**(59,503)**	(13,631)	337
Share of other comprehensive expense of associated and joint venture companies	**(3,405)**	(10,283)	(67)	**(7,222)**	(9,607)	(25)
	15,784	(8,565)	n.m.	**(68,491)**	(28,459)	141
Total comprehensive income/(expense)	**29,332**	3,621	710	**(59,852)**	(25,976)	130
Attributable to:						
Equity holders of the Company	**33,069**	2,832	n.m.	**(55,158)**	(30,557)	81
Non-controlling interests	**(3,737)**	789	n.m.	**(4,694)**	4,581	n.m.
	29,332	3,621	710	**(59,852)**	(25,976)	130

Note:-
n.m. - not meaningful

1 (e)(i) **Statements of Changes in Equity for the Group**

	Attributable to equity holders of the Company				Non-	
	Share capital S$'000	Other reserves * S$'000	Retained earnings S$'000	Total S$'000	controlling interests S$'000	Total equity S$'000
Balance at 1 July 2016	838,250	(33,657)	2,318,116	3,122,709	209,817	3,332,526
Total comprehensive income/(expense)	-	22,444	10,625	33,069	(3,737)	29,332
Realisation of reserves	-	(11,124)	11,124	-	-	-
Transfer to statutory reserve	-	1,571	(1,571)	-	-	-
Cost of share-based payment	-	790	-	790	27	817
Reissuance of treasury shares	-	470	-	470	-	470
Ordinary and special dividends paid	-	-	(46,426)	(46,426)	-	(46,426)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	(1,583)	(1,583)
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(253)	(253)	253	-
Disposal of a joint venture company	-	(1,076)	-	(1,076)	-	(1,076)
Balance at 31 March 2017	**838,250**	**(20,582)**	**2,291,615**	**3,109,283**	**204,777**	**3,314,060**
Balance at 1 July 2015	838,250	76,717	2,258,202	3,173,169	189,032	3,362,201
Total comprehensive (expense)/income	-	(2,370)	5,202	2,832	789	3,621
Realisation of reserves	-	(45,585)	45,585	-	-	-
Transfer to statutory reserve	-	12	(12)	-	-	-
Cost of share-based payment	-	1,398	-	1,398	46	1,444
Reissuance of treasury shares	-	323	-	323	-	323
Purchase of treasury shares	-	(15,441)	-	(15,441)	-	(15,441)
Ordinary dividends paid	-	-	(23,448)	(23,448)	-	(23,448)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	(1,623)	(1,623)
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(232)	(232)	232	-
Issuance of rights shares by a subsidiary company to non-controlling interests	-	-	11,766	11,766	(885)	10,881
Waiver of loan from non-controlling interests	-	-	-	-	23,262	23,262
Liquidation of subsidiary companies	-	(949)	-	(949)	(490)	(1,439)
Liquidation of joint venture companies	-	544	-	544	-	544
Balance at 31 March 2016	838,250	14,649	2,297,063	3,149,962	210,363	3,360,325

* Includes share-based payment reserve, cash flow hedge reserve, asset revaluation reserve, share of capital reserves of associated and joint venture companies, currency translation reserve, treasury shares reserve and statutory reserve.

1 (e)(i) **Statements of Changes in Equity for the Company**

	Share capital S$'000	Share-based payment reserve S$'000	Cash flow hedge reserve S$'000	Treasury shares reserve S$'000	Retained earnings S$'000	Total equity S$'000
Balance at 1 July 2016	838,250	10,889	471	(32,493)	499,357	1,316,474
Total comprehensive income/(expense)	-	-	3,607	-	(5,283)	(1,676)
Cost of share-based payment	-	737	-	-	-	737
Reissuance of treasury shares	-	(1,426)	-	1,896	-	470
Ordinary and special dividends paid	-	-	-	-	(46,426)	(46,426)
Balance at 31 March 2017	**838,250**	**10,200**	**4,078**	**(30,597)**	**447,648**	**1,269,579**
Balance at 1 July 2015	838,250	11,368	2,528	(19,584)	496,154	1,328,716
Total comprehensive expense	-	-	(2,228)	-	(5,681)	(7,909)
Cost of share-based payment	-	1,309	-	-	-	1,309
Reissuance of treasury shares	-	(2,209)	-	2,532	-	323
Purchase of treasury shares	-	-	-	(15,441)	-	(15,441)
Ordinary dividends paid	-	-	-	-	(23,448)	(23,448)
Balance at 31 March 2016	838,250	10,468	300	(32,493)	467,025	1,283,550

1 (e)(ii) **Changes in the Company's share capital**

	Number of shares
Issued ordinary shares	
Balance at 1 January and 31 March 2017	793,927,260

At 31 March 2017, the Company's issued share capital (excluding treasury shares) comprises 773,758,760 (30 June 2016: 772,509,160) ordinary shares. The total number of treasury shares held by the Company as at 31 March 2017 was 20,168,500 (31 March 2016: 21,418,100) which represents 2.6% (31 March 2016: 2.8%) of the total number of issued shares (excluding treasury shares). At 31 March 2017, the total number of unexercised options under the Share Option Scheme was 1,199,000 (31 March 2016: 2,061,400).

There were 1,249,600 (31 March 2016: 1,720,700) treasury shares reissued pursuant to the employee share plans and share options for the nine months ended 31 March 2017.

2 **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The above figures have not been audited and reviewed by the Company's auditors.

3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as in the audited financial statements for the financial year ended 30 June 2016.

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6 **Earnings per ordinary share**

	Group		**Group**	
	Nine Months ended 31-Mar-17	Nine Months ended 31-Mar-16	**Third Quarter ended 31-Mar-17**	Third Quarter ended 31-Mar-16
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	**1.37**	0.67	**0.96**	0.27
(b) On a fully diluted basis (cents)	**1.37**	0.67	**0.96**	0.27

7 **Net asset value per ordinary share**

	Group		**Company**	
	As at 31-Mar-17	As at 30-Jun-16	**As at 31-Mar-17**	As at 30-Jun-16
Net asset value per ordinary share based on issued share capital excluding treasury shares (S$)	**4.02**	4.04	**1.64**	1.70

8 **Review of performance of the group**

For the nine months ended 31 March 2017 ("current period"), the Group recorded a total revenue of S$204.6 million. This is a 49% decrease from the S$403.8 million revenue recorded in the nine months ended 31 March 2016 ("corresponding period"). This decrease is largely due to the lower contributions from development properties.

The current period revenue from development properties was mainly attributable to the progressive sales recognized from The Tembusu and the additional unit sold in Le Nouvel Ardmore in Singapore.

The Group's operating profit decreased by 96% from S$31.6 million in the corresponding period to S$1.2 million in the current period, largely due to the lower contributions from development properties.

The Group's share of profits of associated and joint venture companies increased by 40% to S$41.2 million in the current period from S$29.5 million in the corresponding period mainly due to the higher contributions from Wing Tai Properties Limited in Hong Kong and Uniqlo in both Singapore and Malaysia.

In the current period, the Group's net profit attributable to shareholders was S$10.6 million, an increase of 104% over the S$5.2 million net profit recorded in the corresponding period.

The Group's net asset value per share as at 31 March 2017 was S$4.02 as compared to S$4.04 as at 30 June 2016. The Group's net gearing ratio as at 31 March 2017 was 0.07 times as compared to 0.21 times as at 30 June 2016.

9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The current announced results are in line with the prospect statement previously disclosed to shareholders in the results announcement for the half year ended 31 December 2016.

10 **Commentary of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The URA's private residential property price index decreased by 0.4% in the first quarter of 2017, as compared to the 0.5% decline in the previous quarter. The total number of new residential units sold islandwide in the first quarter of 2017 rose to 2,962 units, as compared to 1,419 new units sold in the previous quarter.

The Group expects that the private residential property market in Singapore will continue to be affected by the property cooling measures.

11 **Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the immediately Preceding Financial Year

None.

(c) The date the dividend is payable.

Not applicable.

(d) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividends are determined.

Not applicable.

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

No dividend has been declared / recommended for the nine months ended 31 March 2017.

13 **Interested Person Transactions**

The Company does not have a shareholder's mandate for interested person transactions.

14 **Confirmation by the Board of Directors Pursuant to Rule 705(5) of the Listing Manual**

The Directors confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the nine months ended 31 March 2017 to be false or misleading in any material respect.

15 **Confirmation by the Company Pursuant to Rule 720(1) of the Listing Manual**

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

BY ORDER OF THE BOARD

Gabrielle Tan
Company Secretary
Singapore
11 May 2017

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