IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES, THE UNITED KINGDOM, THE EUROPEAN UNION OR THE EUROPEAN ECONOMIC AREA

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached supplemental information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached supplemental information memorandum. In accessing the attached supplemental information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached supplemental information memorandum or make an investment decision with respect to the securities, investors must not be (i) a U.S. person (within the meaning of Regulation S under the Securities Act (as defined below)) or (ii) located within the United States ("**U.S.**"). The attached supplemental information memorandum is being sent at your request and by accepting this e-mail and accessing the attached supplemental information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached supplemental information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached supplemental information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached supplemental information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or a person to whom an offer is being made pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the "**SFA**" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The attached supplemental information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Wing Tai Holdings Limited (the "**Issuer**"), Oversea-Chinese Banking Corporation Limited or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the supplemental information memorandum distributed to you in electronic format and the hard copy version.

Restrictions: The attached supplemental information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

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 SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), 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.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer or Oversea-Chinese Banking Corporation Limited to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached supplemental information memorandum or any materials relating to the offering of securities 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 of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of the Issuer in such jurisdiction. The attached supplemental information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached supplemental information memorandum on the basis that you are a person into whose possession the attached supplemental 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 the attached supplemental information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

Actions that You May Not Take: If you receive the attached supplemental information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED SUPPLEMENTAL INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH SUPPLEMENTAL INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED SUPPLEMENTAL INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive the attached supplemental information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

SUBJECT TO AMENDMENT AND COMPLETION
PRELIMINARY SUPPLEMENTAL INFORMATION MEMORANDUM DATED 18 MAY 2022

Supplemental Information Memorandum dated [ ] May 2022 to the Information Memorandum dated 18 February 2014

WING TAI HOLDINGS LIMITED

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

S$[•] [•] PER CENT. NOTES DUE [•] PURSUANT TO THE S$1,000,000,000 MEDIUM TERM NOTE PROGRAMME

This Supplemental Information Memorandum (the "**Supplemental Information Memorandum**") is issued solely in respect of the S$**[•] [•]** per cent. Notes due **[•]** (the "**Notes**") by Wing Tai Holdings Limited (the "**Issuer**"). This Supplemental Information Memorandum is supplement to, and should be read in conjunction with, the Information Memorandum dated 18 February 2014 (the "**Original Information Memorandum**" and, together with this Supplemental Information Memorandum, the "**Information Memorandum**") and all other documents that are deemed to be incorporated by reference therein in relation to the S$1,000,000,000 Medium Term Note Programme (the "**MTN Programme**") of the Issuer. Save to the extent defined in this Supplemental Information Memorandum, terms defined or otherwise attributed meanings in the Original Information Memorandum have the same meaning when used in this Supplemental Information Memorandum. References in the Original Information Memorandum and this Supplemental Information Memorandum to "this Information Memorandum" mean the Original Information Memorandum as supplemented by this Supplemental Information Memorandum. To the extent that the Original Information Memorandum is inconsistent with this Supplemental Information Memorandum, the terms of this Supplemental Information Memorandum shall prevail.

This Supplemental Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Supplemental Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes to be issued by the Issuer may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes 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 or securities-based derivatives contracts (each term as defined in Section 2(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 Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) 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 37A of the Securities and Futures (Offers and Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Application will be made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and the listing of and quotation for the Notes. Such permission will be granted when the Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of the SGX-ST and the listing of and quotation for the Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the MTN Programme or such Notes.

The Notes will initially be represented by a Permanent Global Note which will be deposited with The Central Depository (Pte) Limited ("**CDP**") on or about the date of issue of the Notes.

An investment in the Notes involves certain risks. For a discussion of these risks see "*Risk Factors*" of the Original Information Memorandum and pages 7 to 32 of this Supplemental Information Memorandum.

Dealer

TABLE OF CONTENTS

APPENDICES

NOTICE

Oversea-Chinese Banking Corporation Limited (the "**Relevant Dealer**") has been authorised by the Issuer to arrange the issue of the Notes.

This Supplemental Information Memorandum contains information with regard to the Issuer, the Group (as defined in the Original Information Memorandum), the MTN Programme and the Notes.

The Issuer, having made all reasonable enquiries, confirms to the best of its knowledge and belief, that the information contained in the Information Memorandum (as supplemented by this Supplemental Information Memorandum) is true and accurate in all material respects and is not misleading, that the opinions and intentions of the Issuer expressed in the Information Memorandum (as supplemented by this Supplemental Information Memorandum) are honestly held and that there are no other material facts the omission of which would make the Information Memorandum (as supplemented by this Supplemental Information Memorandum) as a whole or any of such information or the expression of any such opinions or intentions misleading.

No person has been authorised to give any information or to make any representation other than those contained in this Supplemental Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Relevant Dealer. Save as expressly stated in this Supplemental 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). Neither this Supplemental Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme or the Notes 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 or the Relevant Dealer to subscribe for or purchase, any of the Notes in any jurisdiction or under 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 or otherwise whatsoever. The distribution and publication of this Supplemental Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Supplemental Information Memorandum or any such other document or information or into whose possession this Supplemental Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. Neither this Supplemental Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme or the Notes shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer or the Relevant Dealer to subscribe for or purchase any of the Notes.

This Supplemental Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the Relevant Dealer of the Notes. This Supplemental 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 Notes are sold or with whom they are placed by the Relevant Dealer or for any other purpose. Recipients of this Supplemental Information Memorandum shall not reissue, circulate or distribute this Supplemental Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Supplemental Information Memorandum (or any part thereof), the issue, offering, subscription for, purchase nor sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the affairs, business or financial position 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 Supplemental Information Memorandum has been most recently amended or supplemented.

None of the Relevant Dealer or any of its officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for or the purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, the Relevant Dealer does not give any 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 set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Supplemental Information Memorandum.

The Relevant Dealer has not separately verified the information contained in this Supplemental Information Memorandum. The Relevant Dealer does not make any representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information in this Supplemental Information Memorandum. Neither this Supplemental Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Relevant Dealer that any recipient of this Supplemental Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and 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 Relevant Dealer 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 Supplemental 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 Supplemental 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 Notes by a recipient of this Supplemental Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, the Relevant Dealer does not accept any responsibility for the contents of the Information Memorandum (as supplemented by this Supplemental Information Memorandum) or for any other statement, made or purported to be made by the Relevant Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Relevant Dealer 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 the Information Memorandum (as

supplemented by this Supplemental Information Memorandum) or any such statement.

In connection with the issue the Notes, the Relevant Dealer, if named as stabilising manager (in such capacity, the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager) in the Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action will be conducted in accordance with the law.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, the Information Memorandum: (1) any published audited consolidated accounts and/or published unaudited financial statements of the Issuer and its subsidiaries and associated companies (if any) and (2) any supplement or amendment to the Information Memorandum issued by the Issuer. The Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any pricing supplement in respect of such series or tranche. Any statement contained in the Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of the Information Memorandum to the extent that a statement contained in the Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Information Memorandum. Copies of the documents listed in (1) above which are deemed to be incorporated by reference in the Information Memorandum may be also obtained at the SGX-ST's website at https://www.sgx.com/. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

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

The attention of recipients of this Supplemental Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section "Subscription, Purchase and Distribution" on pages 69 to 74 of this Supplemental Information Memorandum.

Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Supplemental Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes 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 Notes consult their own legal and other advisers before purchasing or acquiring the Notes. Prospective purchasers of Notes are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of Notes.

Notification under Section 309B of the SFA: The Notes shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT – EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

CORPORATE INFORMATION

Board of Directors	:	**Executive** Cheng Wai Keung (Chairman/Managing Director) Edmund Cheng Wai Wing (Deputy Chairman/Deputy Managing Director) Tan Hwee Bin (Executive Director) **Non-Executive** Cheng Man Tak Eric Ang Teik Lim Christopher Lau Loke Sam Guy Daniel Harvey-Samuel Tan Sri Zulkurnain Bin Awang Sim Beng Mei Mildred (Mildred Tan) Kwa Kim Li
Company Secretary	:	Gabrielle Tan
Registered Office	:	3 Killiney Road #10-01 Winsland House I Singapore 239519
Auditors to the Issuer	:	PricewaterhouseCoopers LLP Certified Public Accountants 7 Straits View Marina One East Tower Level 12 Singapore 018936
Relevant Dealer	:	Oversea-Chinese Banking Corporation Limited 63 Chulia Street #03-05 OCBC Centre East Singapore 049514
Solicitors to the Relevant Dealer	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Issuing and Paying Agent and Agent Bank	:	The Hongkong and Shanghai Banking Corporation Limited 10 Marina Boulevard Marina Bay Financial Centre Tower 2 #45-01 Singapore 018983
Trustee for the Noteholders	:	HSBC Trustee (Singapore) Limited 10 Marina Boulevard Marina Bay Financial Centre Tower 2 #45-01 Singapore 018983

DEFINITIONS

The definitions of “Companies Act”, “ITA” and “SFA” appearing in the section “DEFINITIONS” on pages 5 to 7 of the Original Information Memorandum shall be deleted and substituted therefor with the following:

“*Companies Act*”	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
“*ITA*”	:	Income Tax Act 1947 of Singapore, as amended or modified from time to time
“*SFA*”	:	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time

RISK FACTORS

The section below replaces the section "RISKS ASSOCIATED WITH AN INVESTMENT IN THE NOTES" appearing on pages 12 to 14 of the Original Information Memorandum in its entirety.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE NOTES

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes 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 Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to 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 Notes 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 Notes, including the Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased as a way to reduce risks or enhance yield with an understood, measured and appropriate addition of risks to the purchaser's overall portfolios. A potential investor should not invest in the Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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 seek independent legal advice to determine whether and to what extent (a) the Notes are legal investments for the potential investor, (b) the Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Limited Liquidity of the Notes

There can be no assurance regarding the future development of the market for the Notes or the ability of holders of the Notes, or the price at which holders of the Notes may be able, to sell their Notes.

The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, there can be no assurance as to the liquidity or sustainability of such market. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes would generally have a more limited secondary market and more price volatility than conventional debt securities.

Liquidity may have a severely adverse effect on the market value of the Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

Although an application will be made for the listing and quotation of the Notes to be so listed on the SGX-ST, there is no assurance that such application will be accepted, that the Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for the Notes.

Fluctuation of market value of Notes

Trading prices of the Notes are influenced by numerous factors, including the operating results, the financial condition and/or the future prospects of the Issuer, its subsidiaries (if any), associated companies (if any) and joint venture companies (if any), the market for similar securities, 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 condition or results of operations of the Issuer, its subsidiaries (if any), associated companies (if any) and joint venture companies (if any).

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Notes.

Investments in the Notes are subject to interest rate risk

Holders of the Notes may suffer unforeseen losses due to fluctuation in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the holders of the Notes. However, holders of the Notes may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise.

Holders of the Notes may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Notes are not secured

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

Accordingly, on a winding-up or dissolution of the Issuer, holders of the Notes will not have recourse to any specific assets of the Issuer as security for outstanding payment or other obligations under the Notes and/or Coupons owed to holders of the Notes and 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 Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons owed to holders of the Notes.

Investments in the Notes are subject to inflation risk

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

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

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

The terms and conditions of the Notes also provide that the Trustee may at any time or times without the consent or sanction of the Noteholders concur with the Issuer in making any modification (a) to the Trust Deed (other than any provision of the Trust Deed referred to in the proviso to paragraph 2 of Schedule 4 to the Trust Deed) or any of the other Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee it may be appropriate to make, provided the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders or (b) to the Trust Deed (including any provision of the Trust Deed referred to in the proviso to paragraph 2 of Schedule 4 to the Trust Deed) or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the Stock Exchange (as defined in the Trust Deed) or CDP for or in connection with the listing and trading of the Notes.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Issuing and Paying Agent and/or the Agent Bank, of their respective obligations. Whilst the non-

performance of any relevant party will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfill its obligations to holders of the Notes.

The Notes will be represented by the Permanent Global Note and holders of a beneficial interest in the Permanent Global Note must rely on the procedures of CDP

The Notes will be represented by the Permanent Global Note which will be deposited with CDP. Except in the circumstances described in the Permanent Global Note, investors will not be entitled to receive Definitive Notes. CDP will maintain records of their accountholders in relation to the Permanent Global Note. While the Notes are represented by the Permanent Global Note, investors will be able to trade their beneficial interests only through CDP.

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

Holders of beneficial interests in the Permanent Global Note will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by CDP to appoint appropriate proxies. Similarly, holders of beneficial interests in the Permanent Global Note will not have a direct right under the Permanent Global Note to take enforcement action against the Issuer in the event of an event of default under the Notes but will have to rely upon their rights under the Trust Deed.

Exchange rate risks and exchange controls may result in holders of the Notes receiving less interest and/or principal than expected

The Issuer will pay principal and interest on the Notes in Singapore dollars. This presents certain risks relating to currency conversions if a holder of the Notes' 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 (a) the Investor's Currency equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the amount payable on the Notes, if any, and (c) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, holders of the Notes may receive less principal and/or interest than expected, or no principal and/or interest at all.

The value of the Notes could be adversely affected by a change in Singapore law or administrative practice

The terms and conditions of the Notes are based on Singapore law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change

to Singapore law or administrative practice after the date of issue of the Notes and any such change could adversely impact the value of any Notes affected by it.

Notes may be issued at a substantial discount or premium

The market value of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Commencement of proceedings under applicable Singapore insolvency or related laws may result in a material adverse effect on the holders of the Notes

There can be no assurance that the Issuer will not become bankrupt, unable to pay its debts or insolvent, or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on holders of the Notes. Without being exhaustive, below are some matters that could have a material adverse effect on holders of the Notes.

Where the Issuer is insolvent or close to insolvent and the Issuer undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission and (in the case of judicial management) the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, holders of the Notes may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, holders of the Notes may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (the "**IRD Act**") was passed in the Parliament of Singapore on 1 October 2018 and has come into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly

connected with a debenture. However, it may apply to other related contracts that are not found to be directly connected to the Notes.

The Issuer's ability to comply with its obligation to repay the Notes is dependent upon the earnings of, and distributions by, the members of the Group and future performance of the Group

The Issuer's ability to comply with its obligation to repay the Notes will depend on the earnings of the Group and the distribution of funds amongst members of the Group, primarily in the form of dividends. Whether or not the members of the Group can make distributions to the Issuer will depend on distributable earnings, cash flow conditions, restrictions that may be contained in the debt instruments of its members, applicable law and other arrangements. These restrictions could reduce the amount of distributions that the Issuer receives from its members, which would restrict the Group's ability to fund its business operations and the Issuer's ability to comply with its payment obligations under the Notes.

Further, the ability of the Issuer to make scheduled principal, distribution or interest payments on its indebtedness, including the Notes, and to fund its growth aspirations, will depend on the Group's future performance and its ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this section "Risk Factors", many of which are beyond the control of the Issuer. If the Issuer's future cash flow from operations and other capital resources are insufficient to pay its debt obligations, including the Notes, or to fund its other liquidity needs, it may be forced to sell assets, attempt to restructure or refinance its existing indebtedness. No assurance can be given that the Issuer would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

Investments in the Notes may be subject to Singapore taxation

The Notes to be issued from time to time under the MTN Programme during the period from the date of this Information Memorandum to 31 December 2023 are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfillment of certain conditions more particularly described in the section "Singapore Taxation" herein.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

The section below replaces the section "RISKS ASSOCIATED WITH THE GROUP'S BUSINESS" appearing on pages 14 to 19 of the Original Information Memorandum in its entirety.

Risks Associated with the Group's Business and Operations

The Group believes that the following factors may affect its ability to fulfil its obligations under the Trust Deed and the Notes. All of these factors are contingencies which may or may not occur and the Group is not in a position to express a view on the likelihood of any such contingency occurring. Factors which are material for the purpose of assessing the market risks associated with the Notes are also described above. The order in which risks are presented below is not indicative of the relative impact on the Group. The potential effect of these risks may be material to the Group's business by having an impact on revenue, profits, net assets and financial resources. Such risks also have the potential to impact on the Group's reputation. It is often difficult to assess with accuracy the likely impact of an event on a Group's reputation, as any damage may often be disproportionate to the event's actual financial impact.

The Group believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay amounts on or in connection with the Notes may occur for other unknown reasons and the Issuer makes no representation that the statements below regarding the risks of holding any Notes are exhaustive. There may be additional risks not described below or not presently known to the Group or that the Group currently deems immaterial that turn out to be material. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and form their own views prior to making any investment decision.

Adverse conditions in the global financial markets and the general economy may adversely affect the Group's business, results of operations, financial condition, profitability, liquidity and/or prospects

Concerns over the ongoing COVID-19 pandemic, inflation, geopolitical issues, the availability and cost of credit and volatile oil prices in Singapore, Hong Kong and in the other countries in which the Group may operate have contributed to increased volatility for the global economy and the markets. The ongoing COVID-19 pandemic has had a significant adverse impact on the global economy. See "*Risks associated with the Group's Business and Operations – The outbreak of an infectious disease or any other serious public health concern in Singapore and elsewhere could adversely impact the Group's business, results of operations, financial condition, profitability, liquidity and/or prospects*" for more information.

In addition, trade frictions between the largest trading partners in the world and a number of other events have contributed to trade uncertainties. Among other things, the ongoing trade war between the U.S. and China, the large fiscal deficit incurred by the U.S., significant uncertainty regarding the rising debt burden and slowdown of growth in China which has affected consumer confidence and concerns about the China economy, Europe remaining on the path of economic recovery, the exit of the United Kingdom from the European Union, as well as the invasion of Ukraine by Russia could undermine the stability of global economies and result in a general global economic downturn or recession or even a financial crisis, which could have a material adverse effect on the Group's business, results of operations, financial condition, profitability, liquidity and/or prospects.

Such uncertain and unfavourable economic and political conditions could have a collateral effect on growth and financial performance in trade-exposed economies such as Singapore and Hong Kong. The Group has no control over such conditions and developments and can provide no assurance that such conditions and developments will not adversely affect its operations. These political upheavals caused significant geopolitical and economic uncertainty across the world,

which could have the effect of decreasing international trade and investment. In addition, any fluctuation in oil prices may have an impact on the growth in many resource-dependent economies.

These events have damaged, and may continue to damage, market confidence and access to and costs of funding, and may slow down the activity of the Group and have other impacts on the entities with which it does business. For example:

(a) a slowdown in economic growth and reduced availability of credit may result in a lower demand for commercial and residential properties and declining property prices and rents;

(b) a slowdown in economic growth may adversely impact homeowners and potential property purchasers, and in turn, lead to a decline in the general demand for property products and a further erosion of their selling prices;

(c) a tightening of credit can negatively impact the ability of property developers and potential property purchasers to obtain financing;

(d) consumers and businesses are generally more cautious when making decisions to purchase property and/or when making or renewing new leases; and

(e) a negative impact on the ability of its tenants to pay their rents in a timely manner or to continue their leases, thereby reducing the Group's cash flow.

Other effects include, but are not limited to, decreases in valuations of properties, decreases in rental or occupancy rates, insolvency of contractors resulting in construction delays, constraints on the Group's ability to raise funds for the Group's business, higher financing costs and increased counterparty risk.

The outbreak of an infectious disease or any other serious public health concern in Singapore and elsewhere could adversely impact the Group's business, results of operations, financial condition, profitability, liquidity and/or prospects

The outbreak of any health epidemics, general outbreak of debilitating disease or infectious disease of pandemic nature such as the Zika virus, Severe Acute Respiratory Syndrome, Middle East Respiratory Syndrome, H5N1 avian flu or the H1N1 swine flu and the recent outbreak of the COVID-19 coronavirus pandemic, whether in Singapore and/or the jurisdictions in which the Group operates in or relies on could have a negative impact on the economy and business activities in the jurisdictions in which the Group operates in. This may result in an adverse development in the supply of or demand for property (including residential and commercial property), in property prices or in the Group's ability to retain or renew existing leases or attract new tenants in its properties, the lowering of occupancy rates and an increased insolvency or delay in the payment of rent by the tenants of the Group's properties or a drop in consumer demand for goods generally, which would in turn have a material and adverse effect on the Group's business, results of operations, financial condition, profitability, liquidity and/or prospects.

The emergence of the COVID-19 pandemic has become one of the biggest disruptors in the global economy, creating uncertainty and placing global economic and social resilience to the test. In an effort to curb the spread of the highly infectious coronavirus, countries around the world have imposed various measures and strict movement controls, including travel restrictions, extended delays, suspension of business activities, quarantines, city lockdowns, and suspending major events, which have led to a substantial decline in the number of travellers and in business activity, thereby impacting the demand for the Group's properties. Notwithstanding that Singapore has

moved into a vaccination phase and is transitioning into a COVID-19 resilient nation, as the pandemic is still ongoing, the actual extent of the impact on the Group's business, results of operations, financial condition, profitability, liquidity and/or prospects are uncertain. A non-exhaustive overview of the impact of the COVID-19 pandemic on the Group's business is set out below.

There can also be no assurance that any precautionary measures taken against any pandemics (including to any of the Group's businesses as set out below) would be effective. A future outbreak of any pandemics or any other serious public health concern in Singapore or in the jurisdictions in which the Group operates in or relies on could seriously harm the Group's business and may have any of the consequences in connection with the COVID-19 pandemic as set out below.

Development properties

The implementation of increased social distancing measures and movement controls in the jurisdictions in which the Group operates may result in lower footfall in the residential sales offices of the Group. In Singapore, with the institution of "circuit breaker" measures on 7 April 2020, all sales offices in Singapore had to be closed. Since the onset of the COVID-19 pandemic, several measures were also implemented to slow the spread of COVID-19, which included the suspension of non-essential services and closure of most workplace premises.

Border closures, production stoppages and workplace closures have resulted in periods where the Group's operations were temporarily suspended to adhere to the movement control measures implemented by the jurisdictions in which the Group operates. These have negatively impacted the Group's property development projects and resulted in project construction delays, resulting in a negative impact on the Group's financial performance. See "*Risks associated with the Group's Business and Operations – The Group is subject to risks associated with the development of residential properties" and "Risks associated with the Group's Business and Operations – The Group may be affected by disruptions and project delays to its property development projects*" for more information.

Although the "circuit breaker" measures were lifted on 1 June 2020 and Singapore is currently in its vaccination stage of recovery, there is still uncertainty as to when all businesses will be allowed to operate freely due to the fluid and unpredictable nature of regulatory changes by the government.

In addition, if economic outlook does not improve and the financial market is volatile, this may affect consumer confidence and discretionary consumer spending, which in turn would have an adverse effect on the Group's business, results of operations, financial condition, profitability, liquidity and/or prospects.

Investment properties

Due to ongoing measures taken by countries in which the Group operates, most of the Group's commercial tenants face and may continue to face prolonged restrictions on the operation of their businesses. In light of this, the Group's commercial tenants may request for rental rebates and for the deferral of rental payments and may not renew their leases or may request for a lower rental rate following the expiry or termination of their leases. Rental rates may also be affected by the negative economic impact caused by the COVID-19 pandemic. If any of these factors occur, the Group may be unable to lease its commercial properties on commercially viable terms or at all, which may in turn adversely affect the Group's business, results of operations, financial condition, profitability, liquidity and/or prospects.

Retail properties

With the implementation of the "circuit breaker" measures in Singapore and similar movement control measures in the jurisdictions in which the Group operates, the Group has had to suspend the operations of its physical retail shops and/or minimise the amount of shoppers at each shop in order to comply with safe distancing and safe management measures imposed by the governments of the jurisdictions in which the Group operates. These factors have in turn adversely affected the revenue earned from the Group's retail business.

In addition, given the rise of e-commerce and online retailing as a result of the control measures taken by countries around the world, retailers, including the Group, have and may develop their own online shopping platforms to decrease their dependence on traditional retail channels, including conventional "brick and mortar" shops. See "*Risks associated with the Group's Business and Operations – The Group may be affected by the emergence of online retailing*" for more information.

Hospitality properties

The travel restrictions, city lockdowns, suspension of major events imposed by various countries around the world in an effort to curb the spread of the coronavirus have led to a substantial decline in the number of travellers, thereby impacting the demand for the Group's hospitality properties. The near-term outlook for the hospitality sector is highly challenging and uncertain as the industry bears the immediate brunt with travel restrictions, trip cancellations, postponement of major events, as well as reduced food and beverage spend, caused by the pandemic. The Group's hospitality properties have been adversely affected due to lower occupancies and room rates.

Although occupancy rates at the Group's hospitality properties may have declined due to the COVID-19 pandemic, it still incurs significant fixed costs that may not decrease significantly even with reduced occupancy rates, thereby materially and adversely affecting the Group's liquidity and revenue.

Further, the ongoing COVID-19 pandemic may further create negative economic impact and decreased viability in the global market. Border closures and movement restrictions may result in a reduction in business travel and the demand for serviced residences and therefore the level of occupancy of the Group's hospitality properties, and in turn adversely affect the Group's business, results of operations, financial condition, profitability, liquidity and/or prospects. Such an outbreak may also adversely affect the Group's ability to sustain normal operations and provide uninterrupted services to its customers.

As the COVID-19 pandemic is ongoing and evolving rapidly, there is no assurance that the Group will not in the future experience more severe disruptions in the event that more stringent quarantine measures are imposed or if the COVID-19 pandemic becomes more severe or protracted. This could in turn cause further deterioration in the business, results of operations, financial conditions and prospects of the Group. The actual extent of the outbreak and its impact on the domestic, regional and global economy remains uncertain, and the actual extent of the impact on the Group's business, results of operations, financial condition, profitability, liquidity and/or prospects will depend on, among other things, the duration and impact of the COVID-19 outbreak.

The Group's property development business is heavily dependent on the performance of the real estate market in Singapore and in the jurisdictions in which it operates

Most of the Group's existing properties and development projects are located in Singapore. The Group also has property interests in Malaysia, Hong Kong, China, Japan and Australia and may

from time to time expand into new markets. The success of the Group's property development business therefore depends heavily on the continued growth of the real estate market in Singapore and in the jurisdictions in which it operates. 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 and/or in the jurisdictions in which it operates. A downturn in the real estate market may lead to a decline in the rental income in the Group's properties and/or a decline in the capital value of the Group's properties and development projects, which may have an adverse impact on the results of operations and the financial condition of the Group, and this may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

The Group faces various financing risks

The Group's property development and property investment businesses require substantial amounts of funds for the acquisition of land and properties. In addition to internally generated funds, the Group would typically seek external debt financing. As such, it has significant obligations to service its borrowings. Due to the nature of the Group's property development and property investment businesses, its expansion plans and its working capital requirements for its properties, the Group is likely to continue to have significant debt levels in the future.

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.

The Group's ability to obtain debt financing or funds from the capital markets for its requirements depends on prevailing economic conditions, its ongoing performance, the general condition of the property market and the acceptability of the financing terms offered. Any deterioration or decline in lending activity may result in the Group incurring increasing financing costs associated with the Group's levels of debt in order to raise additional funds. The Group cannot ensure that future financing will be available or available on acceptable terms, or in an amount sufficient to fund its needs. In the event that the Group is unable to obtain acceptable financing, it may not be able to undertake certain new projects, and the Group's operational results may be adversely affected.

Bank facilities granted to the Group usually come attached with interest components, some of which are at a floating rate. The interest rates may vary according to prevailing market interest rates. In the event that the provision for interest expense is inadequate, the Group's financial performance may be adversely affected. Any increase in the costs of financing as a result of an increase in interest rates will also affect the profitability of the Group.

As security for payment under such financing, the Group may also be required to mortgage or pledge certain of its assets to the lenders and/or assign sale and rental proceeds, performance bonds and insurances in respect of its properties to these lenders.

The Group is therefore subject to the risks typically associated with significant debt levels, such as the risk of not being able to meet principal or interest payments, in the event of which it also risks the lenders foreclosing on its properties or effecting forced sales, resulting in a loss of assets and income to the Group and adversely affecting its financial performance.

The Group may face risks associated with investing in unfamiliar markets

The Group has acquired and may continue to acquire properties on a strategic and selective basis in international markets. When the Group acquires properties located in these markets, it may face

risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local legal requirements and government and planning procedures. In addition, due diligence, transaction and structuring costs may be higher than those the Group has previously faced and once completed it may be more difficult for the Group to develop such properties on the same basis or as profitably as its existing development properties. The Group works to mitigate such risks through extensive due diligence and research; however, no assurance can be given that all such risks will be eliminated.

The Group may be affected by changing market conditions in the jurisdictions in which it operates

The property markets in the jurisdictions in which the Group operates are 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 markets in the jurisdictions in which the Group operates 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's performance is dependent on its ability to identify property development projects with good potential returns and to complete such projects within a scheduled time frame to realise such returns. Such ability is based on the Group's understanding of the operational environment and/or anticipation of the market conditions. Hence, the viability and profitability of the Group's property development projects may be affected by factors such as unexpected project delays, changes in interest rates, construction costs, land costs and market conditions. There is no assurance that the Group will be consistently successful in identifying profitable property development projects, and completing and launching such projects under the best possible market conditions as planned. There is also no assurance that a project, which may be assessed to be profitable at the initial phases, will not turn out to be a loss-making asset or investment of the Group due to changes in circumstances not within the Group's control. Should the Group fail to identify profitable property development projects and complete them profitably or within a reasonable time, its business, financial condition and results of operations may be adversely affected.

The amount of revenue to be recognised in a financial year is dependent on the number, value and stage of completion of projects undertaken by the Group, which in turn depends on various factors, such as the availability of the Group's resources, market sentiment, market competition and general economic conditions.

There is no assurance that the amount of revenue from the sales of property development projects will remain comparable every year. Should there be any reasons that cause the Group to undertake fewer or no new property development projects or should there be any delay in the progress of any of the projects in the Group's portfolio, its revenue recognised in a particular year may be adversely affected.

The Group may be adversely affected by the illiquidity of real estate investments

The Group invests primarily in real estate, which entails a higher level of risk than a portfolio which has a diverse range of investments. Real estate investments are relatively illiquid. Such illiquidity may affect the Group's ability to vary its investment portfolio or dispose of part of its assets in response to changes in economic, real estate market or other conditions. For example, the Group may be unable to dispose of its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, the Group may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. This could have an adverse effect on the Group's financial condition and results of operations, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

The Group's business may be affected by changes in government regulation and policies in the countries where it operates

The Group currently has operations in Singapore, Malaysia, Hong Kong, China, Japan and Australia. The property development industries in the countries in which the Group operates are subject to significant government regulations, which may result in a reduction in the Group's income or an increase in the Group's costs. In addition, regulatory approvals may be required for, among other things, labour, land and title acquisition, development planning and design and construction and mortgage financing and refinancing. Such approvals may stipulate, among other things, maximum periods for the commencement of development of the land. Some of these countries may also restrict the level, percentage and manner of foreign ownership and investment in real estate or may impose additional costs on foreigners seeking to invest in or own properties. Such regulations are at times ambiguous, and the interpretation and application of these regulations can be inconsistent, which can affect demand for the Group's properties and may potentially be detrimental to the Group. If the Group fails to obtain the relevant approvals or comply with applicable laws and regulations, it may, among other things, be subject to imposition of fines or penalties, have its licences or approvals revoked thus resulting in delays to the completion of the Group's property development projects, or lose its right to own, develop or manage its properties and its businesses, any or all of which could have a material and adverse impact on its business, financial condition, prospects and results of operations. Governments of the countries in which the Group operates may also seek to promote a stable and sustainable property market by monitoring the property market and adopting measures as and when they deem necessary. These governments may introduce new policies or amend or abolish existing policies at any time and these policies may have retroactive effect. These changes may have a material and adverse impact on the overall performance of the property markets in which the Group operates, and thus affect the Group's business, financial condition, prospects and results of operations.

In addition, in the countries in which the Group operates, in order to develop and complete a property development, a property developer must obtain various permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including, amongst others, land use rights certificates, planning permits, pre-sale permits and certificates or confirmations of completion and acceptance. Each approval is dependent on the satisfaction of certain conditions. Problems may be encountered in obtaining such government approvals or in fulfilling the conditions required for obtaining the approvals, especially as new laws, regulations or policies may come into effect from time to time with respect to the property development industry in general or the particular processes with respect to the granting of approvals. If the Group fails to obtain relevant approvals or fulfil the conditions of those

approvals for its property developments, these developments may not proceed as scheduled, and the Group's business, financial condition, prospects and results of operations may be adversely affected.

In some instances, the governments in the jurisdictions in which the Group operates may adopt restrictive policies with respect to the issuance of certain permits or approvals. The Group's business, financial condition, prospects and results of operations may also be affected by changes in policies relating to immigration and/or foreign ownership of residential housing, policies adopted and/or actions taken by public housing authorities and policies relating to land sales by such governments.

In Singapore, 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. The said measures include, but are not limited to, increasing the minimum cash payment for the purchase of residential properties and reducing the loan to value limit for housing loans granted by financial institutions regulated by MAS.

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 and again in July 2018. The latest enhancement to ABSD was implemented in December 2021. ABSD ranging from 5% to 40% is to be paid by certain groups of people or entities (as the case may be) 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 ("**IRAS**") may impose conditions on the Group. If such conditions are not met, ABSD with interest will be payable. In addition, under the Qualifying Certificate rules under the Residential Property Act 1976 of Singapore, all developers with non-Singaporean shareholders or directors are required to obtain the Temporary Occupation Permit ("**TOP**") for their residential property developments within 5 years ("**TOP Deadline**") and to sell all dwelling units within two years from the date of TOP ("**Sale Deadline**"). Additional Qualifying Certificate extension charges of 8%, 16% and 24% of the land

purchase price for the first, second and subsequent years past the TOP Deadline and/or the Sale Deadline may be incurred if the respective deadlines need to be extended.

In addition, the loan-to-value limits on housing loans granted by financial institutions have been tightened for individuals whose loan tenure exceeds 30 years or the loan period extends beyond the borrower's age of 65 years, individuals who already have at least one outstanding loan, as well as 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%. In December 2021, the TDSR framework was further enhanced by the MAS where the aforementioned 60% threshold has been reduced to 55%. 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.

To address the stamp duty rate differential between direct acquisition/disposal of residential properties and acquisition/disposal of equity interest in entities holding primarily residential properties, the Singapore Government introduced the Additional Conveyance Duties ("**ACD**"). ACD is chargeable on qualifying acquisitions/disposals of equity interest (for example shares or units) in residential property-holding entities ("**Residential PHE**") which own primarily tangible assets that are residential properties in Singapore on or after 11 March 2017. ACD was enhanced in 2018 and further enhanced in December 2021. Based on the December 2021 ACD enhancement, ACD of up to 44% is payable by the buyer of shares in a Residential PHE while ACD of a flat 12% is payable by the seller of shares in a Residential PHE. No ACD will apply if the transfer of equity interest in a Residential PHE is pursuant to a will or by way of assent.

To address the gap where ABSD does not apply when residential property is transferred into a living trust without an identifiable beneficial owner at the time when the residential property is transferred into the trust, the Singapore Government announced that ABSD (Trust) of 35% will apply on any transfer of residential property into a living trust where the transfer occurs after 9 May 2022. The said ABSD (Trust) is payable upfront, and the trustee may apply to IRAS for a refund provided that certain conditions are met.

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.

The Group may not be able to successfully manage its land bank, which could adversely affect its margins

In the business of property development, the Group needs to identify the right land for property development in order to achieve good investment returns. The Group replenishes and sources for new land bank through participating in government tenders and auctions as well as acquiring plots of land from private owners. The Group cannot assure investors that the measures it employs to manage land inventory risks will be successful and cannot guarantee that suitable land plots and properties will always be available for the Group's acquisition, development and/or investment. In the event of significant changes in economic, political, security or market conditions, the Group may have to sell subdivision lots and property units at significantly lower margins or at a loss. Changes in economic or market conditions may also require the Group to defer the commencement of residential and land development projects. This would require the Group to continue to carry the cost of acquired but undeveloped land on its statement of financial position, as well as reduce the amount of property available for sale. Any of the foregoing events could have a material adverse effect on the Group's business, financial condition and results of operations.

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 may be affected by disruptions and project delays to its property development projects

The time required to complete a property development project depends on various factors, including the size of the project, prevailing market conditions and availability of resources. Delays

may arise due to various factors, including adverse weather conditions, unforeseen engineering, environmental or geological problems, natural calamities, power failure, machinery and equipment breakdown, supply chain disruptions, shortage of construction materials, shortage of labour, work stoppages, accidents, litigation, cessation of business of the Group's contractors, disputes with the contractors and unexpected delay in obtaining required approvals, licences, permits, allocations or authorisations. Such delays may result in cost overruns and increased financing costs which may adversely affect the Group's profitability. Furthermore, any delay in project completion may also expose the Group to claims for liquidated damages from the purchasers of the property development projects. Although the Group may be reimbursed by its contractors responsible for the delay or compensated by its insurance policies under certain circumstances, there is no assurance that such reimbursement or compensation will cover the entire losses incurred by the Group and the Group's business, financial condition and results of operations may be adversely affected.

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, tenants and other partners. As a property developer, the Group may face disputes with, and claims from, purchasers in connection with delays and alleged defective works carried out in its property development projects. It may also have disputes with its contractors or suppliers over issues including, amongst other things, the quality of construction materials, the standard and skilfulness of their labourers and prices of the construction contracts. 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. In the event that such disputes are not resolved amicably or claims are successfully made against the Group and the Group is required to compensate the claimants, its business reputation and financial performance may be adversely affected.

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. Furthermore, a high default rate of the buyers under their respective sale agreements could have an adverse effect on the Group's property development business, cashflow and financial position.

There is also a risk that due to conditions in the financial markets or difficult economic conditions, purchasers of such pre-sold properties may not be able to obtain credit to finance their purchases and/or might become insolvent. The ability of purchasers to obtain credit to finance their purchases may also be affected by changes in government policies, laws and regulations. This may result in such purchasers delaying or being unable to meet their payment obligations in respect of such pre-sold properties, which may materially and adversely affect the Group's business, financial condition and results of operations.

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 properties held by the Group may be revalued downwards

Property valuations generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions. General property prices are subject to the volatilities of the property market and there can be no assurance that the Group will not be required to make downward revaluation of the properties owned by it in the future. Any fall in the gross revenue or net property income earned from the Group's properties will result in downward revaluation of such properties. Downward revaluations could negatively impact the Group's gearing, which could in turn trigger a default under certain loan covenants and/or impact the Group's ability to refinance its existing borrowings or secure additional borrowings.

In addition, the Group is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statements of total return. Changes in fair value may have an adverse effect on the Group's financial results for the financial year if there is a significant decrease in the valuation of the Group's properties which results in revaluation losses that are recognised in its statements of total return.

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.

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.

Natural disaster risk

The occurrence of natural disasters such as earthquakes, tsunami, fires, torrential rain, flood or epidemic outbreak in the region or countries where the Group operates may adversely affect its operations and results. While the Group has implemented a number of measures to mitigate the risk or impact of natural disasters, there is no assurance that the Group can fully avoid damage from disasters. Should any of the Group's properties suffer any physical damage caused by such natural disasters, the Group could be required to pay compensation and/or lose capital invested in the affected property as well as any anticipated future revenue from that property, which could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Group.

The Group may be affected by changes in regulatory, political and social conditions

The Group currently operates and has investments in Singapore, China, Malaysia, Hong Kong, Japan and Australia and, as part of its future plans, the Group may consider expanding its businesses further overseas. Any unfavourable changes in the political, economic and social conditions or government policies of these countries could materially and adversely affect its business, financial condition, results of operations and future growth. The Group is unable to foresee the nature of governmental laws and regulations applicable to its operations or investments that may be introduced in future. Laws and regulations governing business entities in these countries may change and are often subject to a number of possibly conflicting interpretations, both by business entities and by the courts. At times, the interpretation, application or enforcement of laws and regulations may be unclear and the content of applicable laws and regulations may not be immediately available to the public. Such laws and regulations may become more stringent or onerous in the future and if additional compliance procedures are introduced, the Group's operational costs may increase. If the Group is unable to comply with such laws and regulations, it may not be able to operate or invest in these territories or countries. This increases its exposure to risks in specific territories or countries where it would otherwise have the expertise to compete. These risks may have a material impact on its business, financial condition and results of operations.

In addition, risks of doing business abroad include (a) political upheavals, internal strife, civil commotions, strikes and riots; (b) expropriation or seizure of property; (c) nullification, renegotiation or modification of existing agreements; (d) import/export quotas, trade tariffs, embargoes and other forms of public and governmental regulation; (e) unfavourable taxes, tax increases and retroactive tax claims; (f) currency exchange rate fluctuations, devaluations and restrictions on currency repatriation; and (g) insurrection or war that may disrupt or limit markets. The occurrence of these political, economic and social conditions in countries (i) where the Group currently operates and has investments and (ii) where it may operate or has investments in the future, may affect its ability to operate or invest in those countries.

The Group cannot provide any assurance on the sustainability of its growth

Apart from the Group's development plans and growth strategies, other factors which are beyond its control, such as availability of strategic locations, intense market competition and consumer preferences, may also affect the growth of the Group's retail business. There is no assurance that the Group will continue to be able to achieve or maintain similar levels of growth in revenue and profits in the future. For example, 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 past results of the Group should not be used as an indicator of its future performance.

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 may encounter problems with its joint ventures that may adversely affect its business

The Group may encounter problems with its joint ventures that may adversely affect its business. The Group has entered into joint venture agreements with business partners (including property developers and retailers), and, as part of its property development and retail businesses, intends to continue to do so. As joint ventures generally enable the pooling of financial resources and management expertise in the development of projects to reduce the risks undertaken by a single party, the Group views joint ventures as an important factor in the success of any property development, investment project and retail businesses. Depending on the nature, the Group's equity interest and the extent of its involvement in such projects, the Group may not be able to control the decision-making process of joint venture projects without reference to its joint venture partners. In addition, there is no assurance that any new joint ventures that the Group enters into will yield its anticipated benefits.

A joint venture partner may have economic or business interests or goals inconsistent with or different from those of the Group, and as such may take actions which may differ from that of the Group, or act in a manner which may not be aligned with the Group's policies or objectives. Any dispute with the Group's joint venture partners which cannot be resolved amicably may escalate and become litigious or result in the early termination of such joint venture which could in turn adversely affect the Group's business, financial condition and results of operations. Political uncertainties or new government regulations such as restrictions on ownership or changes in economic, business and operating conditions may also result in a decline in the Group's investment in these joint venture entities and associated companies or a loss in its ability to influence the management and directors of, and the decisions made by, these joint venture entities and associated companies. Additionally, in light of the current economic climate, the Group's joint venture partners may not be able to fulfil their respective contractual obligations (for example, they may default in making payments during future capital calls or capital raising exercises) or may experience a decline in creditworthiness. Although joint venture agreements generally contain terms that govern the treatment of such events to the detriment of the defaulting party and the Group would generally seek to enforce its rights as enumerated within such agreements, the occurrence of any of these events may materially and adversely affect the performance of the Group's joint ventures. There is no assurance that the Group will not encounter such risks which may have a material adverse effect on its business, financial condition and results of operations in the future.

Political uncertainties or new government regulations (such as restrictions on property ownership) or changes in economic, business and operating conditions may also result in a decline in the Group's investment in these joint ventures or a loss in the Group's ability to influence the management, directors and decisions made under these joint ventures. There is no assurance that the Group will not, in the future, encounter such business risks which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is exposed to foreign exchange risk

The Group has business presence overseas and, as a result, is exposed to movements in foreign exchange rates. The Group holds assets, collects revenue and incurs liabilities and expenses in a number of currencies, while its reporting currency is in Singapore dollars. This being the case, some of the Group's activities and income, costs and operating cash flows are exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the respective local currencies of the countries in which the Group operates or has investments, when the assets and liabilities are translated into Singapore dollars for financial reporting purposes. Consequently, portions of the Group's costs and margins may be affected by fluctuations in the exchange rates between these currencies. As far as possible, the Group adopts a natural hedge by funding its operations and investments in the same local currency to mitigate its exposure to exchange rate fluctuations. To the extent that the Group's revenue and purchases/liabilities are not sufficiently matched in the same currency and to the extent that there are timing differences between collection and payments, the Group may be exposed to adverse foreign exchange fluctuation. Additionally, the Group may be exposed to future exchange rate fluctuations in the relevant countries when capital and profits are repatriated back to Singapore.

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 industries, both 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 and property investment industries in the jurisdictions in which the Group operates are 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 land banks, compete with the Group in seeking prospective buyers with respect to factors such as location, pricing, concept and design. Other real estate companies may have significant advantages over the Group, including greater name recognition, longer operating histories, pre-existing relationships with current or potential customers, significantly greater financial, marketing and other resources and more ready access to capital which allow them to respond more quickly to new or changing opportunities. Competition from such property developers and real estate companies (including data centre owners and/or operators) may adversely affect the Group's ability to sell or procure tenants for its projects, increased costs for land acquisition and lower profit margins. In the event that the Group is unable to sell a significant proportion of its properties, it may also incur holding costs, including interests costs and maintenance costs. All of the above factors may adversely affect its financial condition and results of operation.

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. Further, such competition may increase due to the entry of new players in the industries in which the Group operates. 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's business is subject to discretionary consumer spending

The Group is engaged in the retail of apparel. These are discretionary products which are highly subject to consumer spending. Accordingly, the Group's turnover is particularly sensitive to changes in economic conditions and consumer confidence, all of which can affect discretionary consumer spending. Consumer confidence is affected by, among other factors, general business conditions, stock market and real estate market conditions, as well as by current and expected future global or regional macroeconomic conditions such as employment rates, inflation and interest rates.

Accordingly, any changes in the market and economic conditions of Singapore and the other countries in which the Group operates may affect consumers' disposable income, consumer confidence and hence discretionary consumer spending. In addition, discretionary consumer spending may also be adversely impacted by changes in government policies, regulations or laws; in particular, any upward adjustment to consumer sales tax may lead to decreased consumer spending. Adverse changes in these factors would reduce the volume of sales which will in turn adversely affect the Group's business, prospects, growth strategies, profitability, financial condition and results of operations.

The Group's retail outlets may be affected by rental rates and the terms of its leases

Increase in the rental rates of the Group's retail outlets 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 its retail 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 "brick and mortar" retailing in recent years, and this trend has accelerated during the past two years as a result of the COVID-19 pandemic. 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 fails 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 the Group's products, it 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 1966 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, in the opinion of the Minister, 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 the 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.

Failure to maintain the integrity of internal and/or customer data could result in harm to the Group's reputation and/or subject the Group to costs, liabilities, fines, or lawsuits

The Group's businesses involves collecting and retaining large volumes of internal and customer data, including credit card numbers and other personal information as its various information technology systems enter, process, summarise and report such data. The Group also maintains information about various aspects of its business operations as well as its employees. The integrity and protection of the Group's customer, employee and company data are critical to its business and the Group is required to comply with data protection laws in the countries in which it operates. A theft, loss, fraudulent or unlawful use of customer, employee or company data, or any other breach of applicable data protection laws, could harm the Group's reputation or result in remedial and other costs, liabilities, fines, or lawsuits which would affect the Group's reputation, business, financial condition or results of operations.

Interruption or failure of the Group's information systems could impair its ability to effectively provide its services, which could damage its reputation

The Group's ability to provide consistent and high-quality services and to monitor its operations on a real-time basis across its various business segments depends on the continued operation of its information technology systems, including its online booking/distribution, central reservations, and customer relationship management systems. Any damage to or failure of the Group's systems could interrupt its inventory management, affect service efficiency, consistency, and quality, or reduce its customer satisfaction. The Group uses non-proprietary technology platforms through third-party vendors. Computer viruses, fires, floods, earthquakes, hacking or other attempts to harm this system, or other similar events, all have the potential to cause difficulties with the technology platforms. The Group may not be able to replace or introduce upgraded systems as quickly as its competitors or within the budgeted costs for such upgrades. If the Group experiences system

failures, its quality of service, customer satisfaction, and operational efficiency could be severely harmed, which could also adversely affect its reputation.

PRICING SUPPLEMENT FOR THE NOTES

Pricing Supplement

WING TAI HOLDINGS LIMITED

(Incorporated with limited liability in Singapore)

S$1,000,000,000

Medium Term Note Programme

SERIES NO: 015

TRANCHE NO: 001

S$**[•] [•]** Per Cent. Notes Due **[•]**

Issue Price: 100 per cent.

Dealer

OVERSEA-CHINESE BANKING CORPORATION LIMITED

63 Chulia Street
#03-05 OCBC Centre East
Singapore 049514

Issuing and Paying Agent

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

10 Marina Boulevard
Marina Bay Financial Centre Tower 2 #45-01
Singapore 018983

The date of this Pricing Supplement is **[•]**.

This Pricing Supplement relates to the Tranche of Notes referred to above.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the "**Income Tax Act**") shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

Notification under Section 309B of the Securities and Futures Act 2001 of Singapore: The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Signed: _____

Director

The terms of the Notes and additional provisions relating to their issue are as follows:-

1.	Series No.:	015
2.	Tranche No.:	001
3.	Currency:	Singapore dollars
4.	Principal Amount of Series:	S$**[•]**
5.	Principal Amount of Tranche:	Not Applicable
6.	Denomination Amount:	S$250,000
7.	Calculation Amount (if different from Denomination Amount):	Denomination Amount
8.	Issue Date:	**[•]** 2022
9.	Redemption Amount (including early redemption):	Denomination Amount
10.	Interest Basis:	Fixed Rate
11.	Interest Commencement Date:	**[•]** 2022
12.	**Fixed Rate Note**	
	(a) Maturity Date:	Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on **[•]**
	(b) Fixed Rate Day Basis:	Actual/365 (Fixed)
	(c) Reference Date(s):	Interest on the Notes will be payable semi-annually in arrear on the dates falling on **[•]** and **[•]** in each year commencing on **[•]**
	(d) Initial Broken Amount:	Not Applicable
	(e) Final Broken Amount:	Not Applicable
	(f) Interest Rate:	**[•]** per cent. per annum
13.	Floating Rate Note	Not Applicable
14.	Variable Rate Note	Not Applicable
15.	Hybrid Note	Not Applicable
16.	Issuer's Redemption Option Period (Condition 5(d)):	No
17.	Noteholders' Redemption Option Period (Condition 5(e)):	No
18.	Issuer's Purchase Option Period (Condition 5(b)):	No

19.	Noteholders' VRN Purchase Option Period (Condition 5(c)(i)):	No
20.	Noteholders' Purchase Option Period (Condition 5(c)(ii)):	No
21.	Redemption for Taxation Reasons:	Yes
22.	Notes to be represented on issue by:	The Notes will be represented by a Permanent Global Note, without interest coupons, which will be deposited with The Central Depository (Pte) Limited on or about the Issue Date. The Permanent Global Note will be exchangeable for Notes in definitive form in the denomination of S$250,000 each with interest coupons attached only in certain limited circumstances set out in the Permanent Global Note.
23.	Temporary Global Note exchangeable for Definitive Notes:	Not Applicable
24.	Temporary Global Note exchangeable for Permanent Global Note:	Not Applicable
25.	Listing:	Singapore Exchange Securities Trading Limited
26.	Notes to be cleared through The Central Depository (Pte) Limited:	Yes
27.	Method of issue of Notes:	Individual Dealer
28.	The following Dealer is subscribing the Notes:	Oversea-Chinese Banking Corporation Limited
29.	Stabilising Manager:	Oversea-Chinese Banking Corporation Limited
30.	Prohibition of Sales to EEA Retail Investors:	Applicable
31.	Prohibition of Sales to UK Retail Investors:	Applicable
32.	The aggregate principal amount of Notes issued has been translated in Singapore Dollars at the rate of [ ] producing a sum of (for Notes not denominated in Singapore Dollars):	Not Applicable
33.	Private Bank Rebate/Commission	Applicable

		Private bank selling commission of 0.25 per cent. of the aggregate principal amount of the Notes allocated to private banking sales channels
34.	Other terms:	
	Details of any additions or variations to terms and conditions of the Notes as set out in the Information Memorandum:	Not Applicable
	Any additions or variations to the selling restrictions:	Not Applicable

THE ISSUER

This section replaces the section "THE ISSUER" appearing on pages 43 to 50 of the Original Information Memorandum in its entirety.

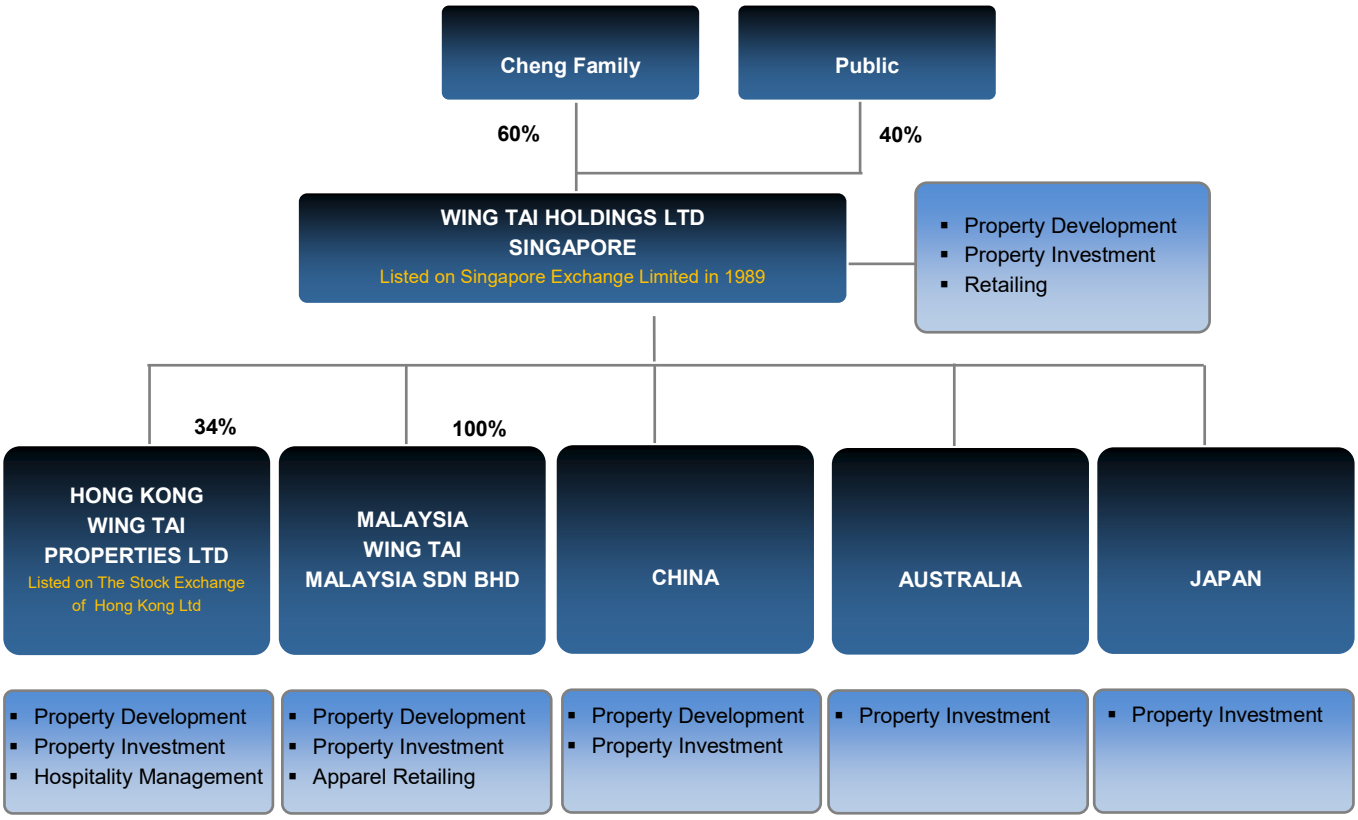
1. Description of the Group

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 two public companies, namely the Issuer and Wing Tai Properties Ltd ("**WTP**") listed in Singapore and Hong Kong respectively that operate under the "Wing Tai" name. As at 26 April 2022, the Issuer has a market capitalisation of S$1,336 million and Wing Tai Properties Ltd has a market capitalisation of S$999 million based on a currency exchange rate of HKD5.69: S$1.00. The businesses in which these public companies, their subsidiaries and affiliates (collectively, "**Wing Tai**") are involved include property development, property investment, hospitality management and apparel retailing.



The Group is one of the major property groups in Singapore with total assets of approximately S$4.3 billion as at 31 December 2021. The principal activities of the Group consist of property development, investment and management. The Group's other businesses in Singapore include hospitality and apparel retailing.

MILESTONES

1963 Incorporated in Singapore

On 9 August 1963, the Issuer 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.

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. Dragon & Phoenix Berhad was subsequently renamed DNP Holdings Berhad in 1990 and Wing Tai Malaysia Berhad in 2010.

1984 Wing Tai Apparel incorporated for retail

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

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 the property sector more aggressively and increasing its land bank in Singapore and Malaysia for investment and development, poised to ride the upswing in the market which began 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

The Issuer 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 HKD 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).

1995 Foray into hospitality and lifestyle business

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

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 a 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.

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

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

2007 Strategic investment partnerships

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.

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.

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 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 and 12 such brands 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 Wing Tai entered Australia property market

Wing Tai acquired a freehold commercial building on Flinders Street in Melbourne's central business district, Australia, marking its first foray into Australia.

2017 Privatisation of Wing Tai Malaysia Berhad

Wing Tai Malaysia Berhad was delisted from the Main Board of the Bursa Malaysia Securities Berhad on 30 August. It was privatised and renamed Wing Tai Malaysia Sdn. Bhd. ("**WTM**") on 19 October.

2019 Wing Tai entered Japan property market

Wing Tai acquired a 134-room hotel situated within the Asakusa district, Tokyo. This marked its first foray in Japan.

2021 Strategic investment partnerships

Wing Tai Retail Pte. Ltd. signed a new franchise partnership with Spanish brand Mango, Malaysia.

RECENT DEVELOPMENTS

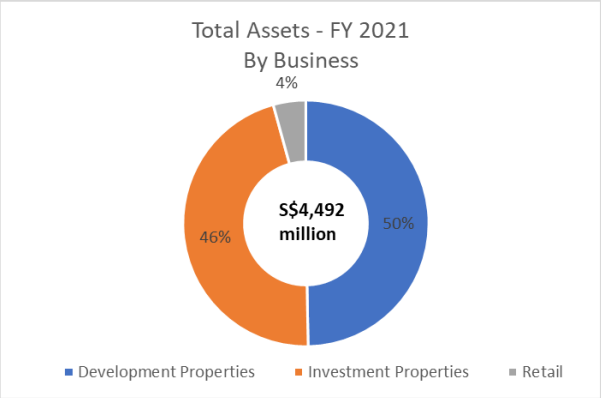
On 16 October 2020, the Issuer's subsidiary companies, Seniharta Sdn Bhd ("**Seniharta**") and DNP Jaya Sdn Bhd ("**DNPJ**") completed the disposal of (i) the piece of freehold land measuring approximately 3,849 square metres in total area held under title Geran 79725, Lot 262, Seksyen 89A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur together with a building erected thereon ("**Lot 262**") and (ii) the development known as Kondominium 8 Ampang Hilir which consists of 132 units of low-rise condominiums held under individual strata titles and situated on all that piece of freehold land measuring approximately 14,535 square metres in total area that was formerly held under master title Geran 79737, Lot 263, Seksyen 89A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ("**Lot 263**") to a third party, Paramount Property (Cityview) Sdn Bhd (the "**Purchaser**") for the aggregate consideration of RM243.8 million in cash.

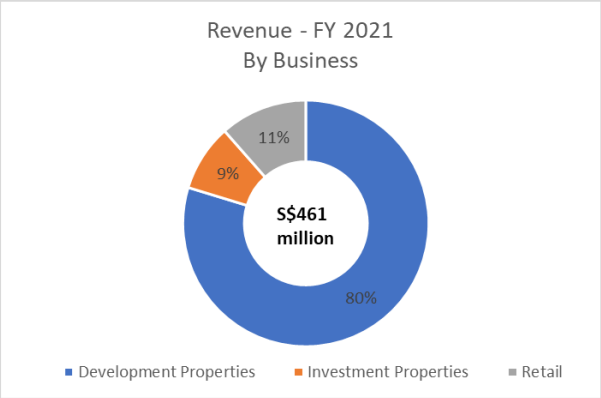
On 31 March 2022, Wingspring Trust entered into a contract of sale with Abacus 464 St Kilda Road Trust, to acquire the remaining 50% interest in the freehold properties known as 464-466 St Kilda Road, Melbourne Victoria 3004 and Brooklands Car Park, Units 112-218, 23 Queens Road, Melbourne, Victoria 3004 (collectively, the "**Australia Properties**") owned by Abacus 464 St Kilda Road Trust (the "**Acquisition**"), for a total consideration of A$49,400,000. Upon completion of the Acquisition, Wingspring Trust will become the sole owner of the Australia Properties.

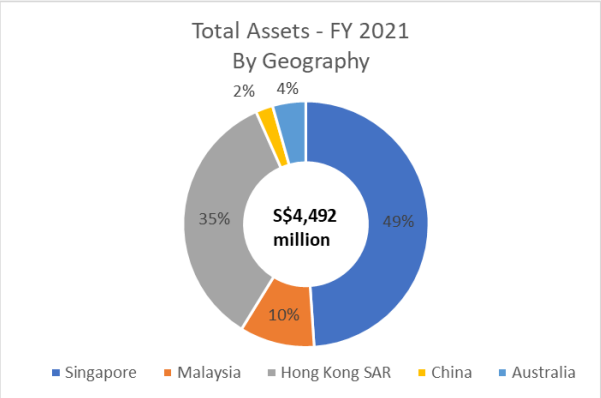
On 4 April 2022, the Issuer's wholly-owned subsidiary, Wing Tai Malaysia Sdn. Bhd. disposed of the leasehold land and a five-storey factory building thereon situated at 166-A, Rifle Range Road, 11400 Pulau Pinang (the "**Property**") to Dapper Corporation Sdn. Bhd. and Chiao Huat Sdn. Bhd. for an aggregate consideration of RM17.5 million (approximately SGD5.6 million). The net book value of the Property as at 4 April 2022 is about RM13.7 million (approximately SGD4.4 million) at fair value.

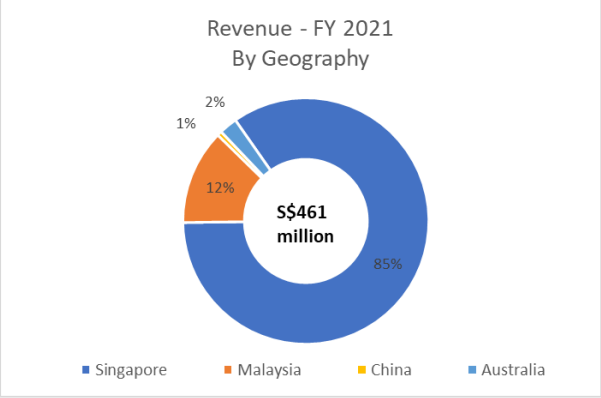
ASSET ALLOCATION BY BUSINESS SEGMENTS & GEOGRAPHICAL LOCATIONS

The Group is organised into three main business segments (namely, development properties, investment properties and retail) and operates in six main geographical areas (namely, Singapore, Malaysia, Hong Kong, China, Japan and Australia) with total assets of approximately S$4.3 billion as at 31 December 2021.









As illustrated above, development properties constitute about 50% of the Group's assets. In terms of geographical allocation, 49% 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 40 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 M at Middle Road, The Garden Residences, 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 30 years of experience in apparel retailing, having launched in Singapore and Malaysia successful and well-known brands such as G2000 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 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 Facade Design Excellence Awards. The Tembusu at Tampines Road won various awards, including but not limited to the President's Design Award for Design of the Year and the Building and Construction Authority Construction Excellence Award. The M at Middle Road garnered the BCA Green Mark Gold Plus, Singapore in 2021.

The Group also has its share of accolades for its commitment to quality and environmental sustainability, garnering, among others, awards by the Building and Construction Authority. 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 below.

Qualified and experienced management team

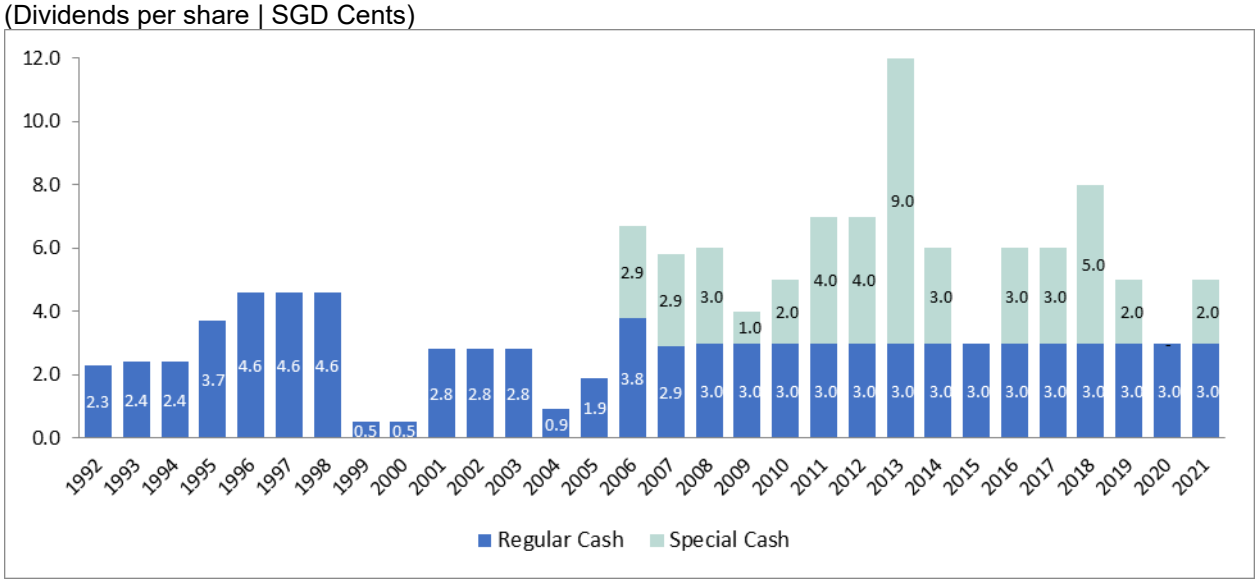
The Group has a strong management team which is well-supported by a group of experienced executives who are actively involved in the daily operations of the Group. Mr Cheng Wai Keung has been the Issuer's Chairman since 1994 and has significant experience in the retail, hospitality and property development 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 selectively 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 and property investment business in other countries in which the Group has a presence, namely Malaysia, Hong Kong, China, Japan 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 also acquired two data centres in Norwest Business Park, Sydney, and Mitcham, Melbourne, Australia in 2017. In 2018, the Group acquired a 50% interest in a freehold office building at 464 St Kilda Road in Melbourne, Australia, and acquired the remaining 50% interest on 31 March 2022. By September 2019, the Group had completed its fifth acquisition in Australia with a freehold data centre in Melbourne.

In June 2019, Wing Tai acquired a 134-room hotel situated within the Asakusa district, Tokyo. This marked its first foray in Japan.

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 will also selectively look for opportunities to introduce new fashion brands and open new outlets for existing brands in Malaysia.

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 M at Middle Road, The Garden Residences, The Tembusu, The Crest at Prince Charles Crescent, Belle Vue Residences at Oxley Road and 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

WTM was delisted from the Main Board of the Bursa Malaysia Securities Berhad on 30 August 2017 and became a wholly-owned subsidiary of the Group on 19 October 2017. This has allowed the Group to integrate its financial and operational resources, achieving better operational efficiencies and cost savings for WTM and its subsidiaries.

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 companies and joint venture companies, is engaged in the business of property management, development and investment, as well as project management. As at 30 June 2021, the total valuation of the investment properties for the Group (excluding the investments held by the Issuer) amounts to S$794 million. 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	Equity Held by the Group (%)
Cherryhill Lorong Lew Lian	Freehold	163-unit condominium	24,899	23,872	85
Central Green Tiong Bahru Road	99-year lease from 1992	412-unit condominium	24,913	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	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
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	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	99-year lease from 2006	556-unit condominium	21,877	61,255	30
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	99-year from 2011	496-unit condominium	22,744	47,763	100
Nouvel 18 Anderson Road	Freehold	156-unit condominium	10,414	29,160	50
The Tembusu Tampines Road	Freehold	337-unit condominium	13,149	27,614	100
The Crest Prince Charles Crescent	99-year lease from 2012	469-unit condominium	23,786	49,949	40
The Garden Residences Serangoon North Ave 1	99-year lease from 2017	613-unit condominium	17,189	42,973	40

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	15,746	100
The M Middle Road	Leasehold	24	522-unit condominium and ground floor commercial unit	7,463	33,730	100

(ii) Property Investment

The Group currently owns three 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	13,390	100
Winsland House II at 163 Penang Road 8-storey commercial building	99-year lease expiring 2093	7,309	100
Winsland House II at 165 Penang Road Conservation house	99-year lease expiring 2093	584	100

The occupancy rate achieved for the above investment properties collectively as at 30 June 2021 was close to 100% average occupancy rate.

(iii) Hospitality

The Group's hospitality division in Singapore owns a total of 109 units in Lanson Place Winsland Serviced Residences and 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.

The occupancy rate achieved for the above investment property as at 30 June 2021 was around 75%.

(B) MALAYSIA

(i) Property Development and Investment

WTM various residential projects are 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 150 units in Lanson Place Bukit Ceylon Serviced Residences. Its 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 1,001 units in Singapore, Kuala Lumpur, Hong Kong 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 companies, Wing Tai China Pte. Ltd. and Suzhou Property Development Pte Ltd.

In Shanghai, the Group's projects include Malaren Gardens, a low-density residential estate located in Luodian New Town of Baoshan District. It comprises 301 units of terraced houses, duplexes and apartments and was fully sold as at 30 June 2021.

In Suzhou, the Group intends to develop The Lakeside, comprising 24 units of terraced houses, which has obtained construction permit and work has commenced.

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

(E) AUSTRALIA

Property Investment

The Group currently owns five properties for investment purposes. They are as follows:

Investment Property

Property	Tenure	Acquired	Lettable area (sq m)	Equity Held by the Group (%)
376-388 Flinders Street, Melbourne, Victoria 8-storey commercial building	Freehold	September 2016	9,513	100
28 Thornton Crescent, Mitcham, Victoria Single-storey commercial property	Freehold	May 2017	3,946	100
12 Brookhollow Avenue, Baulkham Hills, New South Wales 4-storey commercial property	Freehold	May 2017	3,933	100
464 St. Kilda Road, Melbourne, Victoria 8-storey commercial property	Freehold	April 2018	13,826	100
4 Wesley Court, Burwood East, Victoria 4-storey commercial property	Freehold	September 2019	11,223	100

The occupancy rate achieved for the above investment properties collectively as at 30 June 2021 was over 90%.

(F) JAPAN

Property Investment

The Group currently owns one property for investment purposes which is leased to a hotel operating company. The property is as follows:

Investment Property

Property	Tenure	Acquired	Lettable area (sq m)	Equity Held by the Group (%)
1 Chome 11-6 Asakusa, Taito, Tokyo 13-storey hotel, 134 rooms	Freehold	June 2019	3,063	100

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 "Du Pareil Au Meme" "Adidas" and "Cath Kidston", while Wing Tai Fashion operates the brand names of "Fox Kids & Baby". 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 24 outlets in Singapore. G2000 Apparel operates the popular, midmarket range of fashion apparel under the brand name of "G2000". As at 30 June 2021, Singapore's retail division has a distribution network of approximately 57 stores in Singapore with a portfolio of 6 brands in 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's online commerce, in partnership with Asian online fashion retailer, Zalora, has continued to gain traction and grow substantially in overall retail sales.

In 2018, an Enterprise Resource Planning (ERP) system was successfully implemented in Singapore. This enables the onward development of a dynamic omni-channel strategy that is fully integrated with a Customer Relationship Management (CRM) system to better serve the new age omni-channel customer.

The retail division was further impacted by the additional measures imposed by the Governments of Singapore and Malaysia viz. Phase 2 Heightened Alert and MCO 3.0, respectively. During this period, the Group rolled out virtual concierge services to replicate the physical shopping experience and to keep customers engaged. It also leveraged digital platforms such as Instagram live-streaming and collaborations with influencers to stay connected with customers. During this period, the Group stepped up on online training for the frontline staff.

Uniqlo's e-commerce business was boosted by lifestyle changes brought by the pandemic and saw demand shifting towards casual wear, loungewear, and sports utility wear. It is currently focusing on improving in-store speed and efficiency with click and collect services, and plans to implement more self-checkout counters, and increase its warehouse capacity.

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 below.

(B) MALAYSIA

The retail apparel and lifestyle business of the Group in Malaysia is managed by its subsidiary, WTM, which manages a portfolio of 5 brands (excluding Uniqlo) in over 25 stores across Peninsula Malaysia. In November 2010, the highly popular Japanese label Uniqlo was launched in Kuala Lumpur which as at 30 June 2021 has 49 outlets in Malaysia.

The retail division took over the franchise of Mango in Malaysia and launched the first two stores in September at Mid Valley Megamall in Kuala Lumpur and Gurney Plaza Penang.

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**
PropertyGuru Best Lifestyle Developer for Singapore & Asia	2020
Tripartite Alliance Award 2018 Finalist Certificate for Fair and Progressive Employment Practices	2018
NTUC May Day Award Plaque of Commendation	2018
Human Capital Partnership Certificate	2018
EdgeProp Singapore Excellence Award for Top Developer	2017
SkillsFuture Employer Award	2017
Early Adopter of Tripartite Standards on the Employment of Term Contract Employees	2017

Property Awards

Quality and Design	**Year**
Best Residential Smart Building Development ▪ The M at Middle Road	2020
PropertyGuru Best Private Condo Interior Design ▪ The M at Middle Road	2020
President's Design Award for Design of the Year ▪ The Tembusu	2018
Building and Construction Authority Construction Excellence Award ▪ The Tembusu	2018
SIA Architectural Design Award for Honourable Mention ▪ The Tembusu	2017

EdgeProp Singapore Excellence Award for Development Excellence (Non-Central) ▪ The Tembusu	2017
EdgeProp Singapore Excellence Award for Development Innovation ▪ The Tembusu	2017
The RoSPA Health & Safety Award ▪ The Tembusu	2016

Sustainability Award	**Year**
Building and Construction Authority Green Mark Gold Plus Award ▪ The M at Middle Road ▪ The Garden Residences ▪ Winsland House II	 2021 2019 2017
Building and Construction Authority Green Mark Gold Award ▪ The Crest	 2018

Retail Awards

Award	**Year**
COJTC Distinguished Partner Award	2019
Early Adopter of Tripartite Standards on the Employment of Term Contract Employees	2017
Excellence Service Award	1998 - 2019

2. 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
Cheng Man Tak	Non-Executive Director
Eric Ang Teik Lim	Lead Independent Director
Christopher Lau Loke Sam	Independent Non-Executive Director
Guy Daniel Harvey-Samuel	Independent Non-Executive Director
Tan Sri Zulkurnain Bin Awang	Independent Non-Executive Director
Sim Beng Mei Mildred (Mildred Tan)	Independent Non-Executive Director
Kwa Kim Li	Independent Non-Executive Director
Tan Hwee Bin	Executive Director

Cheng Wai Keung
Chairman and Managing Director

Date of first appointment as director
17 April 1973
Date of last re-appointment as director
26 October 2021
Board committee(s) served on
Nominating Committee (Member)
Academic and professional qualification(s)
Bachelor of Science, Indiana University, USA
Master of Business Administration, University of Chicago, USA
Current directorships in other listed companies and other principal commitments
- Other listed companies
  Nil
- Other principal commitments
  Temasek Holdings (Private) Limited (Deputy Chairman)
  MOH Holdings Pte Ltd (Director)
  Singapore Health Services Pte Ltd (Chairman)
  Singapore-Suzhou Township Development Pte Ltd (Vice Chairman)
  Kidney Dialysis Foundation Limited (Director)

Past directorships in other listed companies held over preceding three years
Nil

Edmund Cheng Wai Wing
Deputy Chairman and Deputy Managing Director

Date of first appointment as director
11 May 1981
Date of last re-appointment as director
23 October 2019
Board committee(s) served on
Nil
Academic and professional qualification(s)
Bachelor of Engineering (Civil Engineering), Northwestern University, USA
Master of Architecture, Carnegie Mellon University, USA
Current directorships in other listed companies and other principal commitments
- Other listed companies
  Nil
- Other principal commitments
  Mapletree Investments Pte Ltd (Chairman)
  Civil Aviation Authority of Singapore (Chairman)
  Singapore Art Museum (Chairman)
  Yellow Ribbon Fund Main Committee (Chairman)

Past directorships in other listed companies held over preceding three years
Nil

Cheng Man Tak
Non-Executive Director

Date of first appointment as director
11 May 1981
Date of last re-appointment as director
28 October 2020
Board committee(s) served on
Nil
Academic and professional qualification(s)
Bachelor of Science, University of Southern California, USA

Master of Business Administration, Pepperdine University, USA

Current directorships in other listed companies and other principal commitments

- Other listed companies

  Kato (Hong Kong) Holdings Limited *(Listed on the Stock Exchange of Hong Kong)*

- Other principal commitments

  12th National Committee of Yunnan Province (Member of National Committee of the Chinese People's Political Consultative Conference)
  Federation of Hong Kong Garment Manufacturers (President)
  Clothing Industry Training Authority (Chairman)
  Federation of Hong Kong Industries – Group 24 (Woven Garments and other Woven Made-Up Goods) (Chairman)
  Hong Kong Trade Development Council – Garment Advisory Committee (Member)
  Employees Retraining Board – Wearing Apparel and Textile Industry Consultative Network (Member)
  Hong Kong Asia Youth Association (Honorary President)
  Friends of The Community Chest Wan Chai District (Vice Chairman)
  Wan Chai Friendship Association Ltd (Honorary President)

Past directorships in other listed companies held over preceding three years

Nil

Eric Ang Teik Lim
Lead Independent Director

Date of first appointment as director

1 July 2020

Date of last re-appointment as director

28 October 2020

Board committee(s) served on

Audit & Risk Committee (Chairman)
Nominating Committee (Member)

Academic and professional qualification(s)

Bachelor of Business Administration (Honours), National University of Singapore

Current directorships in other listed companies and other principal commitments

- Other listed companies

  Raffles Medical Group Ltd

- Other principal commitments

  Surbana Jurong Private Limited (Director)
  Netlink NBN Management Pte Ltd (Trustee of NetLink NBN Trust) (Director)

Past directorships in other listed companies held over preceding three years

Nil

Christopher Lau Loke Sam
Independent Non-Executive Director

Date of first appointment as director

28 October 2013

Date of last re-appointment as director

26 October 2021

Board committee(s) served on

Remuneration Committee (Chairman)
Audit & Risk Committee (Member)

Academic and professional qualification(s)

Barrister-at-Law, Gray's Inn, England

Current directorships in other listed companies and other principal commitments

- Other listed companies

  Nil

- Other principal commitments

Independent Arbitrator
Mediator
Vice President, LCIA Court

Past directorships in other listed companies held over preceding three years

Nil

Guy Daniel Harvey-Samuel
Independent Non-Executive Director

Date of first appointment as director

2 January 2018

Date of last re-appointment as director

28 October 2020

Board committee(s) served on

Nominating Committee (Chairman)
Remuneration Committee (Member)

Academic and professional qualification(s)

An associate of the Chartered Institute of Bankers (Accountancy Law Relating to Banking Services Monetary Economics Nature of Management)
Qualified Marshall Goldsmith Leadership Coach
Executive Diploma in Directorship, Singapore Management University

Current directorships in other listed companies and other principal commitments

- Other listed companies
  Mapletree Industrial Trust Management Ltd
- Other principal commitments
  Capella Hotel Group Pte Ltd (Chairman)
  M1 Limited (Director)
  Clifford Capital Holdings Pte. Ltd. (Director)
  Clifford Capital Pte. Ltd. (Director)
  Board of Trustees of the National Youth Achievement Award Advisory Board (Chairman)
  National Parks Board (Member)
  ESG Tech Private Ltd (Chairperson)

Past directorships in other listed companies held over preceding three years

Nil

Tan Sri Zulkurnain Bin Awang
Independent Non-Executive Director

Date of first appointment as director

2 January 2018

Date of last re-appointment as director

28 October 2020

Board committee(s) served on

Nil

Academic and professional qualification(s)

Bachelor of Economics (Honours), University of Malaya, Malaysia
Master of Arts in International Affairs Management, Ohio University, USA
Master of Arts in Political Science, Ohio University, USA
Certificate in Public Administration, Ohio University, USA
PhD, University of Leeds, England
Harvard Advanced Management Program, Harvard Business School, Boston, USA

Current directorships in other listed companies and other principal commitments

- Other listed companies
  Nil
- Other principal commitments
  Wing Tai Malaysia Sdn. Bhd. (Chairman)
  Asia Metropolitan University Sdn Bhd (Chairman)

Past directorships in other listed companies held over preceding three years
Nil

Sim Beng Mei Mildred (Mildred Tan)
Independent Non-Executive Director

Date of first appointment as director
2 January 2019
Date of last re-appointment as director
23 October 2019
Board committee(s) served on
Audit & Risk Committee (Member)
Remuneration Committee (Member)
Academic and professional qualification(s)
Bachelor of Arts (Honours), Middlesex University, UK
Master in Education, University of Sheffield, UK
HR Executive Program, Cornell University, USA
Harvard Executive Leaderships Program, Harvard Business School, Boston, USA
Current directorships in other listed companies and other principal commitments
- Other listed companies
  Nil
- Other principal commitments
  Council of Presidential Advisers (Member)
  Singapore Totalisator Board (Chairman)
  Singapore University of Social Sciences Board of Trustee (Chairman)
  Council for Board Diversity (Co-Chair)
  MAS Appeal Advisory Panels (Member)
  AIA Singapore Pte Ltd (Director)
  National University Health System (Director)

Past directorships in other listed companies held over preceding three years
Nil

Kwa Kim Li
Independent Non-Executive Director

Date of first appointment as director
1 May 2022
Date of last re-appointment as director
N.A.
Board committee(s) served on
Audit & Risk Committee (Member)
Remuneration Committee (Member)
Academic and professional qualification(s)
LL.B. (Hons), National University of Singapore
Current directorships in other listed companies and other principal commitments
- Other listed companies
  Mapletree Commercial Trust Management Ltd., the manager of Mapletree Commercial Trust
  Other principal commitments
  Lee & Lee, Advocates and Solicitors (Managing Partner)
  Jurong Town Corporation (Director)
  Changi Airport Group (Singapore) Pte. Ltd. (Director)

Past directorships in other listed companies held over preceding three years
Nil

Tan Hwee Bin
Executive Director

Date of first appointment as director
5 December 2008
Date of last re-appointment as director
26 October 2021
Board committee(s) served on
Nil
Academic and professional qualification(s)
Bachelor of Accountancy, National University of Singapore
Chartered Accountant of Singapore
Harvard Advanced Management Program, Harvard Business School, Boston, USA
Current directorships in other listed companies and other principal commitments

- Other listed companies
  Nil
- Other principal commitments
  Singapore Labour Foundation (Director)
  NTUC Enterprise Co-operative Limited (Director)
  NTUC FairPrice Co-operative Limited (Director)
  Singapore National Employers Federation (Deputy Honorary Treasurer)

Past directorships in other listed companies held over preceding three years
Nil

KEY MANAGEMENT

Wing Tai Holdings Limited

Ng Kim Huat
Group Chief Financial Officer

- Oversees financial reporting and controls, treasury, tax and information technology functions
- More than 10 years' auditing experience with an international public accounting firm in Singapore
- Bachelor of Accountancy (Honours), National University of Singapore
- Chartered Accountant of Singapore

Karine Lim
Group Chief Human Resource Officer

- More than 20 years' human resource management experience in retail, property and public transport industries
- Bachelor of Arts (Honours), National University of Singapore
- Diploma in Human Resource Management, Singapore Human Resource Institute

Wing Tai Property Management Pte Ltd

Helen Chow
Director

- Held various positions in Company since 1975
- Responsible for marketing and sales functions in property division; develops and implements strategies to achieve optimal marketing mix for property products, manages sales operations across geographies to achieve revenue goals
- Bachelor of Arts, Mills College, Oakland, California, USA

Stacey Ow Yeong
Head, Marketing

- Responsible for sales and marketing of Company's portfolio of residential properties in Singapore, Malaysia and China
- Over 30 years of Marketing and Sales experience, including 15 years in residential and integrated properties industry in Asia and Middle East
- Bachelor of Arts, National University of Singapore

Joseph Quek
Head, Property Management & Customer Service

- Responsible for Property Management & Customer Service, Facility Management, Quality Control & Quality Assurance and Costs & Contracts of Company's portfolio of residential and commercial properties in Singapore, Malaysia and China
- Over 30 years' experience in Property & Customer Service, Facility Management and Quality Assurance in Asia and Middle East
- Master of Science in Real Estate, National University of Singapore

Jim Lau
Head, Project Management

- Responsible for Project Management of Company's portfolio of residential and commercial properties in Singapore, Malaysia and China
- 25 years of Project Management experience in Singapore, Malaysia, China, Cambodia, Australia and USA

- Bachelor of Design Studies & Bachelor of Architecture (Honours), University of Queensland, Australia
- Registered APEC Architect and Registered Architect, Australia

3. Financial Review for the Past Two Financial Years ended 30 June (FY2020 and FY2021)

The following tables set out selected consolidated financial information for the Group as at and for the years ended 30 June 2021 and 2020. The selected financial information as at and for the years ended 30 June 2021 and 2020 should be read in conjunction with the audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 30 June 2021, including the related notes thereto, which appears in Appendix II of this Supplemental Information Memorandum.

CONSOLIDATED INCOME STATEMENTS

	2021 **$'000**	**2020** **$'000**
Revenue	**461,396**	371,026
Cost of sales	**(290,304)**	(190,753)
Gross profit	**171,092**	180,273
Other gains/(losses) – net	**11,767**	(104)
Expenses		
– Distribution	**(28,418)**	(53,141)
– Administrative and other	**(84,799)**	(82,055)
Operating profit	**69,642**	44,973
Finance costs	**(30,677)**	(30,288)
Associated and joint venture companies		
– Share of profits	**19,770**	5,772
– Reversal of impairment loss (net)	**16,520**	6,370
Profit before income tax	**75,255**	26,827
Income tax expense	**(33,303)**	(11,119)
Total profit	**41,952**	15,708
Attributable to:		
Equity holders of the Company	**43,568**	15,972
Non-controlling interests	**(1,616)**	(264)
	41,952	15,708
Earnings per share attributable to ordinary shareholders of the Company (cents):		
Basic	**3.99**	0.40
Diluted	**3.98**	0.40

STATEMENTS OF FINANCIAL POSITION

	2021 $'000	2020 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**772,964**	605,480
Trade and other receivables	**169,954**	111,590
Inventories	**7,625**	14,679
Development properties	**778,167**	977,243
Tax recoverable	**4,631**	5,579
Other assets	**76,430**	14,868
Assets held for sale	**3,051**	68,062
	1,812,822	1,797,501
Non-current assets		
Trade and other receivables	**23,543**	134,673
Investments in associated and joint venture companies	**1,717,803**	1,764,891
Investments in subsidiary companies	**-**	-
Investment properties	**793,964**	792,346
Property, plant and equipment	**82,059**	91,608
Deferred income tax assets	**8,718**	8,087
Other assets	**53,323**	61,706
	2,679,410	2,853,311
Total assets	**4,492,232**	4,650,812
LIABILITIES		
Current liabilities		
Trade and other payables	**66,566**	57,842
Borrowings	**150,864**	-
Current income tax liabilities	**47,255**	33,418
Other liabilities	**34,166**	117,395
	298,851	208,655
Non-current liabilities		
Borrowings	**575,224**	787,740
Deferred income tax liabilities	**35,586**	33,719
Other liabilities	**27,428**	35,353
	638,238	856,812
Total liabilities	**937,089**	1,065,467
NET ASSETS	**3,555,143**	3,585,345
EQUITY		
Capital and reserves attributable to ordinary shareholders of the Company		
Share capital	**838,250**	838,250
Other reserves	**(28,766)**	7,904
Retained earnings	**2,377,230**	2,367,885
	3,186,714	3,214,039
Perpetual securities	**296,375**	296,375
Non-controlling interests	**72,054**	74,931
TOTAL EQUITY	**3,555,143**	3,585,345

Review of Past Performance

FY2021 REVIEW

For the financial year ended 30 June 2021, the Group recorded a total revenue of S$461.4 million. This represents a 24% increase from the S$371.0 million revenue recorded in the previous year. This increase is mainly due to the higher contribution from development properties. The current year revenue from development properties was largely attributable to the additional units sold in Le Nouvel Ardmore and the progressive sales recognized from The M at Middle Road in Singapore.

The Group recorded higher operating profit of S$69.7 million in the current year as compared to S$45.0 million in the previous year. This increase is mainly due to the higher contribution from the development properties.

The Group's share of profits of associated and joint venture companies increased to S$36.3 million in the current year from S$12.1 million in the previous year. This increase is primarily due to the higher contribution from The Garden Residences in Singapore on the additional units sold.

In the current year, the Group's net profit attributable to shareholders was S$43.6 million as compared to S$16.0 million in the previous year. Excluding the fair value changes on investment properties, the underlying net profit for the Group is S$116.8 million in the current year, which is 68% higher than the S$69.6 million recorded in the previous year.

The Group's net asset value per share as at 30 June 2021 was S$4.14. It was S$4.18 as at 30 June 2020. The Group was in a net cash position as at 30 June 2021. This is a change from the previous year when it had a net gearing ratio of 0.05 times.

CLEARING AND SETTLEMENT

The section below replaces the sub-section "CLEARING AND SETTLEMENT UNDER THE DEPOSITORY SYSTEM" appearing on page 52 of the Original Information Memorandum in its entirety.

Clearance and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP 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 CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP 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 CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a global security or global certificate for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Notes through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to a securities sub-account with a Depository Agent for trade settlement.

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

Although CDP has established procedures to facilitate transfers of interests in the Notes 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 Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

SINGAPORE TAXATION

This section replaces the section "SINGAPORE TAXATION" appearing on pages 53 to 56 of the Original Information Memorandum in its entirety.

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger(s) and any other persons involved in the MTN Programme accept responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are 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 (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 22.0 per cent., and is proposed to be increased to 24.0 per cent. from the year of assessment 2024 pursuant to the Singapore Budget Statement 2022. 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 payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

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

(b) discount income (not including discount income arising from secondary trading) from debt securities 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,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

On the basis that the MTN Programme is arranged as a whole by Approved Bond Intermediaries (as defined in the ITA) prior to 1 January 2004, by Financial Sector Incentive (Bond Market) Companies (as defined in the ITA) between 1 January 2004 and 31 December 2013, and by Financial Sector Incentive (Bond Market), Financial Sector Incentive (Standard Tier) or Financial Sector Incentive (Capital Market) Companies (as defined in the ITA) from 1 January 2014, any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the MTN Programme during the period from the date of this Information Memorandum to 31 December 2023 would be qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the submission by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes 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 shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes, paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the submission by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the submission by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:-

(i) any related party of the Issuer; or

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

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

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

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

"prepayment fee", in relation to debt securities and qualifying 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;

"redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

"break cost", in relation to debt securities and qualifying 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.

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

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax

exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax (including for the reasons described above) is required to include such income in a return of income made under the ITA.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 and SFRS(I) 9 for Singapore Income Tax Purposes".

3. Adoption of FRS 39, FRS 109 and SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition & Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

This section replaces the section "SUBSCRIPTION, PURCHASE AND DISTRIBUTION" appearing on pages 57 and 58 of the Original Information Memorandum in its entirety.

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective 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 its affiliates' business. The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third-party commissions (including, without limitation, rebates to private banks as may be specified in the applicable Pricing Supplement).

In connection with each tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Notes for their own account (without a view to distributing such Notes) and such orders and/or allocations of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes 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 Notes or other securities otherwise than in connection with the offering. Accordingly, references herein to the Notes being "offered" should be read as including any offering of the Notes to the Arranger, the Dealers and/or their respective 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.

United States

The Notes have not been and will not be registered under the Securities Act, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions not subject to the registration requirements of Regulation S of the Securities Act ("**Regulation S**"). Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

The Relevant Dealer and each further relevant Dealer appointed in relation to the Notes will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of,

U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of any identifiable tranche of Notes within the United States by any dealer that is not participating in the offering of such tranche of Notes may violate the registration requirements of the Securities Act.

The Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. The Information Memorandum does not constitute an offer to any person in the United States. Distribution of the 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.

Prohibition of sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) not a qualified investor as defined in the Prospectus Regulation (as defined below); and

(ii) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Relevant State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

(i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer"**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended).

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or

(b) a customer within the meaning of the provisions of the Financial Services and Markets Act (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(ii) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(i) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in paragraphs (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the

meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

The Relevant Dealer and each further relevant Dealer appointed in relation to the Notes will be required to agree that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; 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 ("**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; 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 Notes, 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 Notes 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 (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

The Relevant Dealer acknowledges that the Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, the Relevant Dealer and each further relevant Dealer appointed in relation to the Notes will be required to represent and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme may be used in connection with an offer or solicitation by any person in any jurisdiction in which such offer or solicitation is not authorised

or to any person to whom it is unlawful to make such offer or solicitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, any other document or any Pricing Supplement. No Dealer will directly or indirectly offer, sell or deliver Notes or any interest therein or rights in respect thereof or distribute or publish any prospectus, circular, advertisement or other offering material (including, without limitation, this Information Memorandum) in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Notes or any interest therein or rights in respect thereof by it will be made on the foregoing terms. In connection with the offer, sale or delivery by any Dealer of any Notes or any interest therein or rights in respect thereof, the Issuer shall not have responsibility for, and each Dealer will obtain, any consent, approval or permission required in and each Dealer will comply with the laws and regulations in force in, any jurisdiction to which it is subject or from which it may make any such offer, sale or delivery.

Each issue of Notes shall be subject to such additional selling restrictions as may be agreed between the Issuer and the relevant Dealer(s) and each of the Dealers has undertaken that it will at all times comply with all such selling restrictions.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time."

GENERAL INFORMATION

1. BORROWINGS

Save as disclosed in the audited financial accounts of the Group for the financial year ended 30 June 2021, the Group had as at 30 June 2021 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

2. WORKING CAPITAL

The Issuer is of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuer will have adequate working capital for their present requirements.

3. CHANGES IN ACCOUNTING POLICIES

Save as disclosed in Appendix II, there has been no significant change in the accounting policies of the Issuer since its audited financial accounts for the financial year ended 30 June 2021.

4. LITIGATION

There are no legal or arbitration proceedings pending or threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Supplemental Information Memorandum a material adverse effect on the financial position of the Issuer or the Group.

5. MATERIAL ADVERSE CHANGE

There has been no material adverse change in the financial condition or business of the Issuer or the Group since 30 June 2021.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by the holders of the Notes at the registered office of the Issuer at 3 Killiney Road #10-01 Winsland House I Singapore 239519 during normal business hours for a period of six months from the date of this Supplemental Information Memorandum:

(a) the Memorandum and Articles of Association of the Issuer;

(b) the Trust Deed; and

(c) the unaudited consolidated results of the Issuer and its subsidiaries for the first half ended 31 December 2021.

7. FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF WING TAI HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The information in this Appendix II has been reproduced from the auditor's report on the consolidated financial statements of Wing Tai Holdings Limited and its subsidiaries for the financial year ended 30 June 2021 and has not been specifically prepared for inclusion in this Supplemental Information Memorandum.

Consolidated Income Statement

For the Financial Year Ended 30 June 2021

	Note	Group 2021 $'000	2020 $'000
Revenue	3	**461,396**	371,026
Cost of sales		**(290,304)**	(190,753)
Gross profit		**171,092**	180,273
Other gains/(losses) – net	4	**11,767**	(104)
Expenses			
– Distribution		**(28,418)**	(53,141)
– Administrative and other		**(84,799)**	(82,055)
Operating profit		**69,642**	44,973
Finance costs	7	**(30,677)**	(30,288)
Associated and joint venture companies			
– Share of profits	17	**19,770**	5,772
– Reversal of impairment loss (net)	16	**16,520**	6,370
Profit before income tax		**75,255**	26,827
Income tax expense	8(a)	**(33,303)**	(11,119)
Total profit		**41,952**	15,708
Attributable to:			
Equity holders of the Company		**43,568**	15,972
Non-controlling interests		**(1,616)**	(264)
		41,952	15,708
Earnings per share attributable to ordinary shareholders of the Company (cents):			
Basic	9(a)	**3.99**	0.40
Diluted	9(b)	**3.98**	0.40

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

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 30 June 2021

	Note	Group 2021 $'000	Group 2020 $'000
Total profit		**41,952**	15,708
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges		**391**	(1,633)
Currency translation differences		**(43,224)**	43,889
Share of other comprehensive income of associated and joint venture companies		**5,351**	760
		(37,482)	43,016
Items that will not be reclassified subsequently to profit or loss:			
Fair value gains/(losses) on financial assets at fair value through other comprehensive income ("FVOCI")		**1,551**	(8,949)
Currency translation differences		**(1,373)**	1,966
Share of other comprehensive income of associated and joint venture companies		**112**	2
		290	(6,981)
Other comprehensive (expense)/income, net of tax	8(a)	**(37,192)**	36,035
Total comprehensive income		**4,760**	51,743
Attributable to:			
Equity holders of the Company		**7,637**	50,039
Non-controlling interests		**(2,877)**	1,704
		4,760	51,743

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

Statements of Financial Position

As at 30 June 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**772,964**	605,480	**515,088**	283,891
Trade and other receivables	12	**169,954**	111,590	**268,501**	244,796
Inventories	13	**7,625**	14,679	-	-
Development properties	14	**778,167**	977,243	-	-
Tax recoverable		**4,631**	5,579	-	-
Other assets	22	**76,430**	14,868	**1,143**	1,541
Assets held for sale	15	**3,051**	68,062	-	-
		1,812,822	1,797,501	**784,732**	530,228
Non-current assets					
Trade and other receivables	16	**23,543**	134,673	**848,025**	1,160,397
Investments in associated and joint venture companies	17	**1,717,803**	1,764,891	**-**	-
Investments in subsidiary companies	18	**-**	-	**282,063**	282,063
Investment properties	19	**793,964**	792,346	**-**	-
Property, plant and equipment	20	**82,059**	91,608	**15,102**	12,948
Deferred income tax assets	8(b)	**8,718**	8,087	**-**	-
Other assets	22	**53,323**	61,706	**19,353**	20,811
		2,679,410	2,853,311	**1,164,543**	1,476,219
Total assets		**4,492,232**	4,650,812	**1,949,275**	2,006,447
LIABILITIES					
Current liabilities					
Trade and other payables	23	**66,566**	57,842	**16,789**	11,195
Borrowings	24	**150,864**	-	**85,979**	-
Current income tax liabilities		**47,255**	33,418	**3,281**	221
Other liabilities	26	**34,166**	117,395	**-**	345
		298,851	208,655	**106,049**	11,761
Non-current liabilities					
Borrowings	24	**575,224**	787,740	**421,582**	567,537
Deferred income tax liabilities	8(b)	**35,586**	33,719	**-**	-
Other liabilities	26	**27,428**	35,353	**12,993**	19,322
		638,238	856,812	**434,575**	586,859
Total liabilities		**937,089**	1,065,467	**540,624**	598,620
NET ASSETS		**3,555,143**	3,585,345	**1,408,651**	1,407,827
EQUITY					
Capital and reserves attributable to ordinary shareholders of the Company					
Share capital	27	**838,250**	838,250	**838,250**	838,250
Other reserves	29	**(28,766)**	7,904	**(39,013)**	(38,575)
Retained earnings	30	**2,377,230**	2,367,885	**313,039**	311,777
		3,186,714	3,214,039	**1,112,276**	1,111,452
Perpetual securities	28	**296,375**	296,375	**296,375**	296,375
Non-controlling interests	18	**72,054**	74,931	**-**	-
TOTAL EQUITY		**3,555,143**	3,585,345	**1,408,651**	1,407,827

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2021

		Attributable to ordinary shareholders of the Company						
	Note	Share capital $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
2021								
Balance at 1 July 2020		838,250	7,904	2,367,885	3,214,039	296,375	74,931	3,585,345
Total comprehensive (expense)/income		-	(35,931)	43,568	7,637	-	(2,877)	4,760
Share of transfer of reserves of an associated company	29(c)	-	(437)	437	-	-	-	-
Cost of share-based payment		-	1,579	-	1,579	-	-	1,579
Reissuance of treasury shares		-	(39)	39	-	-	-	-
Purchase of treasury shares		-	(1,978)	-	(1,978)	-	-	(1,978)
Accrued perpetual securities distribution	28	-	-	(12,840)	(12,840)	12,840	-	-
Ordinary and special dividends paid	25	-	-	(23,115)	(23,115)	-	-	(23,115)
Perpetual securities distribution paid		-	-	-	-	(12,840)	-	(12,840)
Tax credit arising from perpetual securities distribution		-	-	1,256	1,256	-	-	1,256
Liquidation of subsidiary companies		-	136	-	136	-	-	136
End of financial year		**838,250**	**(28,766)**	**2,377,230**	**3,186,714**	**296,375**	**72,054**	**3,555,143**
2020								
Balance at 1 July 2019, as previously reported		838,250	(27,577)	2,402,368	3,213,041	296,375	73,227	3,582,643
Effect of adoption of SFRS(I) 16		-	-	(1,328)	(1,328)	-	-	(1,328)
Balance at 1 July 2019, as adjusted		838,250	(27,577)	2,401,040	3,211,713	296,375	73,227	3,581,315
Total comprehensive income		-	34,067	15,972	50,039	-	1,704	51,743
Share of transfer of reserves of an associated company	29(c)	-	(769)	769	-	-	-	-
Cost of share-based payment		-	2,135	-	2,135	-	-	2,135
Reissuance of treasury shares		-	48	(48)	-	-	-	-
Accrued perpetual securities distribution	28	-	-	(12,875)	(12,875)	12,875	-	-
Ordinary and special dividends paid	25	-	-	(38,453)	(38,453)	-	-	(38,453)
Perpetual securities distribution paid		-	-	-	-	(12,875)	-	(12,875)
Tax credit arising from perpetual securities distribution		-	-	1,480	1,480	-	-	1,480
End of financial year		838,250	7,904	2,367,885	3,214,039	296,375	74,931	3,585,345

An analysis of the movement in each category within "Other reserves" is presented in Note 29.

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2021

	Note	Group 2021 $'000	2020 $'000
Cash flows from operating activities			
Total profit		**41,952**	15,708
Adjustments for:			
Income tax expense		**33,303**	11,119
Depreciation of property, plant and equipment		**14,749**	25,599
Dividend income		**(1,529)**	(1,680)
Fair value losses on investment properties		**3,687**	15,361
Fair value losses/(gains) on financial assets at fair value through profit or loss ("FVPL")		**1,261**	(9,789)
Fair value gains on derivative financial instruments		**(69)**	(80)
Write-back for stock obsolescence		**(1,717)**	(124)
Write-back of allowance for foreseeable losses on development properties		**(395)**	-
Impairment loss on property, plant and equipment		**816**	2,842
Dilution loss on interest in an associated company		**-**	2,421
(Gain)/loss on disposal of investment property		**(5,078)**	9
Gain on disposal of property, plant and equipment		**(4,851)**	(110)
Write-off of property, plant and equipment		**410**	201
Loss on liquidation of subsidiary companies		**136**	-
Settlement of derivative financial instruments		**-**	51
Interest income		**(2,710)**	(2,923)
Finance costs		**30,677**	30,288
Share of profits of associated and joint venture companies		**(19,770)**	(5,772)
Reversal of impairment loss of joint venture companies (net)		**(16,520)**	(6,370)
Share-based payment		**1,579**	2,135
Currency translation differences		**(61)**	(2,416)
Operating cash flow before working capital changes		**75,870**	76,470
Changes in operating assets and liabilities:			
Balances with associated and joint venture companies		**3,003**	1,067
Development properties		**197,287**	113,752
Inventories		**8,772**	5,018
Trade and other receivables and other current assets		**(49,714)**	(7,104)
Trade and other payables and other current liabilities		**(68,826)**	88,296
Cash generated from operations		**166,392**	277,499
Income tax paid		**(16,889)**	(230)
Net cash generated from operating activities		**149,503**	277,269

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2021

	Note	Group 2021 $'000	2020 $'000
Cash flows from investing activities			
Additional interests in a joint venture company		**(13,550)**	(1,480)
Additions to investment properties		**(511)**	(49,947)
Additions to property, plant and equipment		**(3,790)**	(3,049)
Disposal of investment property		**45,237**	421
Disposal of property, plant and equipment		**32,756**	493
Repayment of loans by associated and joint venture companies		**120,000**	92,800
Advancement of loans to associated and joint venture companies		**(62,836)**	(2,640)
Repayment of loans by non-controlling interests		**-**	4,584
Advancement of loans to non-controlling interests		**(5,915)**	-
Dividends received		**40,402**	6,608
Interest received		**2,826**	3,028
Net cash generated from investing activities		**154,619**	50,818
Cash flows from financing activities			
Purchase of treasury shares		**(1,978)**	-
Proceeds from borrowings		**-**	155,254
Repayment of borrowings		**(62,352)**	-
Principal payment of lease liability		**(10,847)**	(18,563)
Ordinary and special dividends paid		**(23,115)**	(38,453)
Perpetual securities distribution paid		**(12,840)**	(12,875)
Interest paid		**(27,180)**	(26,616)
Net cash (used in)/generated from financing activities		**(138,312)**	58,747
Net increase in cash and cash equivalents		**165,810**	386,834
Cash and cash equivalents at beginning of financial year		**605,480**	217,332
Effects of currency translation on cash and cash equivalents		**1,674**	1,314
Cash and cash equivalents at end of financial year	10	**772,964**	605,480

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

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 36.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I)s 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. 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, 17, 19 and 33(e).

2.2 Adoption of new and revised standards

The Group adopted the following new or amended SFRS(I)s and Interpretations of SFRS(I)s ("INT SFRS(I)s"), that are relevant to the Group for the annual period beginning on 1 July 2020:

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors* (Definition of Material)
- Amendments to SFRS(I) 3 *Business Combinations* (Definition of a Business)
- Amendments to SFRS(I) 9 *Financial Instruments*, SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement* and SFRS(I) 7 *Financial Instruments: Disclosures* (Interest Rate Benchmark Reform)
- Amendments to Conceptual Framework for Financial Reporting

Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I)s.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Adoption of new and revised standards *(continued)*

The adoption of the above new or amended SFRS(I)s and INT SFRS(I)s did not result in substantial changes to the Group's accounting policies and did not have any significant impact on the financial statements of the Group for the current or prior financial years except as follows:

Interest Rate Benchmark Reform

In accordance with the transitional provisions, the Group has adopted the amendments to SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") and SFRS(I) 7 *Financial Instruments: Disclosures* ("SFRS(I) 7") effective 1 January 2020 retrospectively to hedging relationships that existed at the start of the reporting period or were designated thereafter, and to the amount accumulated in the cash flow hedge reserve at that date. The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by inter-bank offered rate (IBOR) reform.

The Group has applied the following reliefs that were introduced by the amendments made to SFRS(I) 9:

(a) When considering the 'highly probable' requirement, the Group has assumed that the IBOR interest rates on which the Group's hedged debts are based does not change as a result of IBOR reform;

(b) In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the IBOR interest rates on which the cash flows of the hedged debts and the interest rate swaps that hedges them are based is not altered by the IBOR reform; and

(c) The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from interest rate benchmark reform are no longer present. The Group has assessed that no changes were required to any of the amounts recognised in relation to the hedging relationships of the current or prior period as a result of these amendments.

2.3 Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore, Malaysia, Australia, Japan, the People's Republic of China ("PRC") and Hong Kong SAR, all of which have been affected by the spread of COVID-19 in 2021.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 30 June 2021:

(a) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

(b) Border closures, production stoppages and workplace closures have resulted in periods where the Group's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have negatively impacted business production and volume, resulting in a negative impact on the Group's financial performance.

(c) The Group has received rental rebates for its leased retail stores and also provided rental concessions to tenants in its commercial buildings. The effects of such rental concessions received/provided are disclosed in Note 5.

(d) The carrying amounts of the Group's non-financial and financial assets are assessed to determine whether there is any objective evidence or indication that these assets may be impaired, taking into consideration the conditions existing at the end of the reporting period including the impact of the COVID-19 pandemic. The financial impact arising from the assessments carried out are disclosed in Notes 12, 16 and 20.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Impact of COVID-19 *(continued)*

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 30 June 2022. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent reporting periods.

2.4 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 as follows:

(a) Revenue from property development – sale of development properties

Revenue from sale of development properties is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer at a point in time or over time.

For development properties where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset, such as when the property is accepted by the customer, or deemed as accepted according to the contract, or when title has passed to the customer.

For development properties where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the Group's efforts or inputs to the satisfaction of the performance obligation, 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. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. Payment is typically due within two weeks. A contract asset is recognised as "Unbilled revenue" under other assets when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised as "Contract liability for development properties" under other liabilities when the Group has not yet performed under the contract but has received advance payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

For costs incurred in obtaining the contract which are within the scope of another SFRS(I) (e.g. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Otherwise, such costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

In assessing the valuation of development properties, estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the revisions are made.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Revenue recognition *(continued)*

(b) Revenue from sale of goods

Revenue from the sale of goods is recognised when the goods are delivered to the customer (i.e. at a point in time).

Payment for the transaction price is due immediately when the customer purchases the goods. However, for goods purchased on-line, the customer has a right to return the goods to the Company within a period of between 14 to 30 days of delivery to the customer. Therefore, a refund liability (to be included in trade and other payables) and a right to the returned goods (to be included in other current assets) are recognised for products expected to be returned.

Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at the end of each reporting period.

The Retail division operates a customer loyalty programme called “wt+” that provides purchase credits in the form of points to program members based on sales transactions. The purchase credits can be redeemed in the form of discount against subsequent purchases. A portion of the revenue from the sale of goods attributable to the award of purchase credits, estimated based on expected redemption of these credits, is deferred until they are utilised. These are included within other liabilities on the statement of financial position. Any remaining unutilised benefits are recognised as revenue upon expiry.

(c) 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.

(d) Management fee

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

(e) Dividend income

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

(f) Interest income

Interest income is recognised using the effective interest method.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Group accounting

(a) Subsidiary companies

(i) Consolidation

Subsidiary companies are all entities (including structured 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 to direct the activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, intercompany transactions and balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the 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 2.6 for the accounting policy on goodwill on acquisitions.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 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 profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured 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 profit or loss.

Please refer to Note 2.7 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 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 2.6 for the accounting policy on goodwill on acquisitions.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its associated or joint venture companies' post-acquisition profits or losses and its share of movements in other comprehensive income. Dividends received or receivable from the associated or joint venture companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated or joint venture company equals to or exceeds its interest in the associated or joint venture company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has incurred 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. Interest in an associated or joint venture company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 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 profit or loss.

(d) Joint operations
The Group's joint operations are joint arrangements whereby the parties (the joint operators) that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group's interest in its unincorporated joint operations is accounted for by recognising the Group's assets and liabilities from the joint operations, as well as expenses incurred by the Group and the Group's share of income earned from the joint operations, in the consolidated financial statements. The accounting policies of the assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2.6 Goodwill on acquisitions

Goodwill on acquisitions of subsidiary companies and businesses, represents the excess of: (i) 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; (ii) the fair value 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 acquisition of associated and joint venture companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. 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.

2.7 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 profit or loss.

2.8 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 cost less accumulated impairment losses. Buildings and leasehold land are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Property, plant and equipment *(continued)*

(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 – 33%

Right-of-use assets (excluding leasehold land) are depreciated over lease periods of between 6 to 36 months.

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 profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying 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 profit or loss 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 profit or loss within “Other gains/(losses) - net”.

2.9 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 property valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

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 profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

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

2.10 Development properties

(a) Properties under development

Properties under development are stated at lower of cost and net realisable value. An allowance for foreseeable losses is made when the estimated net realisable value of the property has fallen below cost. Net realisable value represents estimated selling price less costs to be incurred in selling the property.

Cost includes cost of land and other direct expenditure, including interest on borrowings incurred in developing the properties for which revenue is recognised at a point in time. 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.

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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 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 forecasted selling prices are based on the recent transacted 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/(losses) – 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.

2.11 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 profit or loss and is not reversed in a subsequent period.

(b) Property, plant and equipment (including right-of-use assets)
Investments in subsidiary, associated and joint venture companies

Property, plant and equipment (including right-of-use assets) 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 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 profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated 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 profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

(i) Amortised cost
(ii) Fair value through other comprehensive income ("FVOCI")
(iii) Fair value through profit or loss ("FVPL")

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- *Amortised cost*
  Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- *FVOCI*
  Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other gains/(losses) – net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "Interest income".

- *FVPL*
  Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other gains/(losses) – net".

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(a) Classification and measurement *(continued)*

At subsequent measurement *(continued)*

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other gains/(losses) – net", except for certain equity securities which are not held-for-trading. The Group has elected to recognise changes in fair value of certain equity securities not held-for-trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "Fair value gains/(losses)" in OCI. Dividends from equity investments are recognised in profit or loss as "Dividend income".

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) 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 debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

2.13 Financial guarantees

The Group has issued corporate guarantees to banks for credit facilities of its subsidiary and joint venture companies. These guarantees are financial guarantees as they require the Group to reimburse the banks if the subsidiary and 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 measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

Intra-group transactions are eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.14 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.

2.15 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 case 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 profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

2.16 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 profit or loss 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, on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

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 swap that is a cash flow hedge for the Group's exposure to interest rate risk on its borrowings. This contract entitles the Group to receive interest at a floating rate on notional principal amount and obliges the Group to pay interest at a fixed rate on the same notional principal amount, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rate borrowings denominated in the same currency.

The fair value changes on the effective portion of the interest rate swap designated as cash flow hedges are recognised in other comprehensive income, accumulated in cash flow hedge reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss and/or the hedged borrowings is settled. The fair value changes on the ineffective portion of the interest rate swap are recognised immediately in profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

The Group has entered into currency forwards to manage the Group's exposure to currency risk on highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income. Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

(a) The gain or loss relating to the effective portion of the spot component of currency forwards is treated as follows: Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory, property, plant and equipment), the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

(b) The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

The Group has cross currency swap and currency forwards 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 swap and currency forwards 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 profit or loss 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 profit or loss.

2.17 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.

2.18 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)*

2.19 Leases

(a) When the Group is the lessee:
At the inception of the contract, the Group assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets
The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

Right-of-use asset which meets the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 2.9.

(ii) Lease liabilities
The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:
- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease components for property leases and account for these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:
- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short term and low value leases
The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.19 Leases *(continued)*

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

(iv) Variable lease payments
Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments. Details of the variable lease payments are disclosed in Note 21.

(v) Extension and termination options
Extension and termination options are included in a number of property and equipment leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of reasonable certainty is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

(vi) COVID-19-related rent concessions
The Group has applied COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

(b) When the Group is the lessor:

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

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

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

(ii) Lessor – Subleases
In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within “Trade and other receivables”. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit or loss within “Rental income”. The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.20 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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 as income or expense in profit or loss, 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.

2.21 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 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.22 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.

2.23 Employee compensation

Employee benefits are recognised as an expense, 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 is recognised as an expense 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 granted on the grant date. Non-market vesting conditions are included in the estimation of the number of shares 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 that are expected to vest on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

(c) Termination benefits
Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs of a restructuring that is within the scope of SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.24 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 profit or loss. 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 profit or loss, 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)*

2.24 Currency translation *(continued)*

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) 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 profit or loss on disposal or partial disposal with loss of control of the foreign operation.

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.

2.25 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 profit or loss.

Management assesses the performance of the operating segments based on a measure of earnings before interest and tax ("EBIT") for continuing operations. Interest income is 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, deferred income tax assets, current and deferred income tax liabilities and derivative financial instruments.

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

2.26 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.

2.27 Government grants

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

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

Government grants relating to assets are deducted against the carrying amount of the assets.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.28 Share capital, treasury shares and perpetual securities

Ordinary shares and perpetual securities are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares or perpetual securities are deducted against the share capital or perpetual securities account. The proceeds received net of any directly attributable transaction costs are credited to share capital or perpetual securities 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, 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.

2.29 Dividends to the equity holders of the Company

Dividends to the Company's equity holders are recognised when the dividends are approved for payment. Distributions arising from perpetual securities are treated as dividends which are directly debited from equity.

2.30 Assets held for sale

Non-current assets (or disposal groups) 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 assets 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 profit or loss.

3. REVENUE

	Group 2021 $'000	Group 2020 $'000
Revenue from contracts with customers under SFRS(I) 15		
Revenue from development properties:		
– recognised at a point in time	**185,863**	186,181
– recognised over time	**171,577**	40,650
Revenue from sale of goods:		
– recognised at a point in time	**53,359**	91,509
Management fees:		
– recognised over time	**8,447**	5,770
Other revenue		
Rental income	**40,621**	45,236
Dividend income		
– financial assets at FVOCI	**689**	1,544
– financial assets at FVPL	**840**	136
	461,396	371,026

(a) Contract assets and liabilities

	Group 30 June 2021 $'000	Group 30 June 2020 $'000	Group 1 July 2019 $'000
Contract assets: Unbilled revenue [Note 22]	**19,896**	1,555	15,952
Contract liabilities for development properties [Note 26]	**(24,834)**	(98,367)	(7,182)

Unbilled revenue primarily relates to the Group's rights to consideration for work completed but not billed at the end of the reporting period on sale of development properties. Unbilled revenue is transferred to receivables when the rights to consideration become unconditional. The contract assets increased as compared to the previous financial year as the Group's recognition of revenue on development properties is ahead of the billings based on agreed payment schedules.

Contract liabilities primarily relates to advance consideration received from customers for sale of development properties. The contract liabilities decreased mainly due to revenue recognised on the Group's development properties upon sales completion, where control of the properties have been transferred to the customers, or based on actual performance completed to date.

(i) Revenue recognised in relation to contract liabilities

	Group 2021 $'000	Group 2020 $'000
Revenue recognised in the financial year that was included in the contract liability balance at the beginning of financial year:		
– sale of development properties	**98,367**	7,182

(ii) Transaction price allocated to unsatisfied performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the end of the reporting period.

	2021 $'000	2022 $'000	2023 $'000	Total $'000
Partially and fully unsatisfied performance obligations as at:				
30 June 2021	**-**	**400,766**	**143,957**	**544,723**
30 June 2020	108,723	289,413	102,089	500,225

As permitted under SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

3. REVENUE *(continued)*

(b) Assets recognised from costs to obtain contracts

Incremental costs of obtaining a contract are capitalised if these costs are recoverable and are amortised to profit or loss on a basis consistent with the pattern of recognition of the associated revenue. The assets recognised from costs to obtain contracts are related to the sale of development properties.

	Group	
	2021	**2020**
	$'000	**$'000**
Assets recognised from costs to obtain contracts at end of financial year [Note 22]	**21,635**	16,689
Amortisation and impairment loss of costs to obtain contracts	**10,647**	826

(c) Trade receivables from contracts with customers

	Group		
	30 June 2021	**30 June 2020**	**1 July 2019**
	$'000	**$'000**	**$'000**
Trade receivables from contracts with customers	**7,548**	8,185	7,216
Less: Credit loss allowance of receivables	**(32)**	(33)	(33)

4. OTHER GAINS/(LOSSES) – NET

	Group	
	2021	**2020**
	$'000	**$'000**
Other gains:		
– Interest income - banks	**2,696**	2,874
– Interest income - net investment in the sublease [Note 21]	**14**	49
	2,710	2,923
– Gain on disposal of investment property	**5,078**	-
– Gain on disposal of property, plant and equipment	**4,851**	110
– Fair value gains on derivative financial instruments	**69**	80
– Fair value gains on financial assets at FVPL [Note 22(b)]	**-**	9,789
– Write-back of allowance for foreseeable losses on development properties - net	**395**	-
– Foreign exchange gain - net	**-**	686
– Property ancillary income	**3,975**	3,635
– Others	**2,930**	3,360
	20,008	20,583
Other losses:		
– Impairment loss on property, plant and equipment	**(816)**	(2,842)
– Dilution loss on interest in an associated company [Note 17]	**-**	(2,421)
– Fair value losses on investment properties [Note 19]	**(3,687)**	(15,361)
– Fair value losses on financial assets at FVPL [Note 22(b)]	**(1,261)**	-
– Foreign exchange loss - net	**(189)**	-
– Loss on disposal of investment property	**-**	(9)
– Others	**(2,288)**	(54)
	(8,241)	(20,687)
	11,767	(104)

5. EXPENSES BY NATURE

	Group	
	2021	**2020**
	$'000	**$'000**
Depreciation of property, plant and equipment (including right-of-use assets) [Note 5(a)(ii)]	**14,749**	25,599
Employee compensation	**60,773**	61,091
Auditors' remuneration paid/payable to:		
– auditor of the Company	**527**	448
– other auditors	**419**	489
Other fees paid/payable to:		
– auditor of the Company	**54**	204
– other auditors	**146**	130
Write-back of stock obsolescence	**(1,717)**	(124)
Write-off of property, plant and equipment	**410**	201
Impairment of property, plant and equipment	**816**	2,842
Rental expense [Note 5(a)(ii)]	**3,012**	6,137
Development cost included in cost of sales	**230,970**	127,402
Raw materials and finished goods included in cost of sales	**29,976**	44,849
Property tax expense [Note 5(a)(i)]	**2,354**	2,541

(a) Associated with COVID-19 relief schemes and assistance packages available in certain countries in which the Group operates in:

(i) The Group received property tax rebates of $0.9 million (2020: $1.1 million) for the Group's investment properties, and $0.9 million (2020: $0.9 million) was passed on to the tenants in the form of rental rebates. In 2020, the remaining amount of $0.2 million pertaining to the untenanted portions of the buildings was netted off to arrive at the net property tax expense of $2.5 million.

(ii) The Group received rental rebates of $1.9 million (2020: $3.8 million) from the landlords on leases of office space, warehouse space and retail stores. Accordingly, the rebates are presented as a deduction against depreciation expense for right-of-use assets or rental expense for short-term leases of $1.1 million (2020: $2.4 million) and $0.8 million (2020: $1.4 million) respectively.

(b) Included in the Group's rental expense is contingent rent amounting to $1.0 million (2020: $1.2 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

6. EMPLOYEE COMPENSATION

	Group	
	2021	**2020**
	$'000	**$'000**
Wages and salaries (including directors' remuneration)	**52,837**	52,888
Employer's contribution to defined contribution plans including Central Provident Fund	**4,737**	4,888
Share-based payment	**1,579**	2,135
Termination benefits	**1,620**	1,180
	60,773	61,091

Government grants under the Jobs Support Scheme ("JSS") amounting to $3.3 million (2020: $2.8 million) for the Group have been recorded as a reduction to the wages and salaries during the financial year ended 30 June 2021. The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

Please refer to Note 34(b) for directors' remuneration.

7. FINANCE COSTS

	Group	
	2021	**2020**
	$'000	**$'000**
Interest expense		
– Banks	**30,224**	29,351
– Lease liabilities	**453**	937
	30,677	30,288

8. INCOME TAXES

(a) Income tax expense/(credit)

	Group	
	2021	**2020**
	$'000	**$'000**
Tax expense attributable to profit is made up of:		
Current income tax		
– Singapore	**21,167**	19,208
– Foreign	**15,636**	1,306
	36,803	20,514
Deferred income tax	**3,380**	(1,325)
	40,183	19,189
Overprovision in preceding financial years		
– Current income tax	**(4,173)**	(7,699)
– Deferred income tax	**(2,707)**	(371)
	33,303	11,119

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in estimating capital allowances and determining deductibility of certain expenses and taxability of certain income in arriving at the provision for income taxes, the ultimate outcome of which is uncertain. The Group recognises liabilities for anticipated tax 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/(credit) *(continued)*

The tax on the 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	
	2021	**2020**
	$'000	**$'000**
Tax calculated at Singapore standard rate of income tax	**6,624**	2,496
Effect of taxable distributions from a foreign subsidiary company	**10,581**	-
Different tax rates in other countries	**2,390**	463
Expenses not deductible for tax purposes	**11,985**	16,954
Land appreciation tax	**11,554**	-
Income not subject to tax	**(7,526)**	(4,177)
Overprovision of tax	**(6,880)**	(8,070)
Unrecognised tax losses	**4,575**	3,453
	33,303	11,119

The tax charge relating to each component of other comprehensive (expense)/income is as follows:

		Group	
	Before tax	**Tax charge**	**After tax**
	$'000	**$'000**	**$'000**
2021			
Fair value gains on financial assets at FVOCI	1,551	-	1,551
Cash flow hedges	391	-	391
Currency translation differences	(44,597)	-	(44,597)
Share of other comprehensive income of associated and joint venture companies	5,463	-	5,463
	(37,192)	**-**	**(37,192)**
2020			
Fair value losses on financial assets at FVOCI	(8,949)	-	(8,949)
Cash flow hedges	(1,633)	-	(1,633)
Currency translation differences	45,855	-	45,855
Share of other comprehensive income of associated and joint venture companies	762	-	762
	36,035	-	36,035

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

8. INCOME TAXES *(continued)*

(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	
	2021 $'000	**2020 $'000**
Deferred income tax assets	**(8,718)**	(8,087)
Deferred income tax liabilities	**35,586**	33,719

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 has unrecognised tax losses and deductible temporary differences amounting to $148.5 million (2020: $151.9 million) and $21.9 million (2020: $21.3 million) respectively at the end of the reporting period. The unutilised tax losses 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 unutilised tax losses have no expiry date except for those incurred in Malaysia of $36.9 million (2020: $34.2 million) which can be carried forward for a period of up to seven years from the year the loss was incurred.

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	Lease assets $'000	Other temporary differences $'000	Total $'000
2021						
Beginning of financial year	409	31,269	-	1,510	2,041	35,229
Currency translation differences	(3)	434	-	(13)	107	525
Charged/(credited) to income statement	331	1,453	-	(1,267)	37	554
End of financial year	**737**	**33,156**	**-**	**230**	**2,185**	**36,308**
2020						
Beginning of financial year	817	31,078	2,242	-	1,909	36,046
Effect of adoption of SFRS(I) 16	-	-	-	1,450	-	1,450
Balance at 1 July 2019, as reported	817	31,078	2,242	1,450	1,909	37,496
Currency translation differences	-	51	-	10	(2)	59
(Credited)/charged to income statement	(408)	140	(2,242)	50	134	(2,326)
End of financial year	409	31,269	-	1,510	2,041	35,229

8. INCOME TAXES *(continued)*

(b) Deferred income taxes *(continued)*

Deferred income tax assets – Group

	Accelerated tax depreciation $'000	Tax losses $'000	Lease liabilities $'000	Provisions and other temporary differences $'000	Total $'000
2021					
Beginning of financial year	299	62	1,540	7,696	9,597
Currency translation differences	(1)	(1)	(13)	(22)	(37)
(Charged)/credited to income statement	(106)	13	(1,264)	1,237	(120)
End of financial year	**192**	**74**	**263**	**8,911**	**9,440**
2020					
Beginning of financial year	173	-	-	8,610	8,783
Effect of adoption of SFRS(I) 16	-	-	1,450	-	1,450
Balance at 1 July 2019, as reported	173	-	1,450	8,610	10,233
Currency translation differences	(2)	(1)	9	(12)	(6)
Credited/(charged) to income statement	128	63	81	(902)	(630)
End of financial year	299	62	1,540	7,696	9,597

9. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2021	**2020**
Profit attributable to:		
– equity holders of the Company ($'000)	**43,568**	15,972
– holders of perpetual securities ($'000)	**(12,840)**	(12,875)
Profit attributable to ordinary shareholders of the Company ($'000)	**30,728**	3,097
Weighted average number of ordinary shares in issue ('000)	**770,108**	768,792
Basic earnings per share (cents)	**3.99**	0.40

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

9. EARNINGS PER SHARE *(continued)*

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

	Group	
	2021	**2020**
	$'000	**$'000**
Profit attributable to ordinary shareholders of the Company	**30,728**	3,097
Adjustments for share plans of:		
– an associated company	**(3)**	5
Profit used to determine diluted earnings per share	**30,725**	3,102

	2021	**2020**
	'000	**'000**
Weighted average number of ordinary shares in issue	**770,108**	768,792
Adjustment for share plans	**1,388**	2,025
Weighted average number of shares used to determine diluted earnings per share	**771,496**	770,817
Diluted earnings per share (cents)	**3.98**	0.40

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Fixed deposits with financial institutions	**127,982**	154,005	**-**	-
Cash and bank balances	**644,982**	451,475	**515,088**	283,891
	772,964	605,480	**515,088**	283,891

The carrying amounts of cash and cash equivalents approximated their fair values.

Significant restrictions

Included in cash and cash equivalents are cash and short-term deposits of $44.9 million (2020: $43.8 million) which 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.

10. CASH AND CASH EQUIVALENTS *(continued)*

Reconciliation of liabilities arising from financing activities

	Bank borrowings $'000	Lease liabilities $'000	Interest payable $'000
Group			
2021			
Beginning of financial year	787,740	17,486	6,412
Principal and interest payments	(62,352)	(10,847)	(27,180)
Non-cash changes			
Interest expense	3,106	-	27,571
Net additions	-	1,659	-
Currency translation differences	(2,406)	(34)	4
Others	-	-	(1,159)
End of financial year	**726,088**	**8,264**	**5,648**
2020			
Beginning of financial year	627,128	-	4,817
Effect of adoption of SFRS(I) 16	-	35,523	-
Proceeds from borrowings	155,254	-	-
Principal and interest payments	-	(18,563)	(26,616)
Non-cash changes			
Interest expense	927	-	29,361
Net additions	-	513	-
Currency translation differences	4,568	13	3
Others	(137)	-	(1,153)
End of financial year	787,740	17,486	6,412

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

11. DERIVATIVE FINANCIAL INSTRUMENTS

	2021		2020	
	Contract notional amount $'000	Fair value liabilities $'000	Contract notional amount $'000	Fair value assets/ (liabilities) $'000
Group				
Current assets				
Non-hedging instruments				
– Currency forwards	-	-	997	7
Non-current assets				
Net investment hedge				
– Currency forward	-	-	28,689	197
Current liabilities				
Non-hedging instruments				
– Currency forwards	-	-	2,884	(75)
Non-current liabilities				
Cash flow hedge				
– Interest rate swap	**77,850**	**(1,147)**	80,820	(1,586)
Net investment hedges				
– Cross currency swap*	**82,976**	**(6,750)**	86,142	(11,747)
– Currency forwards	**174,154**	**(6,243)**	149,068	(7,575)
		(14,140)		(20,908)
Company				
Non-current assets				
Non-hedging instrument				
– Currency forward	-	-	28,689	197
Non-current liabilities				
Non-hedging instruments				
– Cross currency swap*	**82,976**	**(6,750)**	86,142	(11,747)
– Currency forwards	**174,154**	**(6,243)**	149,068	(7,575)
		(12,993)		(19,322)

*Relates to cross currency swap entered into for the purpose of net investment hedge of the Group's investment in its associated company.

11. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

As at 30 June 2021, the fixed interest rates on HKD interest rate and cross currency swaps range from 1.5% to 4.5% (2020: 1.5% to 4.5%) per annum. The main floating rates are Singapore Swap Offered Rate ("SOR") and Hong Kong Interbank Offered Rate ("HIBOR") with contractual notional amounts of $83.0 million (2020: $86.1 million) and $77.9 million (2020: $80.8 million) respectively. The forward rate under currency forwards mainly on HKD is 5.939 (2020: 5.939) and the hedged rate under cross currency swap on HKD is 5.917 (2020: 5.917).

Interest rate swap is transacted to hedge variable monthly interest payments on borrowings and will mature in July 2022 (2020: July 2022).

Cross currency swap, that will mature in June 2023 (2020: June 2023), is transacted to hedge: (i) variable semi-annual interest payments on borrowings; and (ii) currency translation differences arising from the Group's investment in its associated company.

Currency forwards that will mature in September 2023 and January 2024 (2020: September 2023 and January 2024) are transacted to hedge currency translation differences arising from the Group's investment in its associated company as well as its overseas investments.

Please refer to Note 2.16 for details of the financial instruments and hedging policies.

Hedging instruments used in the Group's hedging strategy during the financial year

		Changes in fair value used in calculating hedge ineffectiveness		
	Contract notional amount $'000	**Hedging instrument $'000**	**Hedged item $'000**	**Hedge ineffectiveness recognised in profit or loss $'000**
2021				
Cash flow hedge				
Interest rate risk				
– Interest rate swap	**77,850**	**391**	**(391)**	**-**
Net investment hedges				
Currency risk				
– Cross currency swap	**82,976**	**5,002**	**(5,002)**	**-**
– Currency forwards	**174,154**	**1,135**	**(1,135)**	**-**
2020				
Cash flow hedge				
Interest rate risk				
– Interest rate swap	80,820	(1,677)	1,677	-
Net investment hedges				
Currency risk				
– Cross currency swap	86,142	(5,013)	5,013	-
– Currency forwards	177,757	(4,039)	4,039	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

12. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade receivables	**8,546**	10,147	**-**	-
Less: Credit loss allowance of receivables	**(57)**	(61)	**-**	-
	8,489	10,086	-	-
Due from subsidiary companies – non-trade [Note 12(a)]	**-**	-	**649,129**	617,604
Less: Credit loss allowance of receivables	**-**	-	**(381,344)**	(374,186)
	-	-	**267,785**	243,418
Due from joint venture companies – non-trade [Note 12(b)]	**151,878**	69,145	**182**	236
Less: Credit loss allowance of receivables	**(3,064)**	-	**-**	-
	148,814	69,145	**182**	236
Due from non-controlling interests	**2,303**	2,252	**-**	-
Dividends receivable from an associated company	**109**	17,407	**-**	-
Grant receivable	**157**	2,142	**-**	-
Finance lease receivables [Note 12(c)]	**-**	934	**-**	-
Sundry receivables	**10,082**	9,624	**534**	1,142
	169,954	111,590	**268,501**	244,796

(a) 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 $467.5 million (2020: $365.9 million).

(b) Amounts due from joint venture companies are unsecured and repayable on demand. Included in the amounts due from joint venture companies as at 30 June 2021 is floating-interest loan receivable of $102.1 million, which is subordinated to banking facilities of $448.0 million granted by the bank to the said joint venture company. The comparable amount as at 30 June 2020 is disclosed in Note 16.

(c) The finance lease receivables relate to a sublease to a joint venture company classified as finance lease, as disclosed in Note 21.

The carrying amounts of current trade and other receivables approximated their fair values. Details of credit loss allowance of these receivables are disclosed in Note 33(b).

13. INVENTORIES

	Group	
	2021 $'000	2020 $'000
Finished goods	**7,625**	14,679

The cost of inventories recognised as expense and included in "Cost of sales" amounted to $30.0 million (2020: $44.8 million).

14. DEVELOPMENT PROPERTIES

	Group 2021 $'000	Group 2020 $'000
Properties under development		
– Land, at cost	**460,021**	558,792
– Development costs and overhead expenditure capitalised	**51,613**	60,617
	511,634	619,409
– Allowance for foreseeable losses	**(3,141)**	(12,033)
	508,493	607,376
Properties held for sale	**269,674**	369,867
	778,167	977,243

Significant estimates and judgement are applied in assessing the valuation of development properties in accordance with Note 2.10. For the financial year ended 30 June 2021, net write-back of allowance for foreseeable losses of $0.4 million (2020: nil) has been credited to profit or loss for development properties of the Group based on estimated selling prices compared to estimated total development costs and selling expenses.

The major development properties are as follows:

Location	Type of development	Tenure		% of completion at 30.06.2021	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 M at Middle Road	522 units of apartment and a ground floor commercial unit	99-year lease expiring 2119		24	2023	7,463	33,730	100
Malaysia								
Le Nouvel KLCC at Section 43, Town of Kuala Lumpur	195 units of condominium housing	Freehold		100	n/a	6,084	39,195	100
Nobleton Crest at Section 89, Town of Kuala Lumpur	25 units of condominium housing	Freehold		100	n/a	4,047	2,521	100
Taman Bukit Minyak Utama at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	378 units of terrace and semi-detached houses and shop houses	Freehold	Phase 2 Phase 4A Phase 5	100 100 100	n/a n/a n/a	2,912	2,095	100
Impiana Boulevard and Impiana Gallery at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	80 units of shop offices	Freehold		100	n/a	8,849	8,757	100
Jesselton Hills at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	835 units of terrace and semi-detached houses	Freehold	Phase 1A Phase 2 Phase 4A Phase 4B Phase 5A Phases 3-5	100 100 89 19 62 -	n/a n/a 2022 2023 2022 -	206,776	46,185	100

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

14. DEVELOPMENT PROPERTIES *(continued)*

Location	Type of development	Tenure		% of completion at 30.06.2021	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 offices and serviced apartments	Freehold		100	n/a	29,793	6,627	100
Garden Terraces at Mukim 16, Daerah Seberang Perai Tengah, Pulau Pinang	87 units of terrace and bungalow houses	Freehold		90	2021	15,310	14,617	100
Vacant land at Mukim 14-17, Daerah Seberang Perai Tengah, Pulau Pinang	-	Freehold		-	-	452,955	n/a	100
The People's Republic of China								
The Lakeside at 1 Xingzhou Street, Suzhou Industrial Park	24 units of terrace and semi-detached houses	70-year lease expiring 2066	Phase 2	-	-	19,518	6,455	75

n/a: not applicable

15. ASSETS HELD FOR SALE

	Group	
	2021	**2020**
	$'000	**$'000**
Beginning of financial year	**68,062**	-
Transfer from investment properties [Note 19]	**3,085**	40,430
Transfer from property, plant and equipment [Note 20]	**-**	28,364
Disposals	**(68,334)**	-
Currency translation differences	**238**	(732)
End of financial year	**3,051**	68,062

2021

During the financial year, the Group made firm plans to dispose of certain units of shop offices and have assessed that the carrying amount of these assets of $3.1 million will be recovered principally through a sale transaction.

Details of the assets classified as assets held for sale are as follows:

Location	Description	Tenure	Land area (sq m)	Owned by	Previous classification
2-10, Jalan SU1E, Persiaran Sering Ukay 1, Sering Ukay, Ampang, Selangor	9 units of shop offices	Freehold	1,469	Wing Mei (M) Sdn. Bhd.	Investment property

2020

On 16 July 2020, the Group's wholly-owned subsidiary companies, Seniharta Sdn Bhd and DNP Jaya Sdn Bhd have each entered into a sale and purchase agreement with a third party to dispose: (i) freehold land with 221 units of serviced apartments in a 20-storey building; and (ii) freehold land with 132 units of low-rise condominiums. The transaction was completed on 16 October 2020.

16. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Loans to subsidiary companies [Note 16(a)]	**-**	-	**851,098**	1,163,583
Less: Credit loss allowance of receivables	**-**	-	**(3,073)**	(3,186)
	-	-	**848,025**	1,160,397
Loans to joint venture companies [Note 16(b)]	**14,663**	150,789	**-**	-
Less: Credit loss allowance of receivables [Note 16(b)]	**(1,163)**	(20,747)	**-**	-
	13,500	130,042	**-**	-
Loan to non-controlling interest [Note 16(c)]	**10,043**	4,377	**-**	-
Finance lease receivables [Note 16(d)]	**-**	254	**-**	-
	23,543	134,673	**848,025**	1,160,397

(a) 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 $578.7 million (2020: $823.7 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 2.7.

(b) 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 $14.7 million (2020: $76.6 million) and floating-interest loan receivable of nil (2020: $74.2 million). Details of credit loss allowance of these receivables are disclosed in Note 33(b).

(c) Loan by a certain subsidiary company to non-controlling interest is unsecured, interest-free, have no fixed terms of repayment and are not expected to be repayable within the next 12 months.

(d) The finance lease receivables relate to a sublease to a joint venture company classified as finance lease, as disclosed in Note 21.

The fair value of the fixed-interest loan to joint venture company as at 30 June 2021 is $14.5 million (2020: $68.1 million). The fair value is computed using the discounted cash flow method with a discount rate based on the borrowing rate which the Group expects would be available at the end of the reporting period, and is categorised under Level 2 of the fair value measurement hierarchy.

The fair values of the remaining non-current trade and other receivables are not significantly different from their carrying amounts.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

17. INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES

The summarised financial information of significant 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.	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**
Summarised statement of financial position						
Current assets	**1,455,345**	1,684,702	**181,112**	153,580	**168,745**	168,644
Non-current assets	**5,130,374**	4,812,058	**140,963**	108,728	**50,957**	44,596
Current liabilities	**(1,145,475)**	(533,807)	**(87,764)**	(71,012)	**(50,048)**	(64,493)
Non-current liabilities	**(676,326)**	(965,763)	**(89,720)**	(68,116)	**(18,850)**	(12,537)
Net assets	**4,763,918**	4,997,190	**144,591**	123,180	**150,804**	136,210
Summarised statement of comprehensive income						
Revenue	**230,125**	424,012	**292,575**	260,510	**226,816**	270,286
Other gains – net and expenses	**(208,972)**	(472,026)	**(270,378)**	(240,367)	**(203,747)**	(235,465)
Profit/(loss) before income tax	**21,153**	(48,014)	**22,197**	20,143	**23,069**	34,821
Income tax expense	**(6,128)**	(14,697)	**(684)**	(7,907)	**(7,431)**	(6,335)
Total profit/(loss)	**15,025**	(62,711)	**21,513**	12,236	**15,638**	28,486
Other comprehensive income/(expense)	**7,678**	195	**(102)**	221	**93**	792
Total comprehensive income /(expense)	**22,703**	(62,516)	**21,411**	12,457	**15,731**	29,278

	Wing Tai Properties Limited	
	2021 $'000	**2020 $'000**
Net assets of an associated company attributable to:		
– Non-controlling interests	**277**	1,275
– Equity holders	**4,763,641**	4,995,915
Total comprehensive (expense)/income of an associated company attributable to:		
– Non-controlling interests	**(905)**	(53)
– Equity holders	**23,608**	(62,463)

17. INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES *(continued)*

	Uniqlo (Singapore) Pte. Ltd.		Uniqlo (Malaysia) Sdn. Bhd.	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Included in net assets of the joint venture companies are:				
– Cash and cash equivalents	**109,255**	73,905	**92,349**	72,810
– Financial liabilities (excluding trade and other payables and provisions):				
– Current	**(39,598)**	(32,123)	**(13,757)**	(14,712)
– Non-current	**(81,706)**	(59,903)	**(16,467)**	(10,645)
Included in total comprehensive income of the joint venture companies are:				
– Interest income	**97**	930	**952**	1,672
– Depreciation and amortisation	**(42,017)**	(37,716)	**(21,850)**	(9,109)
– Interest expense	**(2,022)**	(2,294)	**(900)**	(1,178)

	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						
2021						
Beginning of financial year	1,613,798	60,358	61,295	29,440	151,093	1,764,891
Currency translation differences	(59,200)	-	(512)			
Dividends	(21,742)	-	-	-	-	(21,742)
Group's share of (at gross shareholding):	34.1%	49.0%	45.0%			
– Profit for the year	1,635	10,541	7,037	557	18,135	19,770
– Other comprehensive income/(expense)	3,441	(50)	42	2,030	2,022	5,463
End of financial year	**1,537,932**	**70,849**	**67,862**	**41,160**	**179,871**	**1,717,803**
2020						
Beginning of financial year	1,606,769	55,403	48,671	23,817	127,891	1,734,660
Effect of adoption of SFRS(I) 16	-	(1,149)	(218)	-	(1,367)	(1,367)
Balance at 1 July 2019, as reported	1,606,769	54,254	48,453	23,817	126,524	1,733,293
Currency translation differences	56,865	-	(332)			
Dilution loss	(2,421)	-	-			
Dividends	(22,168)	-	-	-	-	(22,168)
Group's share of (at gross shareholding):	34.1%	49.0%	45.0%			
– (Loss)/profit for the year	(25,331)	5,996	12,818	12,289	31,103	5,772
– Other comprehensive income/(expense)	84	108	356	214	678	762
End of financial year	1,613,798	60,358	61,295	29,440	151,093	1,764,891

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

17. INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES *(continued)*

	Group	
	2021	**2020**
	$'000	**$'000**
Capital commitments in relation to interest in a joint venture company	**676**	9,136
Share of joint venture companies' capital commitments	**2,496**	11,924
Share of an associated company's contingent liabilities and financial guarantees incurred severally with other investors	**315,569**	431,048
Market value of quoted equity shares of an associated company	**372,049**	323,945

The market value of quoted equity shares of an associated company, Wing Tai Properties Limited ("WTP") 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.

WTP is listed on The Stock Exchange of Hong Kong 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 2020 to 31 March 2021 (2020: 1 April 2019 to 31 March 2020) and adjusts for any significant transactions and events that occur between 1 April and 30 June 2021 that become publicly available prior to the date of the Group's consolidated financial statements. As at 30 June 2021, 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.

At 30 June 2021, included in the carrying value of the investment in associated company are: (i) development properties of $269.0 million (2020: $251.8 million) which are carried at the lower of cost and net realisable value, and no allowance for foreseeable loss of development properties is recorded for the financial year then ended; and (ii) investment properties of $1,288.1 million (2020: $1,221.2 million) which are carried at fair value, determined by independent property valuers with reference to comparable current prices in an active market, income capitalisation approach from current leases and assumptions about future leases in light of current market conditions and reversionary income potential, and/or discounted cash flow analysis on periodic net cash flows to be forecasted over the life of the investment property and discounted by an appropriate rate. The outbreak of COVID-19 has caused high volatility to the hospitality industry and uncertainties to the property market, and this disruption has led to material valuation uncertainty to an investment property. Consequently, less certainty and higher degree of caution should be attached to the valuation than would normally be the case. This represents a significant estimation uncertainty in relation to the valuation of investment properties.

The Group's share of results of the associated company for the financial year includes the Group's share of fair value losses on investment properties of $67.0 million (2020: $37.3 million) mainly due to revisions of key unobservable inputs (Level 3) in the form of the estimated market rents, capitalisation rates and discount rates of its commercial properties and serviced apartments.

Details of the Group's associated and joint venture companies are listed in Note 36 to the financial statements.

18. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2021	**2020**
	$'000	**$'000**
Equity investments, at cost	**282,063**	282,063

Details of the Group's subsidiary companies are listed in Note 36 to the financial statements.

The following subsidiary companies of the Group have material non-controlling interests:

	Effective interest held by non-controlling interests	
	2021	**2020**
Name of company	**%**	**%**
Brave Dragon Ltd	**10.6**	10.6

The following table summarises the financial information of the Group's subsidiary company with material non-controlling interests, based on their respective consolidated financial statements prepared in accordance with SFRS(I), 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.

	Brave Dragon Ltd	
	2021	**2020**
	$'000	**$'000**
Summarised statement of financial position		
Current assets	**7**	5,334
Non-current assets	**545,602**	558,761
Current liabilities	**(11,818)**	(18,378)
Net assets	**533,791**	545,717
Summarised statement of comprehensive income		
Total profit/(loss)	**7,124**	(2,951)
Other comprehensive (expense)/income	**(19,050)**	18,932
Total comprehensive (expense)/income	**(11,926)**	15,981
Summarised cash flows		
Cash flows from:		
– Operating activities	**(2)**	(1)
– Investing activities	**5,912**	6,044
– Financing activities	**(5,922)**	(6,043)
Net decrease in cash and cash equivalents	**(12)**	-

	Group	
	2021	**2020**
	$'000	**$'000**
Net assets attributable to non-controlling interests of Brave Dragon Ltd	**56,582**	57,846
Add: Carrying amount of individually immaterial non-controlling interests of other subsidiary companies	**15,472**	17,085
Carrying amount of non-controlling interests	**72,054**	74,931
Total comprehensive (expense)/income attributable to non-controlling interests of Brave Dragon Ltd	**(1,264)**	1,694

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

19. INVESTMENT PROPERTIES

	Group	
	2021	**2020**
	$'000	**$'000**
Beginning of financial year	**792,346**	792,663
Effect of adoption of SFRS(I) 16	**-**	823
Fair value losses recognised in income statement	**(3,687)**	(15,361)
Additions	**511**	49,947
Disposals	**-**	(430)
Transfer to assets held for sale	**(3,085)**	(40,430)
Currency translation differences	**7,879**	5,134
End of financial year	**793,964**	792,346

The following amounts are recognised in the income statement:

	Group	
	2021	**2020**
	$'000	**$'000**
Rental income	**40,621**	43,216
Direct operating expenses arising from:		
– Investment properties that generate rental income	**(12,733)**	(12,648)
– Investment properties that do not generate rental income	**(32)**	(829)

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 (1st to 9th floor)	10-storey commercial building	99-year lease expiring 2082	13,390	100
Winsland House II at 163 Penang Road	8-storey commercial building	99-year lease expiring 2093	7,309	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	109 units of serviced apartments in a 9-storey building	99-year lease expiring 2093	5,087	100
Malaysia				
1,2,3,5,7,9,11,11A Lorong Bukit Minyak Utama 2, Taman Bukit Minyak Utama, Bukit Mertajam, Pulau Pinang	7 units of shop offices and a 2-storey commercial building	Freehold	3,265	100

19. INVESTMENT PROPERTIES *(continued)*

Name of building/location	Description	Tenure of land	Lettable area (Sq m)	Group's interest in property (%)
Australia				
376-388 Flinders Street, Melbourne, Victoria	8-storey commercial building	Freehold	9,513	100
28 Thornton Crescent, Mitcham, Victoria	Single-storey commercial building	Freehold	3,946	100
12 Brookhollow Avenue, Baulkham Hills, New South Wales	4-storey commercial building	Freehold	3,933	100
464 St. Kilda Road, Melbourne, Victoria	8-storey commercial building	Freehold	13,826	50
4 Wesley Court, Melbourne, Victoria	4-storey commercial building	Freehold	11,223	100
Japan				
1 Chome 11-6 Asakusa, Taito, Tokyo	13-storey hotel	Freehold 30-year lease expiring 2043	3,063	100
The People's Republic of China				
Singa Plaza at 8 Jinji Hu Road, Suzhou Industrial Park (2nd to 8th floor)	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, the Capitalisation Approach and/or the Discounted Cash Flow Approach. The valuation reports obtained from independent property valuers for certain investment properties have highlighted that, with the heightened uncertainty of the COVID-19 outbreak, a degree of caution should be attached to the valuations as they may be subjected to more fluctuation subsequent to 30 June 2021 than during normal market conditions. This represents a significant estimation uncertainty in relation to the valuation of investment properties. Refer to Note 33(e) for further disclosure and the significant inputs used in the fair valuation of investment properties.

Investment properties are leased to third parties under operating leases (Note 21).

Investment properties with a total valuation of $423.4 million (2020: $421.0 million) were mortgaged to banks to secure long term banking facilities granted to certain subsidiary companies (Note 24).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

20. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings $'000	Leasehold buildings $'000	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Right-of-use assets $'000	Total $'000
Group							
2021							
Cost							
Beginning of financial year	3,298	11,011	6,199	24,304	42,809	78,284	165,905
Additions	-	-	-	3,290	500	6,220	10,010
Disposals	-	-	(544)	(2,673)	(6,800)	(12,761)	(22,778)
Write-off	-	-	-	(564)	(11,838)	-	(12,402)
Currency translation differences	(23)	(14)	5	16	22	(55)	(49)
End of financial year	3,275	10,997	5,660	24,373	24,693	71,688	140,686
Accumulated depreciation and impairment losses							
Beginning of financial year	38	1,274	3,572	11,144	36,326	21,943	74,297
Depreciation charge	9	413	673	1,211	3,149	9,294	14,749
Disposals	-	-	(500)	(2,650)	(6,586)	(9,475)	(19,211)
Write-off	-	-	-	(361)	(11,631)	-	(11,992)
Impairment loss	-	-	-	151	136	529	816
Currency translation differences	-	(2)	5	3	21	(59)	(32)
End of financial year	47	1,685	3,750	9,498	21,415	22,232	58,627
Net book value							
End of financial year	**3,228**	**9,312**	**1,910**	**14,875**	**3,278**	**49,456**	**82,059**
2020							
Cost							
Beginning of financial year	33,335	56,580	6,225	26,245	53,846	-	176,231
Effect of adoption of SFRS(I) 16	-	(45,561)	-	-	-	78,176	32,615
Balance at 1 July 2019, as reported	33,335	11,019	6,225	26,245	53,846	78,176	208,846
Additions	9	-	205	937	1,898	2,929	5,978
Disposals	-	-	(188)	(297)	(728)	(2,749)	(3,962)
Write-off	-	-	(38)	(2,794)	(12,166)	-	(14,998)
Transfer to assets held for sale	(30,235)	-	-	-	-	-	(30,235)
Currency translation differences	189	(8)	(5)	213	(41)	(72)	276
End of financial year	3,298	11,011	6,199	24,304	42,809	78,284	165,905
Accumulated depreciation and impairment losses							
Beginning of financial year	1,606	2,270	3,074	12,861	43,979	-	63,790
Effect of adoption of SFRS(I) 16	-	(1,407)	-	-	-	1,407	-
Balance at 1 July 2019, as reported	1,606	863	3,074	12,861	43,979	1,407	63,790
Depreciation charge	293	413	776	1,271	4,498	18,348	25,599
Disposals	-	-	(236)	(281)	(305)	(341)	(1,163)
Write-off	-	-	(38)	(2,727)	(12,032)	-	(14,797)
Impairment loss	-	-	-	32	227	2,583	2,842
Transfer to assets held for sale	(1,871)	-	-	-	-	-	(1,871)
Currency translation differences	10	(2)	(4)	(12)	(41)	(54)	(103)
End of financial year	38	1,274	3,572	11,144	36,326	21,943	74,297
Net book value							
End of financial year	3,260	9,737	2,627	13,160	6,483	56,341	91,608

20. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Company				
2021				
Cost				
Beginning of financial year	3,297	13,248	2,829	19,374
Additions	-	2,606	175	2,781
Disposals	-	1	-	1
Write-off	-	(119)	(1)	(120)
End of financial year	3,297	15,736	3,003	22,036
Accumulated depreciation				
Beginning of financial year	1,378	2,441	2,607	6,426
Depreciation charge	412	95	120	627
Write-off	-	(118)	(1)	(119)
End of financial year	1,790	2,418	2,726	6,934
Net book value				
End of financial year	**1,507**	**13,318**	**277**	**15,102**
2020				
Cost				
Beginning of financial year	3,335	12,881	2,661	18,877
Additions	-	427	168	595
Disposals	-	(60)	-	(60)
Write-off	(38)	-	-	(38)
End of financial year	3,297	13,248	2,829	19,374
Accumulated depreciation				
Beginning of financial year	922	2,403	2,537	5,862
Depreciation charge	494	98	70	662
Disposals	-	(60)	-	(60)
Write-off	(38)	-	-	(38)
End of financial year	1,378	2,441	2,607	6,426
Net book value				
End of financial year	1,919	10,807	222	12,948

The major properties included in freehold land and buildings, leasehold buildings and right-of-use assets 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	2,669
Malaysia			
166-A, Rifle Range Road, Pulau Pinang	5-storey commercial building	99-year lease expiring 2109	11,136

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

20. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Property, plant and equipment with net book values amounting to $1.3 million (2020: $1.9 million) were mortgaged to banks to secure long term banking facilities granted to subsidiary companies (Note 24).

Right-of-use assets acquired under leasing arrangements are related to office space, warehouse space and retail stores. The details are set out in Note 21(a).

The Group carried out an impairment assessment of the carrying amount of the Group's property, plant and equipment (including right-of-use assets) in the retail business segment with indicator of impairment. For the financial year ended 30 June 2021, the Group estimated the recoverable amount of those assets, based on value-in-use calculation, to be negligible and recognised an impairment loss of $0.8 million (2020: $2.8 million).

21. LEASES

(a) Nature of the Group's leasing activities – Group as the lessee

Property
The Group leases office space, warehouse space and retail stores for the purpose of back office operations, warehousing and sale of consumer goods to retail customers respectively.

Leasehold land
The Group has made upfront payments to secure the right-of-use of various leasehold land, which are used as office space. These leasehold land are recognised within property, plant and equipment (Note 20). The Group also makes annual lease payments for a leasehold land. The right-of-use of the land is classified as investment property (Note 19).

There are no externally imposed covenants on these lease arrangements.

Carrying amounts - ROU assets classified within Property, plant and equipment

	Group	
	2021	**2020**
	$'000	**$'000**
Leasehold land	**42,748**	43,455
Property	**6,708**	12,886
Total	**49,456**	56,341

Depreciation charge during the year

	Group	
	2021	**2020**
	$'000	**$'000**
Leasehold land	**689**	688
Property	**8,605**	17,660
Total	**9,294**	18,348

Lease expense not capitalised in lease liabilities

	Group	
	2021	**2020**
	$'000	**$'000**
Lease expense – short-term leases	**1,266**	4,945
Variable lease payments which do not depend on an index or rate [Note 21(a)(i)]	**1,049**	1,192
Total [Note 5]	**2,315**	6,137

21. LEASES *(continued)*

(a) Nature of the Group's leasing activities – Group as the lessee *(continued)*

	Group	
	2021	**2020**
	$'000	**$'000**
Total cash outflow for all the leases	**13,615**	25,637

Future cash outflow which are not capitalised in lease liabilities:

(i) Variable lease payments
The leases for retail stores contain variable lease payments that are based on a percentage of sales generated by the stores ranging from 0.5% to 22% (2020: 0.5% to 22%), on top of fixed payments. The Group negotiates variable lease payments for a variety of reasons, including minimising the fixed costs base for newly established stores. Such variable lease payments are recognised in profit or loss when incurred and amounted to $1.0 million (2020: $1.2 million) for the financial year ended 30 June 2021.

(ii) Extension options
The leases for certain retail stores contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. Majority of the extension options are exercisable by the Group and not by the lessor.

(b) Nature of the Group's leasing activities – Group as the lessor

The Group has leased out their owned investment properties to third parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may collect deposits or obtain bank guarantees for the term of the lease. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 19.

Undiscounted lease payments from the operating leases to be received after the end of the reporting period are as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
Less than one year	**34,217**	35,438
One to two years	**21,586**	24,359
Two to three years	**13,374**	15,275
Three to four years	**5,712**	8,848
Four to five years	**5,239**	5,116
Later than five years	**34,913**	40,795
Total	**115,041**	129,831

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

21. LEASES *(continued)*

(c) Nature of the Group's leasing activities – Group as the intermediate lessor

The Group subleases out a retail store to a joint venture company. The lease is classified as finance lease because the sublease is for the entire remaining lease term of the head lease. ROU asset relating to the head lease with sublease classified as finance lease is derecognised. The net investment in the sublease is recognised under trade and other receivables (Notes 12 and 16). The leasing arrangement was early terminated during the financial year ended 30 June 2021.

Undiscounted lease payments from the finance leases to be received after the end of the reporting period are as follows:

	Group	
	2021 $'000	**2020 $'000**
Less than one year	**-**	955
One to two years	**-**	255
Total undiscounted lease payments	**-**	1,210
Less: Unearned interest income	**-**	(22)
Net investment in finance leases	-	1,188
Current [Note 12]	**-**	934
Non-current [Note 16]	**-**	254
Total	**-**	1,188

22. OTHER ASSETS

	Group		Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Current assets				
Deposits	**36,076**	4,187	**30**	37
Prepayments	**4,089**	5,080	**1,113**	1,504
Unbilled revenue	**19,896**	1,555	**-**	-
Costs to obtain contracts	**16,362**	3,768	**-**	-
Rights to returned goods	**7**	271	**-**	-
Derivative financial instruments [Note 11]	**-**	7	**-**	-
	76,430	14,868	**1,143**	1,541
Non-current assets				
Deposits	**149**	977	**-**	-
Costs to obtain contracts	**5,273**	12,921	**-**	-
Derivative financial instruments [Note 11]	**-**	197	**-**	197
Financial assets at FVOCI [Note 22(a)]	**28,548**	26,997	**-**	-
Financial assets at FVPL [Note 22(b)]	**19,353**	20,614	**19,353**	20,614
	53,323	61,706	**19,353**	20,811

The financial assets at FVOCI and FVPL are categorised under Level 1 and Level 3 respectively of the fair value measurement hierarchy, as disclosed in Note 33(e).

22. OTHER ASSETS *(continued)*

(a) Financial assets at FVOCI

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Beginning of financial year	**26,997**	35,946	**-**	-
Fair value gains/(losses) recognised in other comprehensive income	**1,551**	(8,949)	**-**	-
End of financial year	**28,548**	26,997	**-**	-

(b) Financial assets at FVPL

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Beginning of financial year	**20,614**	10,825	**20,614**	10,825
Fair value (losses)/gains recognised in income statement	**(1,261)**	9,789	**(1,261)**	9,789
End of financial year	**19,353**	20,614	**19,353**	20,614

These equity investments are analysed as follows:

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Financial assets at FVOCI				
Quoted securities in Singapore	**28,548**	26,997	**-**	-
Financial assets at FVPL				
Unquoted securities in Singapore	**19,353**	20,614	**19,353**	20,614
	47,901	47,611	**19,353**	20,614

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade payables	**10,544**	12,622	**-**	-
Due to subsidiary companies – non-trade [Note 23(a)]	**-**	-	**4,744**	2,482
Due to associated and joint venture companies – non-trade [Note 23(b)]	**3,839**	1,721	**-**	-
Accrued project costs	**16,475**	15,040	**-**	-
Accrued operating expenses	**32,196**	22,273	**12,003**	8,482
Other payables	**3,512**	6,186	**42**	231
	66,566	57,842	**16,789**	11,195

(a) Non-trade amounts due to subsidiary companies are unsecured, interest-free and repayable on demand.

(b) Non-trade amounts due to associated and joint venture companies are unsecured, interest-free and repayable on demand.

The carrying amounts of trade and other payables approximated their fair values.

24. BORROWINGS

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Current				
– Secured bank loans	**64,885**	-	**-**	-
– Unsecured medium term notes due in 2021	**85,979**	-	**85,979**	-
	150,864	-	**85,979**	-
Non-current				
– Secured bank loans	**76,190**	140,207	**-**	-
– Unsecured bank loans	**177,034**	179,379	**99,582**	99,383
– Unsecured medium term notes due in 2021	**-**	115,904	**-**	115,904
– Unsecured medium term notes due in 2022	**81,000**	92,750	**81,000**	92,750
– Unsecured medium term notes due in 2023	**70,000**	80,500	**70,000**	80,500
– Unsecured medium term notes due in 2024	**71,000**	79,000	**71,000**	79,000
– Unsecured medium term notes due in 2030	**100,000**	100,000	**100,000**	100,000
	575,224	787,740	**421,582**	567,537
Total borrowings	**726,088**	787,740	**507,561**	567,537

The fair values of long-term borrowings for the Group and Company are $748.0 million (2020: $795.0 million) and $529.4 million (2020: $574.8 million) respectively. These fair values, under Level 2 of the fair value measurement hierarchy, are computed using the discounted cash flow method with discount rates based on the borrowing rates which the Group expects would be available at the end of the reporting period. The fair values of the remaining non-current borrowings are not significantly different from their carrying amounts.

24. BORROWINGS *(continued)*

(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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Less than one year	**245,996**	159,149	**104,921**	18,942
Between one and two years	**309,092**	115,904	**231,640**	115,904
Between two and five years	**71,000**	412,687	**71,000**	332,691
Over five years	**100,000**	100,000	**100,000**	100,000
	726,088	787,740	**507,561**	567,537

(b) Security granted

The Group's secured borrowings are generally secured by mortgages on certain investment properties (Note 19) and property, plant and equipment (Note 20) and assignment of all rights, titles and benefits with respect to the properties.

25. DIVIDENDS

	Group and Company	
	2021 $'000	2020 $'000
Dividends paid in respect of the preceding financial year		
First and final dividend of 3 cents (2020: 3 cents) per share	**23,115**	23,072
Special dividend of nil (2020: 2 cents) per share	**-**	15,381
	23,115	38,453

The directors have recommended a first and final dividend of 3 cents per share and a special dividend of 2 cents per share in respect of the financial year ended 30 June 2021. 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 2022.

The proposed first and final dividend in respect of the financial year ended 30 June 2020 have been accounted for in the shareholders' equity as an appropriation of retained earnings in the current financial year.

26. OTHER LIABILITIES

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Current liabilities				
Contract liabilities [Note 3(a)]	**24,834**	98,367	**-**	-
Tenancy and other deposits	**3,226**	3,640	**-**	-
Lease liabilities	**3,795**	11,370	**-**	-
Derivative financial instruments [Note 11]	**-**	75	**-**	-
Others	**2,311**	3,943	**-**	345
	34,166	117,395	**-**	345
Non-current liabilities				
Tenancy deposits	**4,234**	5,714	**-**	-
Retention payable	**4,444**	1,231	**-**	-
Lease liabilities	**4,469**	6,116	**-**	-
Derivative financial instruments [Note 11]	**14,140**	20,908	**12,993**	19,322
Others	**141**	1,384	**-**	-
	27,428	35,353	**12,993**	19,322

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

26. OTHER LIABILITIES *(continued)*

The fair values of other non-current liabilities are not significantly different from their carrying amounts. Derivative financial instruments are categorised under Level 2 of the fair value measurement hierarchy.

27. SHARE CAPITAL

	Group and Company	
	Number of ordinary shares '000	Amount $'000
Issued share capital		
2021		
Beginning and end of financial year	**793,927**	**838,250**
2020		
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.

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 "Wing Tai New Share Plans") were adopted by the members of the Company at an AGM held on 26 October 2018.

Wing Tai PSP
On 9 October 2020 (2020: 8 October 2019), awards were granted by the Company to qualifying employees pursuant to the Wing Tai PSP in respect of 133,500 (2020: 285,000) 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	Adjustment of shares awarded arising from targets achieved	Number of shares released	End of financial year
2021					
25.09.2017	333,000	-	(91,500)	(241,500)	**-**
26.09.2018	315,000	-	-	-	**315,000**
08.10.2019	285,000	-	-	-	**285,000**
09.10.2020	-	133,500	-	-	**133,500**
	933,000	**133,500**	**(91,500)**	**(241,500)**	**733,500**
2020					
21.09.2016	323,000	-	(25,100)	(297,900)	-
25.09.2017	333,000	-	-	-	333,000
26.09.2018	315,000	-	-	-	315,000
08.10.2019	-	285,000	-	-	285,000
	971,000	285,000	(25,100)	(297,900)	933,000

Wing Tai RSP
On 9 October 2020 (2020: 8 October 2019), awards were granted by the Company to qualifying employees pursuant to the Wing Tai RSP in respect of 757,200 (2020: 878,000) 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 tranches. The participant will receive fully paid shares, without any cash consideration payable by the participant.

27. SHARE CAPITAL *(continued)*

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
2021					
25.09.2017	260,400	-	(260,400)	-	**-**
26.09.2018	468,000	-	(468,000)	-	**-**
08.10.2019	579,600	-	(239,400)	(31,000)	**309,200**
09.10.2020	-	757,200	(228,500)	(24,050)	**504,650**
	1,308,000	**757,200**	**(1,196,300)**	**(55,050)**	**813,850**
2020					
21.09.2016	188,800	-	(188,800)	-	-
25.09.2017	480,200	-	(205,800)	(14,000)	260,400
26.09.2018	887,600	-	(380,400)	(39,200)	468,000
08.10.2019	-	878,000	(263,400)	(35,000)	579,600
	1,556,600	878,000	(1,038,400)	(88,200)	1,308,000

The fair values of the awards granted pursuant to the Wing Tai PSP and the Wing Tai RSP on 9 October 2020 (2020: 8 October 2019) determined using the Monte Carlo simulation model was $0.1 million (2020: $0.2 million) and $1.3 million (2020: $1.8 million) respectively. The significant inputs into the model were share price at grant date of $1.76 (2020: $2.05) per share, standard deviation of expected share price returns of 19.1% (2020: 15.1%), dividend yield of nil (2020: 0.7%) and annual risk-free one-year, two-year and three-year interest rates of 0.2%, 0.2% and 0.3% (2020: 1.6%, 1.6% and 1.6%) 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. PERPETUAL SECURITIES

Perpetual securities are recorded at the proceeds received, net of direct transaction costs.

On 24 May 2019, the Company issued $150,000,000 4.48% senior perpetual securities at an issue price of 100%, excluding transaction costs. Holders of the perpetual securities are conferred a right to receive distribution on a semi-annual basis from their issue date at the rate of 4.48% per annum, subject to a step-up rate from 24 May 2029. The Company has a right to defer this distribution under certain conditions. The perpetual securities have no fixed maturity and are redeemable in whole, but not in part, at the Company's option on or after 24 May 2024 at their principal amounts together with any accrued, unpaid or deferred distributions.

On 28 June 2017, the Company issued $150,000,000 4.08% senior perpetual securities at an issue price of 100%, excluding transaction costs. Holders of the perpetual securities are conferred a right to receive distribution on a semi-annual basis from their issue date at the rate of 4.08% per annum, subject to a step-up rate from 28 June 2027. The Company has a right to defer this distribution under certain conditions. The perpetual securities have no fixed maturity and are redeemable in whole, but not in part, at the Company's option on or after 28 June 2022 at their principal amounts together with any accrued, unpaid or deferred distributions.

While any distributions are unpaid or deferred, the Company will not declare and pay dividends or make similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

	Group and Company	
	2021	2020
	$'000	$'000
Perpetual securities 2017	**147,778**	147,778
Perpetual securities 2019	**148,597**	148,597
	296,375	296,375

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

29. OTHER RESERVES

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Share-based payment reserve	**1,340**	2,155	**1,340**	2,155
Cash flow hedge reserve	**(618)**	(1,009)	**-**	-
Share of other comprehensive income of associated and joint venture companies	**64,330**	59,416	**-**	-
Currency translation reserve	**(47,450)**	(4,362)	**-**	-
Fair value reserve	**(10,874)**	(12,425)	**-**	-
Treasury shares reserve	**(40,353)**	(40,730)	**(40,353)**	(40,730)
Statutory reserve	**4,859**	4,859	-	-
	(28,766)	7,904	**(39,013)**	(38,575)

		Group		Company	
		2021 $'000	2020 $'000	2021 $'000	2020 $'000
(a)	**Share-based payment reserve**				
	Beginning of financial year	**2,155**	2,161	**2,155**	2,161
	Employee share plans:				
	– Value of employee services [Notes 6 and 27]	**1,579**	2,135	**1,579**	2,135
	– Reissuance of treasury shares	**(2,394)**	(2,141)	**(2,394)**	(2,141)
	End of financial year	**1,340**	2,155	**1,340**	2,155
(b)	**Cash flow hedge reserve**				
	Beginning of financial year	**(1,009)**	624	**-**	-
	Fair value losses on derivative financial instruments	**(629)**	(1,369)	**-**	-
	Reclassified to income statement as finance costs	**1,020**	(264)	**-**	-
	End of financial year	**(618)**	(1,009)	**-**	-
(c)	**Share of other comprehensive income of associated and joint venture companies**				
	Beginning of financial year	**59,416**	59,425	**-**	-
	Share of other comprehensive income of associated and joint venture companies	**5,463**	762	**-**	-
	Transfer to revenue reserves	**(452)**	(795)	**-**	-
	Attributable to non-controlling interests				
	– Share of other comprehensive income of associated and joint venture companies	**(112)**	(2)	**-**	-
	– Transfer to revenue reserves	**15**	26	**-**	-
	End of financial year	**64,330**	59,416	**-**	-

29. OTHER RESERVES *(continued)*

		Group		Company	
		2021 $'000	2020 $'000	2021 $'000	2020 $'000
(d)	**Currency translation reserve**				
	Beginning of financial year	**(4,362)**	(48,251)	**-**	-
	Translation of financial statements of foreign subsidiary, associated and joint venture companies	**(48,462)**	41,062	**-**	-
	Translation of foreign currency denominated loans which form part of net investment in subsidiary companies	**3,865**	4,793	**-**	-
	Liquidation of subsidiary companies	**136**	-	**-**	-
	Attributable to non-controlling interests	**1,373**	(1,966)	**-**	-
	End of financial year	**(47,450)**	(4,362)	**-**	-
(e)	**Fair value reserve**				
	Beginning of financial year	**(12,425)**	(3,476)	**-**	-
	Fair value gains/(losses) on financial assets at FVOCI	**1,551**	(8,949)	**-**	-
	End of financial year	**(10,874)**	(12,425)	**-**	-
(f)	**Treasury shares reserve**				
	Beginning of financial year	**(40,730)**	(42,919)	**(40,730)**	(42,919)
	Reissuance of treasury shares	**2,355**	2,189	**2,355**	2,189
	Purchase of treasury shares	**(1,978)**	-	**(1,978)**	-
	End of financial year	**(40,353)**	(40,730)	**(40,353)**	(40,730)
(g)	**Statutory reserve**				
	Beginning and end of financial year	**4,859**	4,859	**-**	-
	Total	**(28,766)**	7,904	**(39,013)**	(38,575)

Other comprehensive income of associated and joint venture companies arise from currency translation and other reserves which are not distributable.

Net fair value gain (2020: loss) on hedging instruments relating to net investment hedges taken to currency translation reserve for the financial year ended 30 June 2021 was $6.1 million (2020: $9.1 million). None of the currency translation reserve relates to hedging relationships for which hedge accounting is no longer applied.

The total number of treasury shares held by the Company as at 30 June 2021 was 24,544,700 (2020: 24,865,500). The Company reissued 1,437,800 (2020: 1,336,300) treasury shares during the financial year pursuant to the Wing Tai PSP and Wing Tai RSP (2020: Wing Tai PSP and Wing Tai RSP). The purchase cost of the treasury shares reissued amounted to $2.4 million (2020: $2.2 million). The total consideration for the treasury shares reissued which comprised the value of employee services amounted to $2.4 million (2020: $2.1 million).

Statutory reserve relates to non-distributable reserve of a subsidiary company in China recognised at a rate of 10% of annual net profit after tax. Contribution to this reserve is no longer mandatory when the reserve reaches 50% of the subsidiary company's registered share capital. The reserve is to be used in accordance with the circumstances as stipulated in the relevant regulations.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

30. RETAINED EARNINGS

(a) Retained earnings of the Group are distributable except for accumulated retained earnings of associated and joint venture companies amounting to $1,279.4 million (2020: $1,271.7 million) and the amount of $40.4 million (2020: $40.7 million) utilised to purchase treasury shares. Retained earnings of the Company are distributable except for the amount of $40.4 million (2020: $40.7 million) utilised to purchase treasury shares.

(b) Movement in retained earnings for the Company is as follows:

	Company	
	2021 $'000	**2020 $'000**
Beginning of financial year	**311,777**	378,980
Total comprehensive income/(expense)	**35,922**	(17,307)
Reissuance of treasury shares	**39**	(48)
Accrued perpetual securities distribution	**(12,840)**	(12,875)
Tax credit arising from perpetual securities distribution	**1,256**	1,480
Ordinary and special dividends paid [Note 25]	**(23,115)**	(38,453)
End of financial year	**313,039**	311,777

31. COMMITMENTS

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 17), are as follows:

	Group	
	2021 $'000	**2020 $'000**
Commitments in respect of contracts placed	**90,691**	108,232

32. 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 17), are as follows:

	Group		Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Financial guarantees issued to banks for credit facilities granted to:				
– subsidiary companies	**-**	-	**77,850**	80,820
– joint venture companies	**8,280**	8,280	**-**	-
	8,280	8,280	**77,850**	80,820

33. FINANCIAL RISK MANAGEMENT

Financial risk factors
The Group's activities expose it to market risk (including currency risk, interest rate risk and price 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.

(a) Market risk

(i) Currency risk
The Group operates in Asia-Pacific with dominant operations in Singapore, Malaysia, Australia, Japan 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 risk, 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, currency forwards 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	MYR $'000	JPY $'000	HKD $'000	AUD $'000	Others $'000	Total $'000
Group							
2021							
Financial assets							
Cash and cash equivalents	636,835	36,497	3,617	28,783	17,707	49,525	772,964
Trade and other receivables (current and non-current)	173,006	5,163	1,481	10,157	2,183	1,507	193,497
Other assets (current and non-current)	47,516	8,517	-	-	7	88	56,128
Intra-group receivables	9,662	29	-	475	1,287	474	11,927
	867,019	50,206	5,098	39,415	21,184	51,594	1,034,516
Financial liabilities							
Trade and other payables	(44,086)	(16,558)	(293)	(47)	(1,799)	(3,783)	(66,566)
Borrowings	(573,000)	-	(30,855)	(77,850)	(45,846)	-	(727,551)
Other liabilities (current and non-current)	(15,937)	(4,338)	(731)	-	-	(320)	(21,326)
Intra-group payables	(9,662)	(29)	-	(475)	(1,287)	(474)	(11,927)
	(642,685)	(20,925)	(31,879)	(78,372)	(48,932)	(4,577)	(827,370)
Net financial assets /(liabilities)	224,334	29,281	(26,781)	(38,957)	(27,748)	47,017	207,146
Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(224,334)	(29,103)	26,857	(19,879)	28,004	(45,342)	(263,797)
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	-	-	-	(164)	(164)
Currency forwards and cross currency swap	-	-	-	(226,566)	(30,564)	-	(257,130)
Currency exposure	**-**	**178**	**76**	**(285,402)***	**(30,308)**	**1,511**	**(313,945)**

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

33. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

	SGD $'000	MYR $'000	JPY $'000	HKD $'000	AUD $'000	Others $'000	Total $'000
Group							
2020							
Financial assets							
Cash and cash equivalents	464,004	42,670	36,400	2,553	12,151	47,702	605,480
Trade and other receivables (current and non-current)	214,483	4,506	1,972	21,788	2,370	1,144	246,263
Other assets (current and non-current)	2,989	3,841	-	-	78	82	6,990
Intra-group receivables	-	-	-	72,926	35,787	-	108,713
	681,476	51,017	38,372	97,267	50,386	48,928	967,446
Financial liabilities							
Trade and other payables	(35,363)	(18,834)	(244)	(116)	(1,596)	(1,689)	(57,842)
Borrowings	(633,250)	-	(33,150)	(80,820)	(43,034)	-	(790,254)
Other liabilities (current and non-current)	(17,782)	(9,849)	(1,953)	-	-	(595)	(30,179)
Intra-group payables	-	-	-	(72,926)	(35,787)	-	(108,713)
	(686,395)	(28,683)	(35,347)	(153,862)	(80,417)	(2,284)	(986,988)
Net financial (liabilities)/assets	(4,919)	22,334	3,025	(56,595)	(30,031)	46,644	(19,542)
Net financial (assets)/liabilities denominated in the respective entities' functional currencies	4,922	(22,154)	30,191	52,997	66,058	(44,793)	87,221
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	-	-	-	(3,651)	(3,651)
Currency forwards and cross currency swap	-	-	-	(235,231)	(28,689)	3,839	(260,081)
Currency exposure	3	180	33,216	(238,829)*	7,338	2,039	(196,053)

33. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

	SGD $'000	USD $'000	HKD $'000	AUD $'000	JPY $'000	Others $'000	Total $'000
Company							
2021							
Financial assets							
Cash and cash equivalents	514,576	354	-	-	-	158	515,088
Trade and other receivables (current and non-current)	697,465	10,588	64,538	34,641	40,013	6	847,251
Other assets (current and non-current)	30	-	-	-	-	-	30
	1,212,071	10,942	64,538	34,641	40,013	164	1,362,369
Financial liabilities							
Trade and other payables	(11,875)	-	(4,692)	-	-	(222)	(16,789)
Borrowings	(508,000)	-	-	-	-	-	(508,000)
	(519,875)	-	(4,692)	-	-	(222)	(524,789)
Net financial assets/(liabilities)	692,196	10,942	59,846	34,641	40,013	(58)	837,580
Net financial assets denominated in the Company's functional currency	(692,196)	-	-	-	-	-	(692,196)
Currency forwards and cross currency swap	-	-	(226,566)	(30,564)	-	-	(257,130)
Currency exposure	**-**	**10,942**	**(166,720)***	**4,077**	**40,013**	**(58)**	**(111,746)**
2020							
Financial assets							
Cash and cash equivalents	282,393	1,339	-	-	-	159	283,891
Trade and other receivables (current and non-current)	901,185	22,672	69,024	32,638	42,989	6	1,068,514
Other assets (current and non-current)	37	-	-	-	-	-	37
	1,183,615	24,011	69,024	32,638	42,989	165	1,352,442
Financial liabilities							
Trade and other payables	(8,481)	-	(2,504)	-	-	(210)	(11,195)
Borrowings	(568,250)	-	-	-	-	-	(568,250)
	(576,731)	-	(2,504)	-	-	(210)	(579,445)
Net financial assets/(liabilities)	606,884	24,011	66,520	32,638	42,989	(45)	772,997
Net financial assets denominated in the Company's functional currency	(606,884)	-	-	-	-	-	(606,884)
Currency forwards and cross currency swap	-	-	(235,231)	(28,689)	-	-	(263,920)
Currency exposure	-	24,011	(168,711)*	3,949	42,989	(45)	(97,807)

* The HKD net currency exposure of $285.4 million (2020: $238.8 million) for the Group and $166.7 million (2020: $168.7 million) for the Company mainly relate to cross currency swap and currency forwards entered into as net investment hedges for the Group's investment in its associated company (Note 11). There was no ineffectiveness during the financial year ended 30 June 2021 in relation to the net investment hedges.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

33. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

If the MYR, USD, HKD, JPY and AUD change against the SGD by 1% (2020: 1%) each with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit before income tax		Increase/(decrease) Other comprehensive income	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Group				
MYR against SGD				
– strengthened	**12**	2	**-**	-
– weakened	**(12)**	(2)	**-**	-
JPY against SGD				
– strengthened	**1**	332	**-**	-
– weakened	**(1)**	(332)	**-**	-
HKD against SGD				
– strengthened	**(2,849)**	(2,388)	**-**	-
– weakened	**2,849**	2,388	**-**	-
AUD against SGD				
– strengthened	**(290)**	73	**-**	-
– weakened	**290**	(73)	**-**	-
Company				
USD against SGD				
– strengthened	**109**	240	**-**	-
– weakened	**(109)**	(240)	**-**	-
HKD against SGD				
– strengthened	**(1,667)**	(1,687)	**-**	-
– weakened	**1,667**	1,687	**-**	-
AUD against SGD				
– strengthened	**41**	39	**-**	-
– weakened	**(41)**	(39)	**-**	-
JPY against SGD				
– strengthened	**400**	430	**-**	-
– weakened	**(400)**	(430)	**-**	-

33. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(ii) Equity price risk

The Group is primarily exposed to equity securities price risk due to investments in quoted and unquoted securities in Singapore, which have been classified in the consolidated statement of financial position as financial assets, at FVOCI and at FVPL respectively.

Based on the portfolio of quoted equity securities held by the Group, if prices for equity securities listed in Singapore increase/decrease by 1% (2020: 1%) with all other variables being held constant, the fair value reserve will be higher/lower by $0.3 million (2020: $0.3 million). Details of equity price risk of financial assets at FVPL is disclosed in Note 33(e).

(iii) 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 enters into interest rate swaps with the same critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the year, the economic relationship was 100% effective.

<u>Hedge effectiveness</u>

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Potential hedge ineffectiveness may occur due to changes in the credit risk of derivative counter party or the Group.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedging relationships that are impacted by IBOR reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding IBOR reform transition. However, there is uncertainty about when and how replacement may occur with respect to the relevant hedge items and hedging instruments. Such uncertainty may impact the hedging relationship. The contractual notional amount of cross currency swap and interest rate swap held for hedging which is based on SOR and HIBOR is $83.0 million and $77.9 million (2020: $86.1 million and $80.8 million) respectively. The Group has assessed that no changes were required to any of the amounts recognised in the current or prior period as a result of these amendments.

There was no material ineffectiveness in relation to the cash flow hedge.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

33. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(iii) Cash flow and fair value interest rate risks (continued)

The Group's borrowings at floating rates on which effective hedges have not been entered into are denominated mainly in SGD, AUD and JPY. If the SGD, AUD and JPY interest rates increase/decrease by 1% (2020: 1%) with all other variables being held constant, the profit before income tax would have been lower/higher by $1.6 million (2020: $1.6 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $2.0 million (2020: $3.6 million) as a result of higher/lower fair value of 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% (2020: 1%) with all other variables being held constant, the profit before income tax would have been lower/higher by $0.2 million (2020: $0.2 million) as a result of higher/lower interest expense on these 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, trade and other receivables and other assets. The Group and the Company have no significant concentration of credit risk with any single entity, except for unbilled revenue and loans to subsidiary and joint venture companies (Notes 12, 16 and 22). 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.

Credit exposure to individual customers or counterparties for the revenue streams mentioned above are also generally restricted by credit limits that are approved by the respective management at the entity level based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by management.

For trade receivables and contract assets from sale of development properties, the Group has policies in place to ensure that sales are made to purchasers with appropriate financial strength and after obtaining sufficient security such as deposits. If a purchaser defaults on payments, the Group may enforce payments via legal proceedings or if the purchaser is assessed to be insolvent, the Group may resume possession of the units, retain a portion of the purchaser's deposits from payments made to date, and resell the property. Unless the selling price falls by more than the portion of the purchaser's deposits retained, which is remote, the Group would not be in a loss position in selling those properties.

For trade receivables from investment properties, the Group typically collects deposits or banker's guarantees amounting to two to six months of the monthly lease rental. All late payments are monitored closely and followed up with active chasing or legal action if necessary. The Group also regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

Revenue from retail sale of goods do not give rise to significant trade receivables as the value of transactions are low and transactions are mainly settled through cash or credit card which have a short collection period. For all other trade receivables from business corporations, management makes periodic collective assessments as well as individual assessment on the recoverability of trade receivables based on historical settlement records and past experience.

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 as disclosed in Note 33.

33. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Credit risk *(continued)*

The credit risk for trade receivables is as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
By business segments		
Development properties	**6,334**	4,761
Investment properties	**808**	1,939
Retail	**1,071**	3,049
Others	**276**	337
	8,489	10,086

(i) Trade receivables and unbilled revenue

In measuring the expected credit losses, the trade receivables and unbilled revenue are grouped based on shared credit risk characteristics and days past due. The unbilled revenue relates to unbilled work in progress, which has substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled revenue.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, including development properties, investment properties and retail sales and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables, and accordingly adjusts the historical loss rates based on expected changes in these factors. Management has considered, among other factors (including forward-looking information), the Group's and Company's historical loss pattern, its ability to resume possession of units for the development property business, the existence of deposits and banker's guarantees for the investment property business, as well as the relatively low value of transactions and manner in which these are settled i.e. by cash and credit card for the Group's retail business. Based on the above, management concluded that the expected credit loss rate for trade receivables and unbilled revenue is close to zero. The credit loss allowance for trade receivables and unbilled revenue was assessed as immaterial.

Trade receivables and unbilled revenue are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

(ii) Other receivables and loans to subsidiary, associated and joint venture companies and non-controlling interests

For other receivables and loans to subsidiary, associated and joint venture companies and non-controlling interests, management has considered, among other factors (including forward-looking information), the financial positions of the counterparties, and adjusted for factors that are specific to the counterparties, general economic conditions of the industries in which they operate and any forward-looking macroeconomic factors.

These financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about events, including but not limited to significant financial difficulty of the borrower or a breach of contract, such as a default or past due event.

(iii) Financial guarantee contracts

The Group has issued financial guarantees to banks for credit facilities of its subsidiary and joint venture companies. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Group has assessed that its subsidiary and joint venture companies have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

33. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Credit risk *(continued)*

The movements for credit loss allowance are as follows:

	Trade and other receivables	
	Group	Company
	$'000	$'000
2021		
Beginning of financial year	**20,808**	**377,372**
Allowance (written back)/made	**(16,523)**	**7,045**
Currency translation differences	**(1)**	**-**
End of financial year	**4,284**	**384,417**
2020		
Beginning of financial year	27,189	342,684
Allowance (written back)/made	(6,368)	34,688
Currency translation differences	(13)	-
End of financial year	20,808	377,372

The credit loss allowances reflecting the full exposure at default are measured at lifetime expected credit losses and primarily relate to loans to joint venture companies of the Group (Notes 12 and 16) and subsidiary companies of the Company (Notes 12 and 16). The remaining loans are not credit impaired.

(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				
2021				
Net-settled interest rate swap	1,131	18	-	-
Gross-settled cross currency swap				
– Receipts	(1,274)	(82,325)	-	-
– Payments	3,709	86,665	-	-
Gross-settled currency forwards				
– Receipts	-	-	(168,394)	-
– Payments	-	-	174,154	-
Trade and other payables	66,566	-	-	-
Lease liabilities	3,869	3,746	274	646
Borrowings	170,203	386,944	115,517	113,067
Other liabilities (excluding lease liabilities)	4,243	2,136	6,683	-
Financial guarantee	8,280	-	-	-
	256,727	**397,184**	**128,234**	**113,713**

33. 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
Group				
2020				
Net-settled interest rate swap	884	884	15	-
Gross-settled cross currency swap				
– Receipts	(2,314)	(2,314)	(83,359)	-
– Payments	3,851	3,851	89,971	-
Gross-settled currency forwards				
– Receipts	(3,838)	-	(168,394)	-
– Payments	3,881	-	177,757	-
Trade and other payables	57,842	-	-	-
Lease liabilities	11,754	5,246	382	735
Borrowings	26,104	203,467	533,879	116,747
Other liabilities (excluding lease liabilities)	4,364	3,567	3,624	1,138
Financial guarantee	8,280	-	-	-
	110,808	214,701	553,875	118,620
Company				
2021				
Gross-settled cross currency swap				
– Receipts	(1,274)	(82,325)	-	-
– Payments	3,709	86,665	-	-
Gross-settled currency forwards				
– Receipts	-	-	(168,394)	-
– Payments	-	-	174,154	-
Trade and other payables	16,789	-	-	-
Borrowings	102,142	262,562	84,272	113,067
Financial guarantee	-	77,850	-	-
	121,366	**344,752**	**90,032**	**113,067**
2020				
Gross-settled cross currency swap				
– Receipts	(2,314)	(2,314)	(83,359)	-
– Payments	3,851	3,851	89,971	-
Gross-settled currency forwards				
– Receipts	-	-	(168,394)	-
– Payments	-	-	177,757	-
Trade and other payables	11,195	-	-	-
Borrowings	22,483	135,102	375,747	116,747
Financial guarantee	-	-	80,820	-
	35,215	136,639	472,542	116,747

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

33. FINANCIAL RISK MANAGEMENT *(continued)*

(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 equity attributable to equity holders of the Company. Net debt is calculated as borrowings less cash and cash equivalents. Total capital employed is calculated as equity plus net debt. There were no changes in the Group's approach to capital management during the financial year.

	Group		Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Borrowings	**726,088**	787,740	**507,561**	567,537
Less: Cash and cash equivalents	**(772,964)**	(605,480)	**(515,088)**	(283,891)
Net (cash)/debt	**(46,876)**	182,260	**(7,527)**	283,646
Equity attributable to equity holders of the Company:				
– ordinary shareholders	**3,186,714**	3,214,039	**1,112,276**	1,111,452
– holders of perpetual securities	**296,375**	296,375	**296,375**	296,375
	3,483,089	3,510,414	**1,408,651**	1,407,827
Debt-equity ratio	**-1%**	5%	**-1%**	20%

As at 30 June 2021, the Group and the Company are in net cash positions of $46.9 million and $7.5 million respectively.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2021 and 2020.

33. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements

(i) Fair value measurement hierarchy

The following table presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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
- 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				
2021				
Assets				
Investment properties	-	-	793,964	793,964
Financial assets at FVOCI	28,548	-	-	28,548
Financial assets at FVPL	-	-	19,353	19,353
Liabilities				
Derivative financial instruments	-	(14,140)	-	(14,140)
	28,548	**(14,140)**	**813,317**	**827,725**
2020				
Assets				
Derivative financial instruments	-	204	-	204
Investment properties	-	-	792,346	792,346
Financial assets at FVOCI	26,997	-	-	26,997
Financial assets at FVPL	-	-	20,614	20,614
Liabilities				
Derivative financial instruments	-	(20,983)	-	(20,983)
	26,997	(20,779)	812,960	819,178
Company				
2021				
Assets				
Financial assets at FVPL	-	-	19,353	19,353
Liabilities				
Derivative financial instruments	-	(12,993)	-	(12,993)
	-	**(12,993)**	**19,353**	**6,360**
2020				
Assets				
Derivative financial instruments	-	197	-	197
Financial assets at FVPL	-	-	20,614	20,614
Liabilities				
Derivative financial instruments	-	(19,322)	-	(19,322)
	-	(19,125)	20,614	1,489

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

33. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

(i) Fair value measurement hierarchy (continued)
There were no transfers between Level 1, Level 2 and Level 3 during the year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

(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.

(iii) Level 3 fair value measurements

- Valuation techniques and inputs
  The following table presents the valuation techniques and key inputs used to determine the fair values that are categorised under Level 3 of the fair value measurement hierarchy which involves significant unobservable inputs.

Type/location	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Commercial buildings, shop offices and condominium housing in Malaysia, the People's Republic of China and Singapore	Direct Comparison Approach	Market value per square metre	$476 - $22,716 (2020: $804 - $22,438)	The higher the adjusted valuation, the higher the fair value.
Commercial buildings and serviced apartments in Australia and Singapore	Capitalisation Approach	Estimated monthly rental rate per square metre	$25 - $94 (2020: $23 - $96)	The higher the estimated rental rate, the higher the fair value.
		Estimated monthly rental rate per bay	$309 - $350 (2020: $264 - $304)	
		Market value per room	$876,000 (2020: $913,000)	The higher the market value, the higher the fair value.
		Capitalisation rate	3.75% - 5.75% (2020: 3.75% - 6.50%)	The higher the capitalisation rate, the lower the fair value.
Hotel, serviced apartments and commercial buildings in Japan, Singapore and Australia	Discounted Cash Flow Approach	Discount rate	3.60% - 6.75% (2020: 3.60% - 7.00%)	The higher the discount rate, the lower the fair value.
		Market value per room	$899,000 (2020: $900,000)	The higher the market value, the higher the fair value.

33. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

(iii) Level 3 fair value measurements (continued)

- Valuation techniques and inputs *(continued)*

Types	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Financial assets at FVPL	Net asset value of the investee entity adjusted for the lack of control and marketability of the unlisted equity instrument.	Net asset value	Not applicable	Not applicable
		Adjustment for lack of control and marketability	Adjustment of 39.1% (2020: 40%)	The higher the adjustment for lack of control and marketability, the lower the fair value.

There were no changes in valuation techniques for investment properties and financial assets at FVPL during the year.

The adjustment to the carrying value of the unlisted equity instrument is based on market conditions existing at the end of the reporting period and discounts for lack of control and marketability for similar instruments. If the adjustment to the net asset value of the investee entity for lack of control and marketability increase/decrease by 3% (2020: 3%) with all other variables being held constant, the profit before income tax would have been lower/higher by $1.0 million (2020: $1.0 million).

There were no significant inter-relationships between the significant unobservable inputs.

- Valuation processes of the Group
  The Group engages external, independent and qualified valuers to determine the fair values of the Group's investment properties based on the properties' highest and best use using the Direct Comparison Approach, the Capitalisation Approach and/or the Discounted Cash Flow 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. The Discounted Cash Flow Approach involves discounting of future income stream over a period to arrive at a present value.

  Management is of the view that the valuation methods and estimates are reflective of current market conditions and have taken into account the impact of COVID-19 pandemic and market uncertainty based on information available as at 30 June 2021. The valuation reports obtained from independent property valuers for certain investment properties have highlighted that, with the heightened uncertainty of the COVID-19 outbreak, a degree of caution should be attached to the valuations as they may be subjected to more fluctuation subsequent to 30 June 2021 than during normal market conditions. This represents significant estimation uncertainty in relation to the valuation of investment properties.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

33. FINANCIAL RISK MANAGEMENT *(continued)*

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Group $'000	Company $'000
2021		
Financial assets at FVOCI	**28,548**	**-**
Financial assets at FVPL (including derivative financial instruments)	**19,353**	**19,353**
Financial liabilities at FVPL (including derivative financial instruments)	**14,140**	**12,993**
Financial assets at amortised cost	**1,022,589**	**1,362,369**
Financial liabilities at amortised cost	**813,980**	**524,350**
2020		
Financial assets at FVOCI	26,997	-
Financial assets at FVPL (including derivative financial instruments)	20,818	20,811
Financial liabilities at FVPL (including derivative financial instruments)	20,983	19,322
Financial assets at amortised cost	858,733	1,352,442
Financial liabilities at amortised cost	875,761	578,732

34. 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 at terms agreed between the parties:

(a) Sale of goods and rendering of services

	Group	
	2021 $'000	2020 $'000
Purchase of goods from a joint venture company	**265**	-
Management and service fees received from joint venture companies	**8,204**	4,908
Management fees paid to an associated company	**380**	627
Payments on behalf of joint venture companies	**191**	4,324

(b) Key management personnel compensation

	Group	
	2021 $'000	2020 $'000
Salaries and other short term employee benefits	**12,130**	10,488
Share-based payment	**513**	719
	12,643	11,207

Included in the above is compensation paid/payable to directors of the Company which amounted to $7.9 million (2020: $6.8 million).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

35. SEGMENT INFORMATION

The Group is organised into the following main business segments - development properties, investment properties, retail and other operations comprising mainly investing, central management and administrative activities. The segment information for the reportable segments is as follows:

	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Total $'000
Group					
2021					
Revenue					
– Recognised at a point in time	185,863	-	53,028	331	**239,222**
– Recognised over time	171,577	-	-	8,447	**180,024**
– Others	-	40,621	-	1,529	**42,150**
	357,440	40,621	53,028	10,307	**461,396**
EBIT*	152,682	(14,611)	13,428	(48,277)	**103,222**
Interest income					**2,710**
Finance costs	-	(3,560)	(398)	(26,719)	**(30,677)**
Profit before income tax					**75,255**
Income tax expense					**(33,303)**
Total profit					**41,952**
Segment assets	1,468,836	865,771	47,155	217,004	**2,598,766**
Investments in associated and joint venture companies	605,684	1,199,989	143,329	(231,199)	**1,717,803**
Due from associated and joint venture companies	162,004	-	310	-	**162,314**
	2,236,524	2,065,760	190,794	(14,195)	**4,478,883**
Tax recoverable					**4,631**
Deferred income tax assets					**8,718**
Consolidated total assets					**4,492,232**
Segment liabilities	65,742	12,173	12,835	23,270	**114,020**
Borrowings	-	141,075	-	585,013	**726,088**
	65,742	153,248	12,835	608,283	**840,108**
Current income tax liabilities					**47,255**
Derivative financial instruments					**14,140**
Deferred income tax liabilities					**35,586**
Consolidated total liabilities					**937,089**
Capital expenditure	12	808	6,436	3,265	**10,521**
Depreciation	184	1,615	10,119	2,831	**14,749**
Impairment loss on property, plant and equipment	-	-	816	-	**816**
Reversal of impairment loss of joint venture companies (net)	16,520	-	-	-	**16,520**

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

35. SEGMENT INFORMATION *(continued)*

	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Total $'000
Group					
2020					
Revenue					
– Recognised at a point in time	186,181	-	91,509	-	277,690
– Recognised over time	40,650	-	-	5,770	46,420
– Others	-	45,236	-	1,680	46,916
	226,831	45,236	91,509	7,450	371,026
EBIT*	100,346	(10,683)	6,903	(42,374)	54,192
Interest income					2,923
Finance costs	-	(4,251)	(835)	(25,202)	(30,288)
Profit before income tax					26,827
Income tax expense					(11,119)
Total profit					15,708
Segment assets	1,512,523	925,014	55,895	179,432	2,672,864
Investments in associated and joint venture companies	614,199	1,283,646	127,422	(260,376)	1,764,891
Due from associated and joint venture companies	198,558	-	629	-	199,187
	2,325,280	2,208,660	183,946	(80,944)	4,636,942
Tax recoverable					5,579
Derivative financial instruments					204
Deferred income tax assets					8,087
Consolidated total assets					4,650,812
Segment liabilities	134,933	14,839	22,711	17,124	189,607
Borrowings	-	140,207	-	647,533	787,740
	134,933	155,046	22,711	664,657	977,347
Current income tax liabilities					33,418
Derivative financial instruments					20,983
Deferred income tax liabilities					33,719
Consolidated total liabilities					1,065,467
Capital expenditure	4	50,984	3,327	1,610	55,925
Depreciation	56	1,978	20,517	3,048	25,599
Impairment loss on property, plant and equipment	-	-	2,842	-	2,842
Reversal of impairment loss of joint venture companies (net)	6,370	-	-	-	6,370

* EBIT includes the share of profits of associated and joint venture companies which are disclosed in Note 17.

The Group's main business segments operate in six main geographical areas - Singapore, Malaysia, Australia, Japan, the People's Republic of China ("PRC") and Hong Kong SAR.

35. SEGMENT INFORMATION *(continued)*

	Revenue		Non-current assets	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Singapore	**389,995**	290,323	**707,006**	829,743
Malaysia	**57,623**	67,297	**105,469**	101,427
Australia	**10,935**	10,365	**176,456**	162,093
PRC	**938**	1,017	**34,213**	29,913
Japan	**1,905**	2,024	**51,672**	56,066
Hong Kong SAR	**-**	-	**1,547,975**	1,618,174
	461,396	371,026	**2,622,791**	2,797,416

36. 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 2021 %	2020 %
(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 Sdn. Bhd.	!	Malaysia	Investment holding	**100**	100
	Bergendale Investments Limited	*,#	British Virgin Islands ("BVI")/Hong Kong SAR	Investment holding	**100**	100
	Brave Dragon Ltd	*, #	BVI/Hong Kong SAR	Investment holding	**89.4**	89.4
	Chanlai Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
	Crossbrook Group Ltd	#	BVI/Hong Kong SAR	Investment holding	**100**	100
	DNP Hartajaya Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
	DNP Land Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
	Grand Eastern Realty & Development Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
	Hartamaju Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
	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 investment and development	**100**	100

n/a: not applicable

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

36. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2021 %	2020 %
(b) Subsidiary companies *(continued)*					
Suzhou Property Development Pte Ltd	*	Singapore	Property development and investment holding	**75**	75
Temgold Investment Pte. Ltd.	*	Singapore	Property investment	**100**	100
Temstar Investment Pte. Ltd.	*	Singapore	Property Investment	**100**	100
Tennessee Investments Ltd	*, #	BVI/Singapore	Investment holding	**100**	100
Wincrown Pty Ltd	*, +	Australia	Property investment	**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
Winrise (Japan) TMK	*, <	Japan	Property investment	**100**	100
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
Wingcharm Investment Pte Ltd	*	Singapore	Property development	**100**	100
Wingjoy Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wingspring Trust	*, +, ^	Australia	Property investment	**100**	100
Wing Mei (M) Sdn. Bhd.	*, !	Malaysia	Property investment	**100**	100
Wing Tai China Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wing Tai (China) Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100

36. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2021 %	2020 %
(b) Subsidiary companies *(continued)*					
Wing Tai Clothing Pte Ltd	*	Singapore	Retailing of garments	**100**	100
Wing Tai Clothing Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**100**	100
Wing Tai Ecommerce Pte. Ltd.	*	Singapore	Development of e-commerce applications	**100**	100
Wing Tai Digital Management Pte Ltd	*	Singapore	IT consultancy	**100**	100
Wing Tai Fashion Apparel Pte. Ltd.	*	Singapore	Retailing of garments	**100**	100
Wing Tai Fashion Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**100**	100
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 Malaysia Property Management Sdn. Bhd.	*, !	Malaysia	Project management and maintenance of properties	**100**	100
Winning Ecommerce Sdn. Bhd.	*, !	Malaysia	E-commerce retailing of garments	**100**	100
Wing Tai Online Business Sdn. Bhd.	*, !	Malaysia	E-commerce consultancy and support services	**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 DC Trust I	*, +	Australia	Property investment	**100**	100
WT DC Trust II	*, +	Australia	Property investment	**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	**33.0**	33.0

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

36. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2021 %	2020 %
(d) Joint venture companies					
Gardens Development Pte Ltd	*	Singapore	Property investment and development	**40**	40
G2000 Apparel (S) Pte Ltd	*	Singapore	Retailing of garments	**45**	45
Kualiti Gold Sdn. Bhd.	*, !	Malaysia	Property investment	**50**	50
Uniqlo (Malaysia) Sdn. Bhd.	*, &	Malaysia	Retailing of garments	**45**	45
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 PricewaterhouseCoopers, Malaysia

These companies are not required to be audited by law in the country of incorporation

% Audited by PricewaterhouseCoopers, Hong Kong SAR

~ Audited by Deloitte & Touche, Singapore

> Audited by SBA Stone Forest CPA Co., Ltd, PRC

< Audited by Seimei Audit Corporation, Japan

@ Audited by PricewaterhouseCoopers, PRC

+ Audited by PricewaterhouseCoopers, Australia

& Audited by Deloitte & Touche, Malaysia

^ Wingspring Trust has an interest in an unincorporated joint operation as tenants of a commercial building in Australia whereby it holds an interest of 50% in the assets and liabilities, and shares 50% of the rental revenue and operating expenses of the building.

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit & 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.

37. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards and interpretations to existing standards that have been published and are relevant for the Group's financial year beginning on or after 1 July 2021 and which the Group has not early adopted:

(a) Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

(b) Amendments to SFRS(I) 1-16 *Property, Plant and Equipment*: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 *Property, Plant and Equipment* ("PP&E") prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

(c) Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

(d) Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: Interest Rate Benchmark Reform - Phase 2 (effective for annual periods beginning on or after 1 January 2021)

<u>Hedge relationships</u>
As described in Note 2.2, the Group adopted the 'Phase 1' amendments on 1 July 2020 which provided temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform.

The 'Phase 2' amendments, which will become effective for the Group for the annual period beginning on 1 July 2021, address issues arising during interest rate benchmark reform, including specifying when the 'Phase 1' amendments will cease to apply, when hedge designations and documentation should be updated, and when hedges of the alternative benchmark rate as the hedged risk are permitted.

<u>Financial instruments and lease liabilities</u>
For financial instruments measured using amortised cost measurement, the 'Phase 2' amendments provide a practical expedient which require changes to the basis for determining the contractual cash flows required by interest rate benchmark reform to be reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. This practical expedient exists for lease liabilities as well. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

37. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS *(continued)*

The Group anticipates that the adoption of the above standards and interpretations in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors of Wing Tai Holdings Limited on 23 September 2021.

ANNOUNCEMENT OF THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF WING TAI HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FIRST HALF ENDED 31 DECEMBER 2021

The information in this Appendix III has been reproduced from the announcement on 10 February 2022 of the unaudited consolidated financial statements of Wing Tai Holdings Limited and its subsidiaries for the first half ended 31 December 2021 and has not been specifically prepared for inclusion in this Supplemental Information Memorandum.

WING TAI HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 196300239D)

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

The Company announces the unaudited consolidated results for the half year ended 31 December 2021.

A(i) **Condensed Consolidated Income Statement**

		Group		
		Half Year ended 31-Dec-21	Half Year ended 31-Dec-20	+/(-)
	Note	**S$'000**	S$'000	%
Revenue	4	**306,607**	243,418	26
Cost of sales		**(209,323)**	(143,496)	46
Gross profit		**97,284**	99,922	(3)
Other gains – net	(a)	**5,023**	12,845	(61)
Expenses				
- Distribution		**(16,409)**	(15,838)	4
- Administrative and other	(b)	**(34,916)**	(46,393)	(25)
Operating profit		**50,982**	50,536	1
Finance costs		**(13,171)**	(16,781)	(22)
Share of profits of associated and joint venture companies		**21,494**	38,537	(44)
Profit before income tax	6	**59,305**	72,292	(18)
Income tax expense	7	**(5,291)**	(14,746)	(64)
Total profit		**54,014**	57,546	(6)
Attributable to:				
Equity holders of the Company		**53,788**	56,796	(5)
Non-controlling interests		**226**	750	(70)
		54,014	57,546	(6)
Earnings per share attributable to ordinary shareholders of the Company (cents):				
Basic		**6.16**	6.54	
Diluted		**6.16**	6.53	

A(ii) **Condensed Consolidated Statement of Comprehensive Income**

	Group		
	Half Year ended 31-Dec-21 S$'000	Half Year ended 31-Dec-20 S$'000	+/(-) %
Total profit	**54,014**	57,546	(6)
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	**608**	(75)	n.m.
Currency translation differences	**10,536**	(47,870)	n.m.
Share of other comprehensive (expense)/income of associated and joint venture companies	**(392)**	462	n.m.
	10,752	(47,483)	n.m.
Items that will not be reclassified subsequently to profit or loss:			
Fair value losses on financial assets at fair value through other comprehensive income ("FVOCI")	**(3,614)**	(1,260)	187
Currency translation differences	**751**	(2,128)	n.m.
Share of other comprehensive (expense)/income of associated and joint venture companies	**(13)**	58	n.m.
	(2,876)	(3,330)	(14)
Other comprehensive income/(expense), net of tax	**7,876**	(50,813)	n.m.
Total comprehensive income	**61,890**	6,733	819
Attributable to:			
Equity holders of the Company	**60,926**	8,053	657
Non-controlling interests	**964**	(1,320)	n.m.
	61,890	6,733	819

Note:-
n.m. – not meaningful

(a) The decrease in other gains – net is mainly due to the gain on disposal of investment property and property, plant and equipment recognised in the corresponding period.

(b) The decrease in administrative and other expenses is due to lower accrued operating expenses.

B **Condensed Statements of Financial Position**

	Note	Group		Company	
		As at 31-Dec-21 S$'000	As at 30-Jun-21 S$'000	**As at 31-Dec-21 S$'000**	As at 30-Jun-21 S$'000
ASSETS					
Current assets					
Cash and cash equivalents		**713,758**	772,964	**435,495**	515,088
Trade and other receivables	(a), (e)	**79,634**	169,954	**120,038**	268,501
Inventories		**6,377**	7,625	**-**	-
Development properties	(b)	**614,143**	778,167	**-**	-
Tax recoverable		**3,484**	4,631	**-**	-
Other assets		**120,670**	76,430	**2,058**	1,143
Assets held for sale		**7,487**	3,051	**-**	-
		1,545,553	1,812,822	**557,591**	784,732
Non-current assets					
Trade and other receivables	(f)	**5,660**	23,543	**971,290**	848,025
Investments in associated and joint venture companies		**1,745,324**	1,717,803	**-**	-
Investments in subsidiary companies		**-**	-	**282,063**	282,063
Investment properties	11	**787,143**	793,964	**-**	-
Property, plant and equipment	12	**80,899**	82,059	**16,267**	15,102
Deferred income tax assets		**7,379**	8,718	**-**	-
Other assets	(c)	**154,071**	53,323	**19,353**	19,353
		2,780,476	2,679,410	**1,288,973**	1,164,543
Total assets		**4,326,029**	4,492,232	**1,846,564**	1,949,275
LIABILITIES					
Current liabilities					
Trade and other payables		**67,854**	66,566	**69,202**	16,789
Borrowings	13	**184,269**	150,864	**81,000**	85,979
Current income tax liabilities		**41,011**	47,255	**1,731**	3,281
Other liabilities		**21,137**	34,166	**-**	-
		314,271	298,851	**151,933**	106,049
Non-current liabilities					
Borrowings	13, (d)	**389,805**	575,224	**340,686**	421,582
Deferred income tax liabilities		**36,327**	35,586	**-**	-
Other liabilities		**24,686**	27,428	**9,550**	12,993
		450,818	638,238	**350,236**	434,575
Total liabilities		**765,089**	937,089	**502,169**	540,624
NET ASSETS		**3,560,940**	3,555,143	**1,344,395**	1,408,651
EQUITY					
Capital and reserves attributable to ordinary shareholders of the Company					
Share capital	14	**838,250**	838,250	**838,250**	838,250
Other reserves		**(33,021)**	(28,766)	**(50,406)**	(39,013)
Retained earnings		**2,386,753**	2,377,230	**260,160**	313,039
		3,191,982	3,186,714	**1,048,004**	1,112,276
Perpetual securities		**296,391**	296,375	**296,391**	296,375
Non-controlling interests		**72,567**	72,054	**-**	-
TOTAL EQUITY		**3,560,940**	3,555,143	**1,344,395**	1,408,651

Note:-

(a) The decrease in the Group's current trade and other receivables is largely due to the repayment of loan by a joint venture company.

(b) The decrease in the Group's development properties is primarily attributable to the recognition of capitalised development costs in the income statement.

(c) The increase in the Group's other non-current assets is mainly due to the acquisition of financial assets at FVOCI.

(d) The decrease in the Group's and the Company's non-current borrowings is largely due to the reclassification of medium term notes and bank loans which became current.

(e) The decrease in the Company's current trade and other receivables is mainly attributable to the repayment of loan from a subsidiary company.

(f) The increase in the Company's non-current trade and other receivables is primarily due to the advancement of loans to its subsidiary companies.

C **Condensed Statements of Changes in Equity**

	Attributable to ordinary shareholders of the Company						
	Share capital S$'000	Other reserves * S$'000	Retained earnings S$'000	Total S$'000	Perpetual securities S$'000	Non-controlling interests S$'000	Total equity S$'000
Group							
Half year ended 31-Dec-21							
Balance at 1 July 2021	838,250	(28,766)	2,377,230	3,186,714	296,375	72,054	3,555,143
Total comprehensive income	-	7,138	53,788	60,926	-	964	61,890
Cost of share-based payment	-	1,211	-	1,211	-	-	1,211
Reissuance of treasury shares	-	94	(94)	-	-	-	-
Purchase of treasury shares	-	(12,698)	-	(12,698)	-	-	(12,698)
Accrued perpetual securities distribution	-	-	(6,472)	(6,472)	6,472	-	-
Ordinary and special dividends paid	-	-	(38,354)	(38,354)	-	-	(38,354)
Perpetual securities distribution paid	-	-	-	-	(6,456)	-	(6,456)
Tax credit arising from perpetual securities distribution	-	-	655	655	-	-	655
Liquidation of a subsidiary company	-	-	-	-	-	(451)	(451)
Balance at 31 December 2021	**838,250**	**(33,021)**	**2,386,753**	**3,191,982**	**296,391**	**72,567**	**3,560,940**

C **Condensed Statements of Changes in Equity** (continued)

	Attributable to ordinary shareholders of the Company						
	Share capital S$'000	Other reserves * S$'000	Retained earnings S$'000	Total S$'000	Perpetual securities S$'000	Non-controlling interests S$'000	Total equity S$'000
Group							
Half year ended 31-Dec-20							
Balance at 1 July 2020	838,250	7,904	2,367,885	3,214,039	296,375	74,931	3,585,345
Total comprehensive (expense)/income	-	(48,743)	56,796	8,053	-	(1,320)	6,733
Share of transfer of reserves of an associated company	-	(444)	444	-	-	-	-
Cost of share-based payment	-	1,037	-	1,037	-	-	1,037
Reissuance of treasury shares	-	(38)	38	-	-	-	-
Accrued perpetual securities distribution	-	-	(6,472)	(6,472)	6,472	-	-
Ordinary and special dividends paid	-	-	(23,115)	(23,115)	-	-	(23,115)
Perpetual securities distribution paid	-	-	-	-	(6,456)	-	(6,456)
Tax credit arising from perpetual securities distribution	-	-	631	631	-	-	631
Liquidation of subsidiary companies	-	21	-	21	-	-	21
Balance at 31 December 2020	838,250	(40,263)	2,396,207	3,194,194	296,391	73,611	3,564,196

* Includes share-based payment reserve, cash flow hedge reserve, share of other comprehensive income of associated and joint venture companies, currency translation reserve, fair value reserve, treasury shares reserve and statutory reserve.

	Share capital S$'000	Share-based payment reserve S$'000	Treasury shares reserve S$'000	Retained earnings S$'000	Perpetual securities S$'000	Total equity S$'000
Company						
Half year ended 31-Dec-21						
Balance at 1 July 2021	838,250	1,340	(40,353)	313,039	296,375	1,408,651
Total comprehensive expense	-	-	-	(8,614)	-	(8,614)
Cost of share-based payment	-	1,211	-	-	-	1,211
Reissuance of treasury shares	-	(1,820)	1,914	(94)	-	-
Purchase of treasury shares	-	-	(12,698)	-	-	(12,698)
Accrued perpetual securities distribution	-	-	-	(6,472)	6,472	-
Ordinary and special dividends paid	-	-	-	(38,354)	-	(38,354)
Perpetual securities distribution paid	-	-	-	-	(6,456)	(6,456)
Tax credit arising from perpetual securities distribution	-	-	-	655	-	655
Balance at 31 December 2021	**838,250**	**731**	**(51,137)**	**260,160**	**296,391**	**1,344,395**

C **Condensed Statements of Changes in Equity** (continued)

	Share capital S$'000	Share-based payment reserve S$'000	Treasury shares reserve S$'000	Retained earnings S$'000	Perpetual securities S$'000	Total equity S$'000
Company						
Half year ended 31-Dec-20						
Balance at 1 July 2020	838,250	2,155	(40,730)	311,777	296,375	1,407,827
Total comprehensive income	-	-	-	28,297	-	28,297
Cost of share-based payment	-	1,037	-	-	-	1,037
Reissuance of treasury shares	-	(2,393)	2,355	38	-	-
Accrued perpetual securities distribution	-	-	-	(6,472)	6,472	-
Ordinary and special dividends paid	-	-	-	(23,115)	-	(23,115)
Perpetual securities distribution paid	-	-	-	-	(6,456)	(6,456)
Tax credit arising from perpetual securities distribution	-	-	-	631	-	631
Balance at 31 December 2020	838,250	799	(38,375)	311,156	296,391	1,408,221

D **Condensed Consolidated Statement of Cash Flows**

	Group	
	Half Year ended 31-Dec-21 S$'000	Half Year ended 31-Dec-20 S$'000
Cash flows from operating activities		
Total profit	**54,014**	57,546
Adjustments for:		
Income tax expense	**5,291**	14,746
Depreciation of property, plant and equipment	**6,209**	9,031
Dividend income	**(745)**	(1,502)
Fair value losses/(gains) on derivative financial instruments	**6**	(88)
Write-back for stock obsolescence	**(712)**	(1,279)
Reversal of impairment loss of a joint venture company	**(17)**	-
Gain on disposal of investment property	**-**	(5,093)
Gain on disposal of property, plant and equipment	**(266)**	(4,446)
Write-off of property, plant and equipment	**175**	41
Loss on liquidation of subsidiary companies	**-**	21
Interest income	**(1,426)**	(1,253)
Finance costs	**13,171**	16,781
Share of profits of associated and joint venture companies	**(21,494)**	(38,537)
Share-based payment	**1,211**	1,037
Currency translation differences	**(520)**	1,578
Operating cash flow before working capital changes	**54,897**	48,583
Changes in operating assets and liabilities:		
Balances with associated and joint venture companies	**995**	55,792
Development properties	**165,229**	159,735
Inventories	**1,963**	7,296
Trade and other receivables and other current assets	**(45,472)**	(18,610)
Trade and other payables and other current liabilities	**(14,925)**	(83,419)
Cash generated from operations	**162,687**	169,377
Income tax paid	**(7,927)**	(7,166)
Net cash generated from operating activities	**154,760**	162,211
Cash flows from investing activities		
Additions to financial assets at FVOCI	**(103,756)**	-
Additions to property, plant and equipment	**(3,718)**	(3,860)
Disposal of investment property	**-**	45,376
Disposal of property, plant and equipment	**339**	32,854
Liquidation of a subsidiary company	**(451)**	-
Advancement of loans to associated and joint venture companies	**-**	(2,880)
Repayment of loans by associated and joint venture companies	**106,040**	41,200
Advancement of loans to non-controlling interests	**-**	(6,799)
Repayment of loans by non-controlling interests	**4,457**	-
Dividends received	**5,686**	23,646
Interest received	**2,068**	1,724
Net cash generated from investing activities	**10,665**	131,261

D **Condensed Consolidated Statement of Cash Flows** (continued)

	Group	
	Half Year ended 31-Dec-21 S$'000	Half Year ended 31-Dec-20 S$'000
Cash flows from financing activities		
Purchase of treasury shares	**(12,698)**	-
Repayment of borrowings	**(151,000)**	(62,352)
Principal payment of lease liability	**(4,032)**	(6,483)
Ordinary and special dividends paid	**(38,354)**	(23,115)
Perpetual securities distribution paid	**(6,456)**	(6,456)
Interest paid	**(12,833)**	(14,189)
Net cash used in financing activities	**(225,373)**	(112,595)
Net (decrease)/increase in cash and cash equivalents	**(59,948)**	180,877
Cash and cash equivalents at beginning of financial period	**772,964**	605,480
Effects of currency translation on cash and cash equivalents	**742**	149
Cash and cash equivalents at end of financial period	**713,758**	786,506

E Notes to the Condensed Financial Statements

1 Corporate information

Wing Tai Holdings Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. These condensed financial statements as at and for the half year ended 31 December 2021 comprise the Company and its subsidiary companies (collectively, the "Group"). The principal activity of the Company is that of an investment holding company. The principal activities of the Company's subsidiary companies are investment holding, property investment and development and retailing of garments.

2 Basis of preparation

The condensed financial statements for the half year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's and the Company's financial position and performance of the Group since the last annual financial statements for the financial year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

The Group has adopted the new or amended SFRS(I)s and Interpretations of SFRS(I)s ("INT SFRS(I)s"), that are relevant to the Group for the annual period beginning on 1 July 2021 as follows:

- Amendments to SFRS(I) 9 *Financial Instruments*, SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement*, SFRS(I) 7 *Financial Instruments: Disclosures* and SFRS(I) 16 *Leases*: Interest Rate Benchmark Reform - Phase 2

The adoption of the above amendments did not result in substantial changes to the Group's accounting policies and did not have any significant impact on the condensed financial statements of the Group.

2.2 Use of judgements and estimates

The preparation of condensed financial statements in conformity with SFRS(I)s 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. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 2021.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in Note 11.1.

E **Notes to the Condensed Financial Statements** (continued)

3 Seasonal operations

The Group's businesses are affected by the economic outlook, financial market volatilities and changing property market conditions in the jurisdictions that the Group operates in.

4 Segment and revenue information

The Group is organised into the following main business segments - development properties, investment properties, retail and other operations comprising mainly investing, central management and administrative activities.

These 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.

E **Notes to the Condensed Financial Statements** (continued)

4 **Segment and revenue information** (continued)

4.1 **Reportable segments**

	Development properties S$'000	Investment properties S$'000	Retail S$'000	Others S$'000	**Total S$'000**
Group					
Half year ended 31-Dec-21					
Revenue	263,516	20,700	19,206	3,185	**306,607**
Earnings before interest and tax	58,884	20,864	15,470	(24,168)	**71,050**
Interest income					**1,426**
Finance costs	-	(1,661)	(149)	(11,361)	**(13,171)**
Profit before income tax					**59,305**
Income tax expense					**(5,291)**
Total profit					**54,014**
Segment assets	1,345,516	861,298	51,413	254,356	**2,512,583**
Investments in associated and joint venture companies	745,228	1,230,347	158,403	(388,654)	**1,745,324**
Due from associated and joint venture companies	56,852	-	407	-	**57,259**
	2,147,596	2,091,645	210,223	(134,298)	**4,315,166**
Tax recoverable					**3,484**
Deferred income tax assets					**7,379**
Consolidated total assets					**4,326,029**
Segment liabilities	50,169	11,887	15,234	26,279	**103,569**
Borrowings	-	74,102	-	499,972	**574,074**
	50,169	85,989	15,234	526,251	**677,643**
Current income tax liabilities					**41,011**
Derivative financial instruments					**10,108**
Deferred income tax liabilities					**36,327**
Consolidated total liabilities					**765,089**
Capital expenditure	3	96	7,602	2,172	**9,873**
Depreciation	13	744	4,106	1,346	**6,209**

E **Notes to the Condensed Financial Statements** (continued)

4 **Segment and revenue information** (continued)

4.1 **Reportable segments** (continued)

	Development properties S$'000	Investment properties S$'000	Retail S$'000	Others S$'000	Total S$'000
Group					
Half year ended 31-Dec-20					
Revenue	185,468	20,332	32,651	4,967	243,418
Earnings before interest and tax	74,004	33,176	8,796	(28,156)	87,820
Interest income					1,253
Finance costs	-	(1,786)	(183)	(14,812)	(16,781)
Profit before income tax					72,292
Income tax expense					(14,746)
Total profit					57,546
Segment assets	1,524,405	868,695	55,141	187,245	2,635,486
Investments in associated and joint venture companies	641,173	1,245,508	135,178	(308,087)	1,713,772
Due from associated and joint venture companies	115,348	-	961	-	116,309
	2,280,926	2,114,203	191,280	(120,842)	4,465,567
Tax recoverable					5,956
Derivative financial instruments					19
Deferred income tax assets					7,158
Consolidated total assets					4,478,700
Segment liabilities	42,357	12,670	20,379	27,829	103,235
Borrowings	-	142,256	-	583,966	726,222
	42,357	154,926	20,379	611,795	829,457
Current income tax liabilities					39,037
Derivative financial instruments					11,160
Deferred income tax liabilities					34,850
Consolidated total liabilities					914,504
Capital expenditure	10	147	6,011	2,813	8,981
Depreciation	49	833	6,181	1,968	9,031

E **Notes to the Condensed Financial Statements** (continued)

4 **Segment and revenue information** (continued)

4.2 **Disaggregation of revenue**

	Development properties S$'000	Investment properties S$'000	Retail S$'000	Others S$'000	**Total S$'000**
Group					
Half year ended 31-Dec-21					
Types of goods or service:					
Sale of development properties	263,516	-	-	-	**263,516**
Sale of goods	-	-	19,206	-	**19,206**
Management fees	-	-	-	2,440	**2,440**
Rental income	-	20,700	-	-	**20,700**
Dividend income	-	-	-	745	**745**
Total revenue	263,516	20,700	19,206	3,185	**306,607**
Timing of revenue recognition:					
Recognised at a point in time	87,730	-	19,206	-	**106,936**
Recognised over time	175,786	-	-	2,440	**178,226**
Others	-	20,700	-	745	**21,445**
Total revenue	263,516	20,700	19,206	3,185	**306,607**
Geographical information:					
Singapore	241,077	14,409	13,352	2,978	**271,816**
Malaysia	22,439	164	5,854	144	**28,601**
Australia	-	4,794	-	-	**4,794**
People's Republic of China	-	418	-	63	**481**
Japan	-	915	-	-	**915**
Total revenue	263,516	20,700	19,206	3,185	**306,607**
Group					
Half year ended 31-Dec-20					
Types of goods or service:					
Sale of development properties	185,468	-	-	-	185,468
Sale of goods	-	-	32,651	58	32,709
Management fees	-	-	-	3,407	3,407
Rental income	-	20,332	-	-	20,332
Dividend income	-	-	-	1,502	1,502
Total revenue	185,468	20,332	32,651	4,967	243,418
Timing of revenue recognition:					
Recognised at a point in time	130,697	-	32,651	58	163,406
Recognised over time	54,771	-	-	3,407	58,178
Others	-	20,332	-	1,502	21,834
Total revenue	185,468	20,332	32,651	4,967	243,418
Geographical information:					
Singapore	163,729	13,207	22,258	4,763	203,957
Malaysia	21,739	423	10,393	157	32,712
Australia	-	5,345	-	-	5,345
People's Republic of China	-	381	-	47	428
Japan	-	976	-	-	976
Total revenue	185,468	20,332	32,651	4,967	243,418

E **Notes to the Condensed Financial Statements** (continued)

5 **Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2021 and 30 June 2021:

	Group		Company	
	As at 31-Dec-21 S$'000	As at 30-Jun-21 S$'000	**As at 31-Dec-21 S$'000**	As at 30-Jun-21 S$'000
Financial assets at FVOCI	**130,577**	28,548	**-**	-
Financial assets at FVPL (including derivative financial instruments)	**19,353**	19,353	**19,353**	19,353
Financial liabilities at FVPL (including derivative financial instruments)	**10,108**	14,140	**9,550**	12,993
Financial assets at amortised cost	**904,916**	1,022,589	**1,164,037**	1,362,369
Financial liabilities at amortised cost	**667,424**	813,980	**490,888**	524,350

6 **Profit before income tax**

6.1 **Significant items**

	Group	
	Half Year ended 31-Dec-21 S$'000	Half Year ended 31-Dec-20 S$'000
Income		
Investment income	**745**	1,502
Interest income	**1,426**	1,253
Gain on disposal of investment property	**-**	5,093
Gain on disposal and write-off of property, plant and equipment	**91**	4,405
Write-back of allowance for stock obsolescence	**712**	1,279
Foreign exchange gain – net	**608**	-
Expenses		
Finance costs	**13,171**	16,781
Depreciation of property, plant and equipment	**6,209**	9,031
Foreign exchange loss – net	**-**	956

6.2 **Related party transactions**

In addition to the information disclosed elsewhere in the condensed financial statements, the following significant transactions took place between the Group and related parties at terms agreed between the parties:

E **Notes to the Condensed Financial Statements** (continued)

6 **Profit before income tax** (continued)

6.2 **Related party transactions** (continued)

	Group	
	Half Year ended 31-Dec-21 S$'000	Half Year ended 31-Dec-20 S$'000
Sale of goods and rendering of services		
Purchase of goods from a joint venture company	**307**	1
Management and service fees received from joint venture companies	**2,233**	3,286
Management fees paid to an associated company	**284**	193
Payments on behalf of joint venture companies	**72**	626

7 **Taxation**

	Group	
	Half Year ended 31-Dec-21 S$'000	Half Year ended 31-Dec-20 S$'000
Current income tax expense	**3,187**	13,074
Deferred income tax expense relating to origination and reversal of temporary differences	**2,104**	1,672
	5,291	14,746

8 **Dividends**

	Group	
	Half Year ended 31-Dec-21 S$'000	Half Year ended 31-Dec-20 S$'000
Dividends paid in respect of the preceding financial year		
First and final dividend of 3 cents (2021: 3 cents) per share	**23,012**	23,115
Special dividend of 2 cents (2021: Nil) per share	**15,342**	-
	38,354	23,115

9 **Net Asset Value**

	Group		Company	
	As at 31-Dec-21 S$	As at 30-Jun-21 S$	**As at 31-Dec-21 S$**	As at 30-Jun-21 S$
Net asset value per ordinary share	**4.18**	4.14	**1.37**	1.45

E **Notes to the Condensed Financial Statements** (continued)

10 Financial assets at FVOCI and financial assets at FVPL

	Group		Company	
	As at 31-Dec-21 S$'000	As at 30-Jun-21 S$'000	**As at 31-Dec-21 S$'000**	As at 30-Jun-21 S$'000
Financial assets at FVOCI				
Quoted securities in Singapore	**130,577**	28,548	-	-
Financial assets at FVPL				
Unquoted securities in Singapore	**19,353**	19,353	**19,353**	19,353
	149,930	47,901	**19,353**	19,353

10.1 Fair value measurement

The following table presents financial assets recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	**Total S$'000**
Group				
As at 31-Dec-21				
Financial assets at FVOCI	130,577	-	-	**130,577**
Financial assets at FVPL	-	-	19,353	**19,353**
	130,577	-	19,353	**149,930**
Group				
As at 30-Jun-21				
Financial assets at FVOCI	28,548	-	-	28,548
Financial assets at FVPL	-	-	19,353	19,353
	28,548	-	19,353	47,901

11 Investment properties

The Group's 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 leased to third parties under operating leases.

	Group	
	As at 31-Dec-21 S$'000	As at 30-Jun-21 S$'000
Balance at beginning of financial period/year	**793,964**	792,346
Fair value losses recognised in income statement	**-**	(3,687)
Additions	**-**	511
Transfer to assets held for sale	**-**	(3,085)
Currency translation differences	**(6,821)**	7,879
Balance at end of financial period/year	**787,143**	793,964

E **Notes to the Condensed Financial Statements** (continued)

11 **Investment properties** (continued)

11.1 **Valuation**

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties based on the properties' highest and best use using the Direct Comparison Approach, the Capitalisation Approach and/or the Discounted Cash Flow 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. The Discounted Cash Flow Approach involves discounting of future income stream over a period to arrive at a present value.

As at 31 December 2021, the valuation reports obtained from independent property valuers for certain significant investment properties have highlighted that, with the heightened uncertainty of the COVID-19 outbreak, a degree of caution should be attached to the valuations as they may be subjected to more fluctuation than during normal market conditions. This represents a significant estimation uncertainty in relation to the valuation of investment properties. Management is of the view that the valuation methods and estimates are reflective of the current market conditions and the fair value of the Group's investment properties has not materially changed from 30 June 2021 valuation.

12 **Property, plant and equipment**

	Group	
	Half Year ended 31-Dec-21 S$'000	Half Year ended 31-Dec-20 S$'000
Additions	**9,873**	8,981
Disposals	**265**	1,696

13 **Borrowings**

	Group		**Company**	
	As at 31-Dec-21 S$'000	As at 30-Jun-21 S$'000	**As at 31-Dec-21 S$'000**	As at 30-Jun-21 S$'000
Amount repayable within one year or less or on demand				
Secured	**24,983**	64,885	**-**	-
Unsecured	**159,286**	85,979	**81,000**	85,979
Amount repayable after one year				
Secured	**49,119**	76,190	**-**	-
Unsecured	**340,686**	499,034	**340,686**	421,582

Secured borrowings are generally secured by the borrowing companies' property, plant and equipment, investment properties and assignment of all rights and benefits with respect to the properties.

E **Notes to the Condensed Financial Statements** (continued)

14 **Share capital**

	Group and Company			
	As at 31-Dec-21		As at 30-Jun-21	
	Number of shares '000	**Amount S$'000**	Number of shares '000	Amount S$'000
Balance at beginning and end of financial period/year	**793,927**	**838,250**	793,927	838,250

As at 31 December 2021, the Company's issued share capital (excluding treasury shares) comprises 763,847,060 (30 June 2021: 769,382,560) ordinary shares. The total number of treasury shares held by the Company as at 31 December 2021 was 30,080,200 (31 December 2020: 23,427,700) which represents 3.9% (31 December 2020: 3.0%) of the total number of issued shares (excluding treasury shares).

There were 1,164,600 (31 December 2020: 1,437,800) treasury shares reissued pursuant to the employee share plans for the half year ended 31 December 2021.

15 **Subsequent events**

There are no known subsequent events which have led to adjustments to this set of condensed financial statements.

F **Other Information**

1 **Review**

The condensed statements of financial position of Wing Tai Holdings Limited and its subsidiary companies as at 31 December 2021 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year then ended and certain explanatory notes have not been audited or reviewed.

2 **Review of performance of the group**

For the half year ended 31 December 2021 ("current period"), the Group recorded a total revenue of S$306.6 million. This represents a 26% increase from the S$243.4 million revenue recorded for the half year ended 31 December 2020 ("corresponding period"). This increase is mainly due to the higher contribution from development properties. Revenue for the current period was largely attributable to the additional units sold in Le Nouvel Ardmore and the progressive sales recognised from The M at Middle Road in Singapore.

The Group recorded an operating profit of S$51.0 million in the current period as compared to S$50.5 million in the corresponding period. This increase is mainly due to the higher contribution from the development properties.

The Group's share of profits of associated and joint venture companies was S$21.5 million in the current period as compared to S$38.5 million in the corresponding period. The decrease is largely due to the lower contribution from Wing Tai Properties Limited in Hong Kong.

In the current period, the Group's net profit attributable to shareholders was S$53.8 million compared to S$56.8 million recorded in the corresponding period.

The Group's net asset value per share as at 31 December 2021 was S$4.18 as compared to S$4.14 as at 30 June 2021. The Group was in a net cash position as at 31 December 2021.

3 **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 financial year ended 30 June 2021.

4 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

The URA's private residential property price index increased by 10.6% in 2021, as compared to the 2.2% increase in 2020. The total number of new private residential units sold islandwide in 2021 was 13,027 units as compared to 9,982 new units sold in 2020.

Based on the advance estimates by the Ministry of Trade and Industry, the Singapore economy grew by 7.2% in 2021, rebounding from the 5.4% contraction in 2020.

With the latest property cooling measures announced in mid-December 2021, the buying sentiment for private residential property in Singapore may weaken in the current year and the Group will closely monitor the property market.

F **Other Information** (continued)

5 **Dividend information**

5a **Current financial period reported on**

Any dividend recommended for the current financial period reported on?

None.

5b **Corresponding period of the immediately preceding financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

5c **Date payable**

Not applicable.

5d **Books closure date**

Not applicable.

6 **Interested person transactions**

The Company does not have a shareholder's mandate for interested person transactions.

7 **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 half year ended 31 December 2021 to be false or misleading in any material respect.

8 **Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

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
10 February 2022