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, Chapter 289 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.

The information in this Preliminary Supplemental Information Memorandum is not complete and may be changed. This Preliminary Supplemental Information Memorandum is not an offer to sell nor is it an offer to buy securities in any jurisdiction where such offer or sale is not permitted or to any person or entity to whom it is unlawful to make an offer or sale. The definitive terms of the transaction described herein will be described in the final form Supplemental Information Memorandum. Investors should not subscribe for any securities referred to in this Preliminary Supplemental Information Memorandum except on the basis of information contained in the final form Supplemental Information Memorandum referred to herein.

SUBJECT TO AMENDMENT AND COMPLETION
PRELIMINARY SUPPLEMENTAL INFORMATION MEMORANDUM DATED 9 JANUARY 2020

Supplemental Information Memorandum dated [•] 2020 to Information Memorandum dated 18 February 2014

WINGTAIASIA

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 2030 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 2030 (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, Chapter 289 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)(i)(B) of the SFA;

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

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

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

(5) as specified in Regulation 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, Chapter 289 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 5 **to 25 of this Supplemental Information Memorandum.**

Dealer

OCBC Bank

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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.

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 61 and 62 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).

Packaged Retail Investment and Insurance Products – Prohibition of Sales to 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 MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation 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 Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, 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.

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 Christopher Lau Loke Sam Paul Tong Hon To Guy Daniel Harvey-Samuel Tan Sri Dr Zulkurnain Bin Hj. Awang Sim Beng Mei Mildred
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 8 Cross Street #17-00 PWC Building Singapore 048424
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 21 Collyer Quay HSBC Building #03-01 Singapore 049320
Trustee for the Noteholders	:	HSBC Trustee (Singapore) Limited 21 Collyer Quay HSBC Building #03-01 Singapore 049320

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 nonperformance 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.

Application of Singapore insolvency and related laws to the Issuer may result in a material adverse effect on holders of the Notes

There can be no assurance that the Issuer will not become bankrupt 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 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, recent amendments to the Companies Act in 2017 have introduced cram-down provisions for where there is 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.

Further to the amendments that took effect on 23 May 2017 (some of which have been highlighted above), the Insolvency, Restructuring and Dissolution Bill (the "**IRD Bill**" or as passed, the "**IRD Act**") was passed in Parliament on 1 October 2018, but is not yet in force. 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 only that the proceedings are commenced or that the company is insolvent. The extent to which the provisions in the IRD Act will impact this transaction (if at all) will depend on the extent to which such transactions will be exempted from the application of such provisions. There is no certainty as to whether the issue of the Notes will fall within such exemptions.

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 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.

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. 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. ABSD ranging from 5% to 30% 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. While the Group is not currently affected by ABSD, it will be subject to such ABSD and interest for future residential land acquisition which the Group may undertake.

In addition, the loan-to-value limits on housing loans granted by financial institutions have been tightened for individuals 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%. 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 property-holding entities ("**PHEs**") which own primarily tangible assets that are residential properties in Singapore on or after 11 March 2017. No ACD will apply if the transfer of equity interest in a PHE is pursuant to a will or by way of assent.

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, 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.

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

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

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

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

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. 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, Chapter 152 of Singapore, inter alia, gives the Singapore Government the power to acquire any land in Singapore:

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

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

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

If any property development project of the Group is compulsorily acquired by the Singapore Government before 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.

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: 014

TRANCHE NO: 001

S$[•] [•] Per Cent. Notes Due 2030

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
21 Collyer Quay
HSBC Building #03-01
Singapore 049320

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, Chapter 134 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, Chapter 289 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 MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "Insurance Mediation 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 Directive 2003/71/EC (as amended or superseded, the "Prospectus Directive"). 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.

Signed: ______________________________

Director

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

1.	Series No.:		014
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:		[•]
9.	Redemption Amount:		
	(including early redemption):		Denomination Amount, except in the case of redemption pursuant to Condition 5(d) which shall be determined in accordance with paragraph 16
10.	Interest Basis:		Fixed Rate
11.	Interest Commencement Date:		[•]
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 [•] and ending 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		Yes

(Condition 5(d)):

The Issuer may, on giving not less than 30 days' nor more than 60 days' prior notice to the Noteholders, redeem all (and not some only) of the Notes on any Reference Date falling on or after [•] January 2025 and at the Redemption Amount set out below:

Date of redemption	**Redemption Amount**
The Reference Date falling on [•] Jan 2025 or [•] July 2025	*100 per cent. of the Denomination Amount of the Notes + 1/2 of the interest rate for the Notes (expressed as a percentage and rounded up to three decimal places)*
The Reference Date falling on [•] Jan 2026 or [•] July 2026	*100 per cent. of the Denomination Amount of the Notes + 1/3 of the interest rate for the Notes (expressed as a percentage and rounded up to three decimal places)*
The Reference Date falling on [•] Jan 2027 or [•] July 2027	*100 per cent. of the Denomination Amount of the Notes + 1/4 of the interest rate for the Notes (expressed as a percentage and rounded up to three decimal places)*
The Reference Date falling on [•] Jan 2028 or [•] July 2028	*100 per cent. of the Denomination Amount of the Notes + 1/6 of the interest rate for the Notes (expressed as a percentage and rounded up to*

	three decimal places)
The Reference Date falling on [•] Jan 2029 or [•] July 2029	*100 per cent. of the Denomination Amount of the Notes + 1/8 of the interest rate for the Notes (expressed as a percentage and rounded up to three decimal places)*

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(a).	The following Dealer is subscribing the Notes:	Oversea-Chinese Banking Corporation Limited
28(b).	Stabilising Manager:	Oversea-Chinese Banking Corporation Limited
29.	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
30.	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
31.	Other terms:	Not Applicable
	Details of any additions or variations to terms and conditions of the Notes as set out in the Information Memorandum:	
	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.

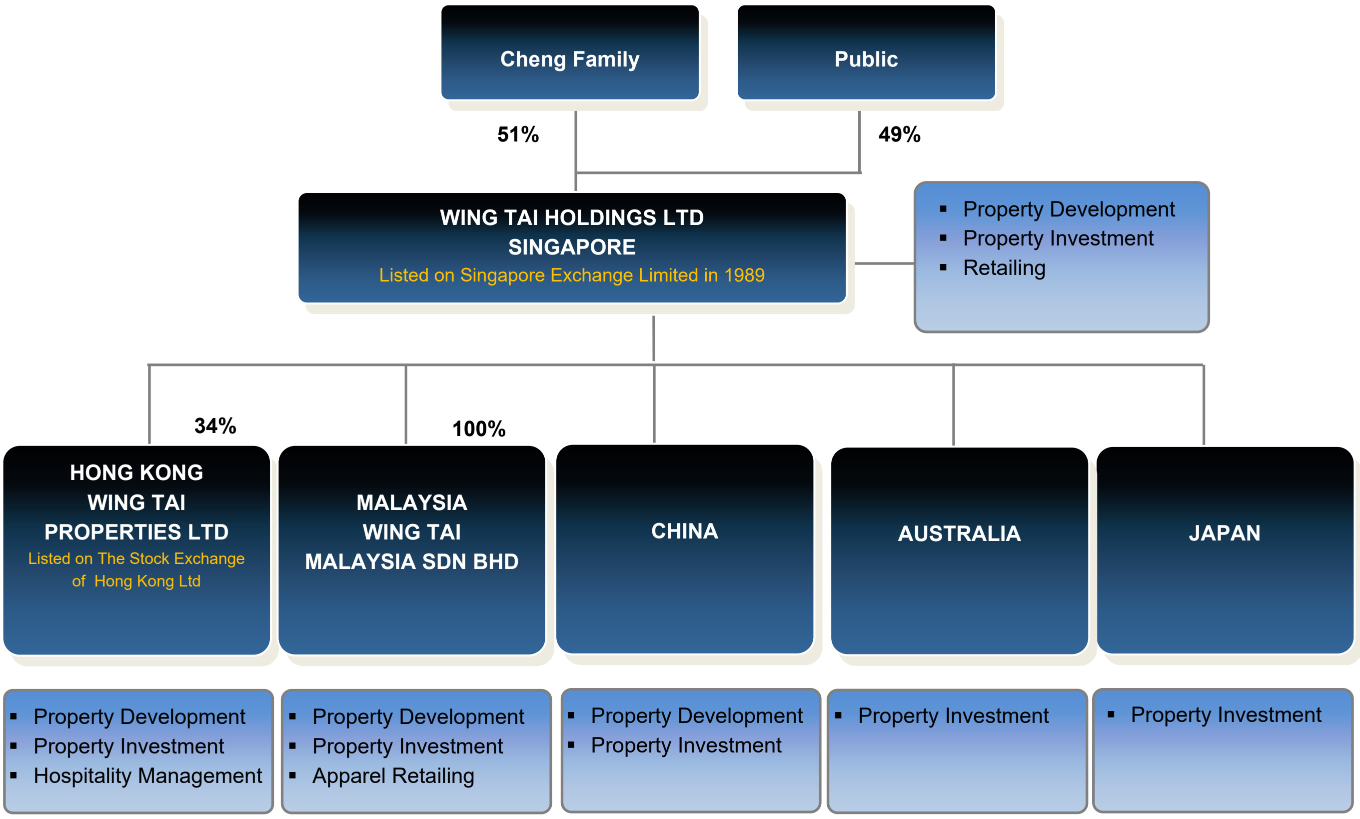
1. Description of the Group

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 6 January 2020, the Issuer has a market capitalisation of S$1,568 million and Wing Tai Properties Ltd has a market capitalisation of S$1,177 million based on a currency exchange rate of HKD5.7573: 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$4.4 billion as at 30 September 2019. 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.

RECENT DEVELOPMENTS

Award of tender

On 5 April 2019, Wingcharm Investment Pte. Ltd., a wholly-owned subsidiary of the Issuer, was awarded a 99-year-leasehold land parcel at Middle Road by the Urban Redevelopment Authority. The total consideration for the prime area of over 80,000 sq ft which is located in the heart of Bugis district with proximity to the Central Business District and minutes from Orchard Road was around S$492 million. The new development branded The M will have three 20-storey residential towers and one block of 6-storey residences atop a row of commercial units. There will be over 500 units ranging from studio apartments to 3-bedroom dual-key units in this exciting project.

Acquisition of property in Japan

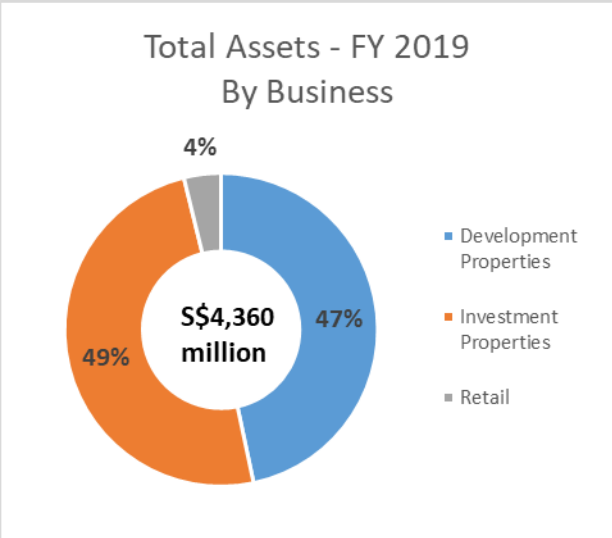
In June 2019, the Group made its first investment in Japan with the acquisition of Red Planet Hotel Asakusa Tokyo. The 134-room hotel is located in Tokyo's Asakusa district, in close proximity to the Sensō-ji Temple. The acquisition was made via Winrise (Japan) TMK, a special purpose Tokutei Mokuteki Kaisha.

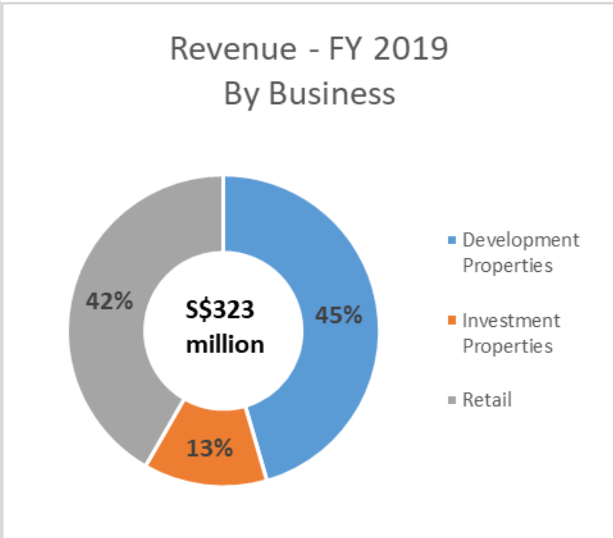
Acquisition of property in Australia

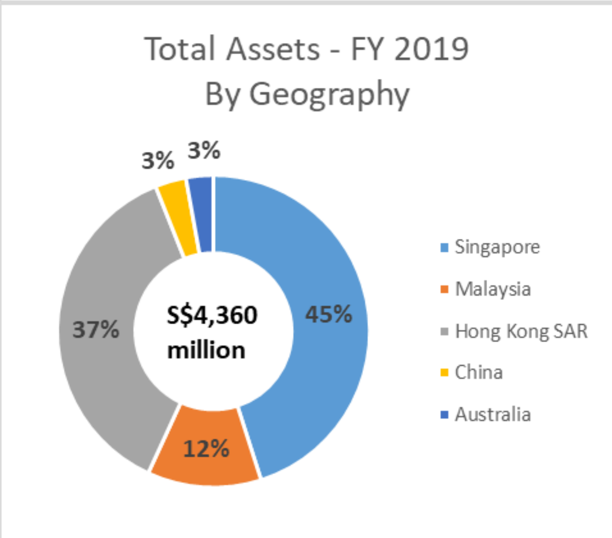
On 16 September 2019, the Group acquired the freehold property known as 4 Wesley Court, Burwood East, Victoria, Australia. The property, located within the Tally Ho Business Park, is currently leased out as a data centre.

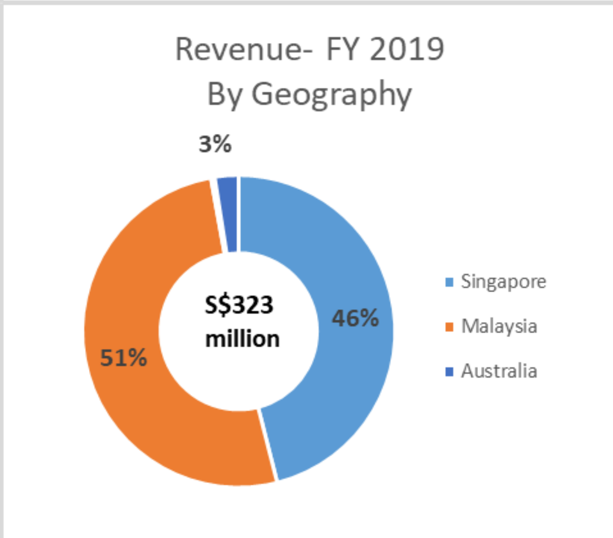
ASSET ALLOCATION BY BUSINESS SEGMENTS & GEOGRAPHICAL LOCATIONS

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$4.4 billion as at 30 September 2019.









As illustrated above, development properties constitute about 47% of the Group's assets. In terms of geographical allocation, 45% 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 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, Topman, Topshop and Uniqlo. Please refer to the section “Principal Business Activities - Retail Division” for further information on the brands.

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

Quality projects

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

With its concepts of conservation, sustainability and cultural identity, the Group’s restoration of the historical House of Tan Yeok Nee won Special Mention at the FIABCI Prix d’Excellence Awards. Luxury development Draycott 8 at Draycott Park won the 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 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

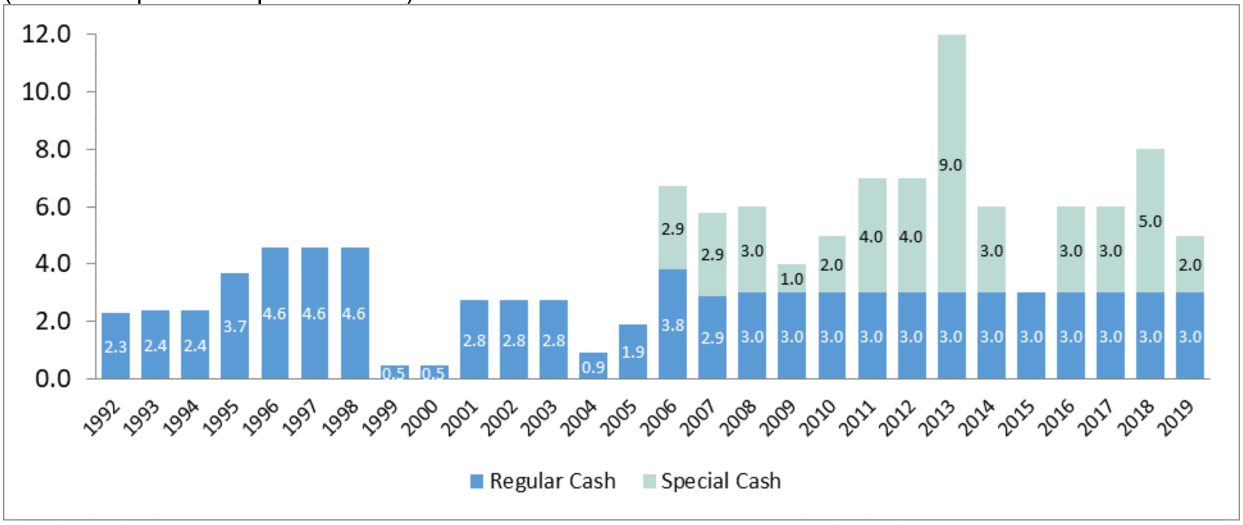
The Group has a strong management team which is well-supported by a group of experienced executives who are actively involved in the daily operations of the Group. Mr Cheng Wai Keung has been the Issuer’s Chairman since 1994 and has significant experience in the retail, hospitality and property development 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. In April 2019, the Group was awarded a leasehold land parcel with proximity to the central business district, details of which are set out in the section titled "Recent Developments" of this Information Memorandum. 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 freehold office building at 464 St Kilda Road in Melbourne, Australia. By September 2019, the Group had completed its fifth acquisition in Australia with a freehold data centre in Melbourne, details of which are set out in the section titled "Recent Developments" of this Information Memorandum.

In June 2019, Wing Tai acquired a 134-room hotel situated within the Asakusa district, Tokyo. This marks 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 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 2019, the total valuation of the investment properties for the Group (excluding the investments held by the Issuer) amounts to S$793 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	Leasehold	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 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 Crest Prince Charles Crescent	Leasehold	100	469-unit condominium	23,786	49,949	40
The Garden Residences Serangoon North Ave 1	Leasehold	42	613-unit condominium	17,189	42,973	40

(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	13,352	100
Winsland House II at 163 Penang Road 8-storey commercial building	99-year lease expiring 2093	7,304	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 2019 is over 90%.

(iii) Hospitality

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

Lanson Place Winsland Serviced Residences in Singapore was closed in May 2017 for major renovation works and opened as Winsland Serviced Suites by Lanson Place in March 2018 and has been steadily building up its occupancy rate to above 70% since July 2018.

(B) MALAYSIA

(i) Property Development and Investment

The Group has expanded its property operations into Malaysia through WTM. Formerly known as "DNP Holdings Berhad", WTM's name was changed to "Wing Tai Malaysia Berhad" with effect from 12 November 2010 as part of the company's corporate rebranding and a major step towards elevating the company's focus and commitment as an integrated property developer. It was privatised and renamed Wing Tai Malaysia Sdn. Bhd. from 19 October 2017.

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

(ii) Hospitality

The hospitality division in Malaysia owns a total of 282 units in Lanson Place Kondominium 8 and Lanson Place Bukit Ceylon Serviced Residences. They are operated as part of an international chain of serviced apartments under the brand name "Lanson Place".

(C) HONG KONG

(i) Property Development and Investment

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

(ii) Hospitality

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

Currently, WTP and its subsidiaries manage a total of 1,780 units in Singapore, Kuala Lumpur, Hong Kong, Chengdu and Shanghai. WTP will continue to focus and grow the "Lanson Place" brand as a pan-Asian brand and explore investment and management opportunities in gateway cities in the Asia-Pacific region.

(D) CHINA

Property Development and Investment

The Group's property business activities in China are conducted through its subsidiary 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.

In Suzhou, the Group intends to develop The Lakeside, comprising 24 units of terraced houses, which is pending authorities' approval of planning licence.

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	13,830	50
4 Wesley Court, Burwood East, Victoria 4-storey commercial property	Freehold	September 2019	11,221	100

The occupancy rate achieved for the above investment properties collectively is 100%.

(F) JAPAN

Property Investment

The Group currently owns one property for investment purposes. 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

The hotel achieved a healthy average occupancy rate of over 85% as at 30 June 2019.

Retail Division

(A) SINGAPORE

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

Wing Tai Clothing operates the brand names of “Topshop”, “Topman”, “Warehouse”, “Du Pareil Au Meme”, “Dorothy Perkins”, “Miss Selfridge”, “TFG London”, “Burton Menswear London”, “Wallis”, “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 27 outlets in Singapore. G2000 Apparel operates the popular, midmarket range of fashion apparel under the brand name of “G2000”. As at 30 June 2019, Singapore’s retail division has a distribution network of approximately 100 stores in Singapore with a portfolio of 17 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.

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 14 brands in over 100 stores across Peninsula Malaysia. In November 2010, the highly popular Japanese label Uniqlo was launched in Kuala Lumpur which as at 30 June 2019 has 49 outlets in Malaysia. In Malaysia, newer brands such as “Furla” and “Burton Menswear” have also contributed to sales and profit growth.

In May 2018, the Group launched French children’s fashion brand Du Pareil au meme, and multi-fashion store Outfit, a mini anchor format by Arcadia Group which retails five brands – Topshop, Topman, Miss Selfridge, Burton and Dorothy Perkins - under one roof.

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
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
International ARC Awards Silver – Real Estate Residential	2015
International ARC Awards Best of Singapore Grand Winner	2015
SIAS 15th Investors’ Choice Awards:	2014

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

Property Development Awards

Quality Award	Year
President's Design Award for Design of the Year ▪ The Tembusu	2018
Building and Construction Authority Construction Excellence Award ▪ The Tembusu	2018
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
Building and Construction Authority Quality Mark Award For Good Workmanship ▪ The Tembusu	2017
Building and Construction Authority Quality Mark Award For Good Workmanship ▪ L'VIV	2014
FIABCI Singapore Property Awards for Residential (High Rise) Category ▪ Helios Residences	2012
FIABCI Prix d'Excellence for Residential (Low Rise) Category ▪ Belle Vue Residences – Runner-Up	2012
FIABCI Singapore Property Awards for Residential (Low Rise) Category ▪ Belle Vue Residences	2011

Sustainability Award	Year
Building and Construction Authority Green Mark Gold Plus Award ▪ The Garden Residences ▪ Winsland House II	 2019 2015
Building and Construction Authority Green Mark Gold Award ▪ The Crest ▪ The Tembusu ▪ Foresque Residences ▪ Belle Vue Residences ▪ Le Nouvel Ardmore ▪ Nouvel 18	 2018 2015 2012 2009 2009 2009

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

Retail Awards

Award	Year
COJTC Distinguished Partner Award	2019
Early Adopter of Tripartite Standards on the Employment of Term Contract Employees	2017
Excellent Service Award	2017
Asia Enterprise Brand Awards – Asia Asia Trailblazer Award	2015
Singapore Service Excellence Medallion for Organisation Commendation for Service Leadership	2012
Singapore Quality Award	2012
Singapore Experience Awards Best Customer Service	2011
British Business Awards for Customer Service Excellence	2011
Tourism Host of the Year Award Retail Category	2008
British Business Award for Hospitality, Tourism and Retail	2008
Singapore 1000 Return on Equity Excellence	2008
Excellence Service Award	1998 - 2019

Hospitality Awards

Award	Year
Best Serviced Apartment in China, TTG China Travel Awards ▪ Lanson Place Jinlin Tiandi Serviced Residences	2018
Best New Serviced Residence in China, Business Traveller China Travel Awards ▪ Parkside Serviced Suites by Lanson Place	2017

2. Directors and Key Management

BOARD OF DIRECTORS

The Board of Directors of the Issuer comprises:

<u>Name</u>	<u>Position</u>
Cheng Wai Keung	Chairman and Managing Director
Edmund Cheng Wai Wing	Deputy Chairman and Deputy Managing Director

Cheng Man Tak	Non-Executive Director
Christopher Lau Loke Sam	Independent Non-Executive Director
Paul Hon To Tong	Lead Independent Director
Guy Daniel Harvey-Samuel	Independent Non-Executive Director
Tan Sri Dr Zulkurnain Bin Hj. Awang	Independent Non-Executive Director
Sim Beng Mei Mildred (Mrs Mildred Tan)	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 2018
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)
  Singapore-Suzhou Township Development Pte Ltd (Vice Chairman)
  Singapore Health Services Pte Ltd (Director)
  Kidney Dialysis Foundation Limited (Director)

Past directorships in other listed companies held over preceding three years
Wing Tai Malaysia Berhad (*now known as Wing Tai Malaysia Sdn. Bhd.*)

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)
  The Esplanade Co Ltd (Member)

Past directorships in other listed companies held over preceding three years
SATS Ltd.
Wing Tai Malaysia Berhad (*now known as Wing Tai Malaysia Sdn. Bhd.*)

Cheng Man Tak
Non-Executive Director

Date of first appointment as director
11 May 1981
Date of last re-appointment as director
26 October 2018
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
  Nil
- Other principal commitments
  Federation of Hong Kong Industries – Group 24 (Woven Garments and other Woven Made-Up Goods) (Chairman)
  Chamber of Commerce of Guangzhou Foreign Investment Enterprises (Vice President)
  Federation of Hong Kong Garment Manufacturers (Director)
  Hong Kong Commerce and Industry Association (Director)
  Clothing Industry Training Authority (Chairman)
  Yunnan Provincial Federation of Industry and Commerce of Macau (Honorary President)
  Yunnan Friendship and Fraternity Association of Macau (Honorary President)
  Hong Kong Asia Youth Association (Honorary President)

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
23 October 2019
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
  Member LCIA Court

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

Paul Hon To Tong
Lead Independent Director

Date of first appointment as director
16 August 2007
Date of last re-appointment as director
23 October 2019
Board committee(s) served on

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

Academic and professional qualification(s)

Barrister-at-Law, Middle Temple, England
Bachelor of Science (Economics) (Honours),University of London, England
Certificate of Management Studies, University of Oxford, England
Certified Public Accountant of The Hong Kong Institute of Certified Public Accountants
Associate Member of The Institute of Chartered Secretaries and Administrators

Current directorships in other listed companies and other principal commitments

- Other listed companies
  Chinney Investments Limited (Listed on the Stock Exchange of Hong Kong)
- Other principal commitments
  Nil

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

26 October 2018

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 Certificate 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)
  Board of Trustees of the National Youth Achievement Award Advisory Board (Chairman)
  Surbana Jurong Private Limited (Director)
  JTC Corporation (Member)
  National Parks Board (Director)
  Community Chest Committee (Vice Chairman)

Past directorships in other listed companies held over preceding three years

M1 Limited (*Delisted from the official list of the Singapore Exchange on 24 April 2019*)

Tan Sri Dr Zulkurnain Bin Hj. Awang
Independent Non-Executive Director

Date of first appointment as director

2 January 2018

Date of last re-appointment as director

26 October 2018

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

Wing Tai Malaysia Berhad (now known as Wing Tai Malaysia Sdn. Bhd.)

Sim Beng Mei Mildred (Mrs 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)

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
Graduate Member of the British Psychological Society

Current directorships in other listed companies and other principal commitments

- Other listed companies
  Nil
- Other principal commitments
  National Volunteer and Philanthropy Centre (Chairman)
  Council for Board Diversity (Co-Chair)
  Gardens by the Bay (Director)
  Lee Kuan Yew Fund for Bilingualism (MOE) (Director)
  Community Foundation of Singapore (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 2018

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
  NTUC Health Co-operative Ltd (Chairman)
  Singapore Labour Foundation (Director)
  Singapore National Employers Federation (Deputy Honorary Treasurer)
  NTUC Enterprise Co-operative Limited (Director)

Past directorships in other listed companies held over preceding three years

Nil

KEY MANAGEMENT

Wing Tai Holdings Limited

Ng Kim Huat

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

Karine Lim

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

Wing Tai Property Management Pte Ltd

Helen Chow

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

Stacey Ow Yeong Suit Yeng

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

Wing Tai Retail Pte. Ltd.

Helen Khoo

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

3. Financial Review for the Past Two Financial Years ended 30 June (FY2018 and FY2019)

The following tables set out selected consolidated financial information for the Group as at and for the years ended 30 June 2019 and 2018. The selected financial information as at and for the years ended 30 June 2019 and 2018 should be read in conjunction with the audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 30 June 2019, including the related notes thereto, which appears in Appendix II of this Supplemental Information Memorandum.

*As required by the listing requirements of the SGX-ST, the Group has adopted SFRS(I) on 1 July 2018. These financial statements for the year ended 30 June 2019 are the first set of financial statements the Group has prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 30 June 2018 were prepared in accordance with Singapore Financial Reporting Standards ("**SFRS**").*

In adopting SFRS(I) on 1 July 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I).

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 30 June 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The effects of adoption of SFRS(I) 1 are disclosed in Note 2.2 to the audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 30 June 2019, which appear in Appendix II of this Supplemental Information Memorandum.

CONSOLIDATED INCOME STATEMENTS

	2019 S$'000	2018 S$'000
Revenue	322,616	360,428
Cost of sales	(174,801)	(176,760)
Gross profit	147,815	183,668
Other gains – net	27,125	38,368
Expenses		
- Distribution	(62,764)	(63,521)
- Administrative and other	(87,547)	(88,563)
Operating profit	24,629	69,952
Finance costs	(30,849)	(32,533)
Share of profits of associated and joint venture companies	52,498	208,478
Profit before income tax	46,278	245,897
Income tax credit /(expense)	2,479	(18,580)
Total profit	48,757	227,317

Attributable to:

Equity holders of the Company	46,771	225,166
Non-controlling interests	1,986	2,151
	48,757	227,317

Earnings per share attributable to equity holders of the Company (cents)		
Basic	5.21	28.29
Diluted	5.19	28.18

STATEMENTS OF FINANCIAL POSITION

	As at 30 June 2019 S$'000	As at 30 June 2018 S$'000
ASSETS		
Current assets		
Cash and cash equivalents	217,332	792,151
Trade and other receivables	24,104	57,708
Inventories	19,592	23,716
Development properties	1,092,108	640,427
Tax recoverable	5,678	7,693
Other assets	25,302	30,908
	1,384,116	1,552,603
Non-current assets		
Trade and other receivables	278,558	278,098
Investments in associated and joint venture companies	1,734,660	1,761,669
Investment properties	792,663	733,250
Property, plant and equipment	112,441	115,099
Deferred income tax assets	8,783	10,041
Other assets	48,422	48,444
	2,975,527	2,946,601
Total assets	4,359,643	4,499,204
LIABILITIES		
Current liabilities		
Trade and other payables	61,919	96,494
Current income tax liabilities	22,426	42,609
Other liabilities	11,390	20,660
	95,735	159,763
Non-current liabilities		
Borrowings	627,128	780,066
Deferred income tax liabilities	36,046	36,568

Other liabilities	18,091	13,546
	681,265	830,180
Total liabilities	777,000	989,943
NET ASSETS	3,582,643	3,509,261
EQUITY		
Capital and reserves attributable to ordinary shareholders of the Company		
Share capital	838,250	838,250
Other reserves	(27,577)	38,799
Retained earnings	2,402,368	2,412,081
	3,213,041	3,289,130
Perpetual securities	296,375	147,778
Non-controlling interests	73,227	72,353
TOTAL EQUITY	3,582,643	3,509,261

Review of Past Performance

FY2019 REVIEW

For the financial year ended 30 June 2019, the Group recorded a total revenue of S$322.6 million. This represents a 10% decrease from the S$360.4 million revenue recorded in the previous year. This decrease is mainly due to the lower contributions from development properties. The current year revenue from development properties was largely attributable to the additional units sold in Le Nouvel Ardmore in Singapore and the increase in property sales in Malaysia.

The Group recorded a net profit before tax of S$46.3 million in the current year as compared to S$245.9 million in the previous year. This decrease is mainly due to the absence of one-off gain on disposal of a subsidiary company and the lower contribution from Wing Tai Properties Limited in Hong Kong. The share of profits of Wing Tai Properties Limited in the previous year included one-off gains on disposal of Winner Godown Building, an industrial building and W Square, a Grade A office building located in Hong Kong.

In the current year, the Group's net profit attributable to shareholders was S$46.8 million as compared to the S$225.2 million recorded in the previous year.

The Group's net asset value per share as at 30 June 2019 was S$4.19 as compared to S$4.26 as at 30 June 2018.

The Group's net gearing ratio was 0.12 times as at 30 June 2019. It was in a net cash position as at 30 June 2018.

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. 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, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**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 sub-sections "SUBSCRIPTION, PURCHASE AND DISTRIBUTION – UNITED STATES", "SUBSCRIPTION, PURCHASE AND DISTRIBUTION – HONG KONG" and "SUBSCRIPTION, PURCHASE AND DISTRIBUTION – SINGAPORE" appearing on pages 57 and 58 of the Original Information Memorandum in its entirety.

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.

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 and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the 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, Chapter 289 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 INFORMATION

1. BORROWINGS

Save as disclosed in the audited financial accounts of the Group for the financial year ended 30 June 2019, the Group had as at 30 June 2019 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 III, 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 2019.

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 2019.

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 quarter ended 30 September 2019.

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 2019

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 2019 and has not been specifically prepared for inclusion in this Supplemental Information Memorandum.

Independent Auditor's Report to the Members of Wing Tai Holdings Limited

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Wing Tai Holdings Limited ("the Company") and its subsidiary companies ("the Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the financial year ended 30 June 2019;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the statements of financial position of the Group and of the Company as at 30 June 2019;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 30 June 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to the Members of Wing Tai Holdings Limited

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of development properties	
As at 30 June 2019, the carrying amount of the Group's development properties of S$1,092.1 million accounted for 25% of the Group's total assets. The disclosures relating to these development properties are included in Note 14 to the financial statements. The Group has significant development properties in Singapore and Malaysia. During the financial year, no allowance for foreseeable loss of development properties is recorded arising from management's evaluation of the development properties as at 30 June 2019. In addition, valuation of development properties held by the Group's associated and joint venture companies affects the carrying value of the Group's investments and the share of profits of associated company and joint venture companies. The disclosures relating to the investments in associated and joint venture companies are in Note 17 to the financial statements. The determination of valuation of development properties, and whether to recognise or write back any allowance for foreseeable losses on development properties, as disclosed in Note 2.9, involve significant management judgement as this is highly dependent on the Group's estimated selling prices, taking into consideration market demand for private residential units, local government policies and prevailing regulatory restrictions.	In assessing the valuation of development properties, we focused on development properties with slower-than-expected sales, low or negative margins. Our audit procedures to assess the adequacy of management's estimated development costs and the reasonableness of the assumptions used, where applicable, included the following: • compared actual costs incurred against underlying contracts with vendors and supporting documents; • assessed the reasonableness of costs-to-complete by substantiating costs that have been committed to quotations from and/or contracts with suppliers; • discussed with the project managers and management on the status of the development properties and the basis for the estimated cost to complete and challenged the underlying assumptions by benchmarking against the Group's past projects; and • assessed the competency, capabilities and objectivity of the quantity surveyors used by management for the certification of proportion of construction cost to date. We also evaluated management's key assumptions relating to estimated selling prices to, where available, recently transacted prices based on sales achieved to date and/or prices of comparable properties located in the same vicinity as the development projects, comparable market data and market price trends. We have checked the computations of the foreseeable losses for projects which are expected to sell or otherwise realised below cost. For the Group's interest in associated and joint venture companies accounted for under the equity method of accounting, we have ensured that the work performed by the in-scope component auditors on valuation of development properties with slower-than-expected sales, low or negative margins is in accordance with our instructions to them and consistent with the audit procedures as described above. The evidence we obtained from performing our procedures indicated that management's estimates and assumptions were reasonable. In addition, we also assessed the adequacy of disclosures relating to development properties in the financial statements.

Independent Auditor's Report to the Members of Wing Tai Holdings Limited

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties	
As at 30 June 2019, the carrying amount of the Group's investment properties of S$792.7 million accounted for 18% of the Group's total assets. The disclosures relating to these investment properties are included in Notes 19 and 32(e) to the financial statements. In addition, valuation of investment properties held by the Group's significant associated company, Wing Tai Properties Limited ("WTP") affects the carrying value of the Group's investment and the share of profits of the associated company. The disclosures relating to the investment in associated company are in Note 17 to the financial statements. The valuations of the investment properties are highly judgemental due to the use of estimates in the valuation techniques based on key assumptions. The key inputs include market values per square metre / per room, estimated monthly rental rate per square metre / per bay, capitalisation and discount rates.	Our audit procedures included the following: • assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the valuation techniques used by the external valuers in determining the valuation of individual investment properties to assess the applicability of the valuation techniques for the property type; • discussed with the external valuers the key assumptions made for the key inputs used in the valuation techniques; • tested the integrity of key inputs, as well as underlying leases and financial information provided to the valuers; and • assessed the reasonableness of market values per square metre / per room, estimated monthly rental rates per square metre / per bay, capitalisation and discount rates used, by benchmarking these rates against comparable properties and/or prior year inputs. For the Group's interest in WTP, accounted for under the equity method of accounting, we have ensured that the work performed by the auditor of WTP on valuation of investment properties is in accordance with our instructions to them and consistent with the audit procedures as described above. We found the external valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the key inputs used were within the range of market data. We also assessed the adequacy of the disclosures relating to the valuation techniques and key inputs for the valuation of the Group's investment properties, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.

Independent Auditor's Report to the Members of Wing Tai Holdings Limited

Other Information

Management is responsible for the other information. The other information comprises all sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Members of Wing Tai Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements *(continued)*

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Sim May Ling Theresa.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 12 September 2019

Consolidated Income Statement

For the Financial Year Ended 30 June 2019

		Group	
	Note	2019 $'000	2018 $'000
Revenue	3	**322,616**	360,428
Cost of sales		**(174,801)**	(176,760)
Gross profit		**147,815**	183,668
Other gains – net	4	**27,125**	38,368
Expenses			
– Distribution		**(62,764)**	(63,521)
– Administrative and other		**(87,547)**	(88,563)
Operating profit		**24,629**	69,952
Finance costs	7	**(30,849)**	(32,533)
Share of profits of associated and joint venture companies		**52,498**	208,478
Profit before income tax		**46,278**	245,897
Income tax credit/(expense)	8(a)	**2,479**	(18,580)
Total profit		**48,757**	227,317
Attributable to:			
Equity holders of the Company		**46,771**	225,166
Non-controlling interests		**1,986**	2,151
		48,757	227,317
Earnings per share attributable to ordinary shareholders of the Company (cents):			
Basic	9(a)	**5.21**	28.29
Diluted	9(b)	**5.19**	28.18

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

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 30 June 2019

	Note	Group 2019 $'000	Group 2018 $'000
Total profit		**48,757**	227,317
Other comprehensive (expense)/income:			
Items that may be reclassified subsequently to profit or loss:			
Fair value losses on available-for-sale ("AFS") financial assets		**-**	(739)
Cash flow hedges		**(3,401)**	4,449
Currency translation differences		**(33,646)**	(13,242)
Share of other comprehensive (expense)/income of associated and joint venture companies		**(5,290)**	6,048
		(42,337)	(3,484)
Items that will not be reclassified subsequently to profit or loss:			
Fair value losses on financial investments at fair value through other comprehensive income ("FVOCI")		**(3,951)**	-
Currency translation differences		**(837)**	(648)
Share of other comprehensive income of associated and joint venture companies		**5**	91
		(4,783)	(557)
Other comprehensive expense, net of tax	8(a)	**(47,120)**	(4,041)
Total comprehensive income		**1,637**	223,276
Attributable to:			
Equity holders of the Company		**483**	221,682
Non-controlling interests		**1,154**	1,594
		1,637	223,276

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

Statements of Financial Position

As at 30 June 2019

	Note	Group 2019 $'000	Group 2018 $'000	Group 1 July 2017 $'000	Company 2019 $'000	Company 2018 $'000	Company 1 July 2017 $'000
ASSETS							
Current assets							
Cash and cash equivalents	10	**217,332**	792,151	847,373	**68,770**	609,945	641,423
Trade and other receivables	12	**24,104**	57,708	41,501	**423,469**	585,571	519,350
Inventories	13	**19,592**	23,716	19,421	**-**	-	-
Development properties	14	**1,092,108**	640,427	718,538	**-**	-	-
Tax recoverable		**5,678**	7,693	6,467	**-**	-	-
Other assets	21	**25,302**	30,908	74,444	**1,109**	1,330	5,413
Assets held for sale	15	**-**	-	252,208	**-**	-	-
		1,384,116	1,552,603	1,959,952	**493,348**	1,196,846	1,166,186
Non-current assets							
Trade and other receivables	16	**278,558**	278,098	203,619	**1,162,002**	533,454	617,872
Investments in associated and joint venture companies	17	**1,734,660**	1,761,669	1,604,293	**-**	-	-
Investments in subsidiary companies	18	**-**	-	-	**282,063**	282,063	282,063
Investment properties	19	**792,663**	733,250	651,805	**-**	-	-
Property, plant and equipment	20	**112,441**	115,099	115,922	**13,015**	10,549	10,992
Deferred income tax assets	8(b)	**8,783**	10,041	10,867	**-**	-	-
Other assets	21	**48,422**	48,444	35,489	**10,825**	12,982	10,780
		2,975,527	2,946,601	2,621,995	**1,467,905**	839,048	921,707
Total assets		**4,359,643**	4,499,204	4,581,947	**1,961,253**	2,035,894	2,087,893
LIABILITIES							
Current liabilities							
Trade and other payables	22	**61,919**	96,494	141,266	**9,883**	17,476	32,741
Current income tax liabilities		**22,426**	42,609	36,834	**1,179**	293	834
Borrowings	23	**-**	-	4,253	-	-	-
Other liabilities	25	**11,390**	20,660	36,115	-	-	-
Liabilities held for sale	15	**-**	-	2,147	-	-	-
		95,735	159,763	220,615	**11,062**	17,769	33,575
Non-current liabilities							
Borrowings	23	**627,128**	780,066	925,371	**467,271**	599,248	602,793
Deferred income tax liabilities	8(b)	**36,046**	36,568	38,344	**-**	-	-
Other liabilities	25	**18,091**	13,546	20,614	**10,073**	3,716	979
		681,265	830,180	984,329	**477,344**	602,964	603,772
Total liabilities		**777,000**	989,943	1,204,944	**488,406**	620,733	637,347
NET ASSETS		**3,582,643**	3,509,261	3,377,003	**1,472,847**	1,415,161	1,450,546
EQUITY							
Capital and reserves attributable to ordinary shareholders of the Company							
Share capital	26	**838,250**	838,250	838,250	**838,250**	838,250	838,250
Other reserves	28	**(27,577)**	38,799	56,936	**(40,758)**	(31,644)	(21,169)
Retained earnings	29	**2,402,368**	2,412,081	2,213,691	**378,980**	460,777	485,687
		3,213,041	3,289,130	3,108,877	**1,176,472**	1,267,383	1,302,768
Perpetual securities	27	**296,375**	147,778	147,778	**296,375**	147,778	147,778
Non-controlling interests		**73,227**	72,353	120,348	-	-	-
TOTAL EQUITY		**3,582,643**	3,509,261	3,377,003	**1,472,847**	1,415,161	1,450,546

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2019

		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
2019								
Balance at 1 July 2018, as previously reported		838,250	(23,203)	2,514,733	3,329,780	147,778	72,514	3,550,072
Effects of transition to SFRS(I)s and adoptions of SFRS(I) 15 & 1-23		-	62,002	(102,652)	(40,650)	-	(161)	(40,811)
Balance at 1 July 2018, as adjusted		838,250	38,799	2,412,081	3,289,130	147,778	72,353	3,509,261
Effect of adoption of SFRS(I) 9		-	(11,549)	11,549	-	-	-	-
Balance at 1 July 2018, as reported		838,250	27,250	2,423,630	3,289,130	147,778	72,353	3,509,261
Total comprehensive (expense)/income		-	(46,288)	46,771	483	-	1,154	1,637
Issuance of perpetual securities, net of transaction costs		-	-	-	-	147,897	-	147,897
Cost of share-based payment		-	2,384	-	2,384	-	-	2,384
Reissuance of treasury shares		-	(205)	205	-	-	-	-
Purchase of treasury shares		-	(10,716)	-	(10,716)	-	-	(10,716)
Accrued perpetual securities distribution	27	-	-	(6,820)	(6,820)	6,820	-	-
Ordinary and special dividends paid	24	-	-	(61,418)	(61,418)	-	-	(61,418)
Perpetual securities distribution paid		-	-	-	-	(6,120)	-	(6,120)
Dividends paid by a subsidiary company to non-controlling interests		-	-	-	-	-	(280)	(280)
Liquidation of subsidiary companies		-	(2)	-	(2)	-	-	(2)
End of financial year		**838,250**	**(27,577)**	**2,402,368**	**3,213,041**	**296,375**	**73,227**	**3,582,643**
2018								
Balance at 1 July 2017, as previously reported		838,250	(13,489)	2,321,935	3,146,696	147,778	121,233	3,415,707
Effects of transition to SFRS(I)s and adoptions of SFRS(I) 15 & 1-23		-	70,425	(108,244)	(37,819)	-	(885)	(38,704)
Balance at 1 July 2017, as adjusted		838,250	56,936	2,213,691	3,108,877	147,778	120,348	3,377,003
Total comprehensive (expense)/income		-	(3,484)	225,166	221,682	-	1,594	223,276
Expiry of share options		-	(9,634)	9,634	-	-	-	-
Cost of share-based payment		-	1,342	-	1,342	-	-	1,342
Reissuance of treasury shares		-	(110)	110	-	-	-	-
Purchase of treasury shares		-	(4,479)	-	(4,479)	-	-	(4,479)
Accrued perpetual securities distribution	27	-	-	(6,120)	(6,120)	6,120	-	-
Ordinary and special dividends paid	24	-	-	(46,468)	(46,468)	-	-	(46,468)
Perpetual securities distribution paid		-	-	-	-	(6,120)	-	(6,120)
Dividends paid by a subsidiary company to non-controlling interests		-	-	-	-	-	(720)	(720)
Acquisition of additional interest in a subsidiary company	18	-	(413)	16,068	15,655	-	(48,869)	(33,214)
Disposal of a subsidiary company		-	(1,359)	-	(1,359)	-	-	(1,359)
End of financial year		838,250	38,799	2,412,081	3,289,130	147,778	72,353	3,509,261

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

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2019

	Note	Group 2019 $'000	Group 2018 $'000
Cash flows from operating activities			
Total profit		**48,757**	227,317
Adjustments for:			
Income tax (credit)/expense		**(2,479)**	18,580
Depreciation of property, plant and equipment		**8,063**	7,557
Write-off of property, plant and equipment		**70**	323
Dividend income		**(1,407)**	(958)
Fair value gains on investment properties		**(9,502)**	(12,696)
Fair value gains on financial investments at fair value through profit or loss ("FVPL")		**(7,636)**	-
Fair value (gains)/losses on derivative financial instruments		**(4)**	950
Allowance for stock obsolescence		**799**	1,404
Impairment loss on property, plant and equipment		**121**	-
Dilution loss on interest in an associated company		**4,263**	3,534
Allowance for foreseeable losses on development properties		**-**	4,498
Gain on disposal of property, plant and equipment		**(2,213)**	(716)
Gain on disposal of subsidiary companies		**-**	(22,705)
Gain on liquidation of subsidiary companies		**(2)**	-
Realised gain on settlement of derivative financial instruments		**(1,127)**	-
Interest income		**(10,292)**	(7,724)
Finance costs		**30,849**	32,533
Share of profits of associated and joint venture companies		**(52,498)**	(208,478)
Share-based payment		**2,384**	1,342
Currency translation differences		**2,459**	3,248
Operating cash flow before working capital changes		**10,605**	48,009
Changes in operating assets and liabilities:			
Balances with associated and joint venture companies		**(195)**	2,834
Development properties		**(471,033)**	89,233
Inventories		**3,010**	(5,328)
Trade and other receivables and other current assets		**39,525**	12,891
Trade and other payables and other current liabilities		**(28,480)**	(26,441)
Cash (used in)/generated from operations		**(446,568)**	121,198
Income tax paid		**(13,488)**	(15,982)
Net cash (used in)/generated from operating activities		**(460,056)**	105,216

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2019

	Note	Group 2019 $'000	2018 $'000
Cash flows from investing activities			
Acquisition of additional interest in a subsidiary company		**-**	(70,667)
Acquisition of interest in a joint venture company		**-**	(1,600)
Additions to investment properties		**(53,523)**	(66,918)
Additions to property, plant and equipment		**(9,512)**	(9,438)
Purchase of financial investments at FVOCI/AFS		**(11,343)**	(9,774)
Disposal of subsidiary companies	10	**-**	267,784
Disposal of property, plant and equipment		**4,486**	1,805
Proceeds from settlement of derivative financial instruments relating to net investment hedges		**8,179**	-
Advancement of the loans to joint venture companies		**-**	(79,326)
Advancement of the loans to non-controlling interests		**(852)**	(15,810)
Dividends received		**52,698**	39,795
Interest received		**10,024**	7,898
Net cash generated from investing activities		**157**	63,749
Cash flows from financing activities			
Issuance of perpetual securities, net of transaction costs		**147,897**	-
Purchase of treasury shares		**(10,716)**	(4,479)
Repayment of borrowings		**(150,700)**	(144,662)
Ordinary and special dividends paid		**(61,418)**	(46,468)
Perpetual securities distribution paid		**(6,120)**	(6,120)
Dividends paid to non-controlling interests		**(280)**	(720)
Interest paid		**(28,324)**	(31,424)
Net cash used in financing activities		**(109,661)**	(233,873)
Net decrease in cash and cash equivalents		**(569,560)**	(64,908)
Cash and cash equivalents at beginning of financial year		**792,151**	852,572
Effects of currency translation on cash and cash equivalents		**(5,259)**	4,487
Cash and cash equivalents at end of financial year	10	**217,332**	792,151

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

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

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Notes 8, 14, 17, 19 and 32(e).

2.2 Adoption of SFRS(I)

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 July 2018. These financial statements for the year ended 30 June 2019 are the first set of financial statements the Group has prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 30 June 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 July 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I)*.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 30 June 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

In addition to the below adjustments, certain reclassifications relating to rental advances, tenancy and other deposits, prepayments and derivative financial instruments have been made to the Group's statements of financial position as at 30 June 2018 and 2017 to conform to the presentation as at 30 June 2019.

The Group's opening balance sheet has been prepared as at 1 July 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

(a) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I)

As at 1 July 2017	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Effects of applying SFRS(I) 1-23 $'000	Reclassifications $'000	Reported under SFRS(I) $'000
ASSETS						
Current assets						
Cash and cash equivalents	847,373	-	-	-	-	847,373
Trade and other receivables	125,694	-	(25,213)	-	(58,980)	41,501
Inventories	19,421	-	-	-	-	19,421
Development properties	739,930	-	12,316	(40,985)	7,277	718,538
Tax recoverable	6,467	-	-	-	-	6,467
Other assets		-	22,586	155	51,703	74,444
Assets held for sale	252,208	-	-	-	-	252,208
	1,991,093	-	9,689	(40,830)	-	1,959,952

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Adoption of SFRS(I) *(continued)*

(a) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I) *(continued)*

As at 1 July 2017	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Effects of applying SFRS(I) 1-23 $'000	Reclassifications $'000	Reported under SFRS(I) $'000
Non-current assets						
Trade and other receivables	213,984	-	-	(7,830)	(2,535)	203,619
Investments in associated and joint venture companies	1,604,409	-	(116)	-	-	1,604,293
Investment properties	651,805	-	-	-	-	651,805
Property, plant and equipment	115,928	(6)	-	-	-	115,922
Deferred income tax assets	5,662	-	1,010	4,195	-	10,867
Other assets	32,954	-	-	-	2,535	35,489
	2,624,742	(6)	894	(3,635)	-	2,621,995
Total assets	4,615,835	(6)	10,583	(44,465)	-	4,581,947
LIABILITIES						
Current liabilities						
Trade and other payables	172,770	-	-	-	(31,504)	141,266
Current income tax liabilities	36,834	-	-	-	-	36,834
Borrowings	4,253	-	-	-	-	4,253
Other liabilities		-	4,611	-	31,504	36,115
Liabilities held for sale	2,147	-	-	-	-	2,147
	216,004	-	4,611	-	-	220,615
Non-current liabilities						
Borrowings	925,371	-	-	-	-	925,371
Deferred income tax liabilities	38,139	-	205	-	-	38,344
Other liabilities	20,614	-	-	-	-	20,614
	984,124	-	205	-	-	984,329
Total liabilities	1,200,128	-	4,816	-	-	1,204,944
NET ASSETS	3,415,707	(6)	5,767	(44,465)	-	3,377,003
EQUITY						
Capital and reserves attributable to ordinary shareholders of the Company						
Share capital	838,250	-	-	-	-	838,250
Other reserves	(13,489)	70,425	-	-	-	56,936
Retained earnings	2,321,935	(70,431)	5,068	(42,881)	-	2,213,691
	3,146,696	(6)	5,068	(42,881)	-	3,108,877
Perpetual securities	147,778	-	-	-	-	147,778
Non-controlling interests	121,233	-	699	(1,584)	-	120,348
Total equity	3,415,707	(6)	5,767	(44,465)	-	3,377,003

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Adoption of SFRS(I) *(continued)*

(a) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I) *(continued)*

	As at 30 June 2018 reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Effects of applying SFRS(I) 1-23 $'000	Reclassifications $'000	As at 30 June 2018 reported under SFRS(I) $'000	Effects of applying SFRS(I) 9 $'000	As at 1 July 2018 reported under SFRS(I) $'000
ASSETS								
Current assets								
Cash and cash equivalents	792,151	-	-	-	-	792,151	-	792,151
Trade and other receivables	94,227	-	-	-	(36,519)	57,708	-	57,708
Inventories	23,716	-	-	-	-	23,716	-	23,716
Development properties	656,355	-	13,305	(34,814)	5,581	640,427	-	640,427
Tax recoverable	7,693	-	-	-	-	7,693	-	7,693
Other assets	-	-	2	(32)	30,938	30,908	-	30,908
	1,574,142	-	13,307	(34,846)	-	1,552,603	-	1,552,603
Non-current assets								
Trade and other receivables	285,715	-	-	(6,184)	(1,433)	278,098	-	278,098
Investments in associated and joint venture companies	1,766,611	-	(4,942)	-	-	1,761,669	-	1,761,669
Investment properties	733,250	-	-	-	-	733,250	-	733,250
Property, plant and equipment	117,044	(1,945)	-	-	-	115,099	-	115,099
Deferred income tax assets	7,935	-	(1,140)	3,246	-	10,041	-	10,041
Other assets	47,011	-	-	-	1,433	48,444	-	48,444
	2,957,566	(1,945)	(6,082)	(2,938)	-	2,946,601	-	2,946,601
Total assets	4,531,708	(1,945)	7,225	(37,784)	-	4,499,204	-	4,499,204
LIABILITIES								
Current liabilities								
Trade and other payables	108,925	-	(6,282)	-	(6,149)	96,494	-	96,494
Current income tax liabilities	42,609	-	-	-	-	42,609	-	42,609
Other liabilities	-	-	14,511	-	6,149	20,660	-	20,660
	151,534	-	8,229	-	-	159,763	-	159,763
Non-current liabilities								
Borrowings	780,066	-	-	-	-	780,066	-	780,066
Deferred income tax liabilities	36,490	-	78	-	-	36,568	-	36,568
Other liabilities	13,546	-	-	-	-	13,546	-	13,546
	830,102	-	78	-	-	830,180	-	830,180
Total liabilities	981,636	-	8,307	-	-	989,943	-	989,943
NET ASSETS	3,550,072	(1,945)	(1,082)	(37,784)	-	3,509,261	-	3,509,261

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Adoption of SFRS(I) *(continued)*

(a) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I) *(continued)*

	As at 30 June 2018 reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Effects of applying SFRS(I) 1-23 $'000	Reclassifications $'000	As at 30 June 2018 reported under SFRS(I) $'000	Effects of applying SFRS(I) 9 $'000	As at 1 July 2018 reported under SFRS(I) $'000
EQUITY								
Capital and reserves attributable to ordinary shareholders of the Company								
Share capital	838,250	-	-	-	-	838,250	-	838,250
Other reserves	(23,203)	62,433	165	(596)	-	38,799	(11,549)	27,250
Retained earnings	2,514,733	(64,378)	(1,086)	(37,188)	-	2,412,081	11,549	2,423,630
	3,329,780	(1,945)	(921)	(37,784)	-	3,289,130	-	3,289,130
Perpetual securities	147,778	-	-	-	-	147,778	-	147,778
Non-controlling interests	72,514	-	(161)	-	-	72,353	-	72,353
Total equity	3,550,072	(1,945)	(1,082)	(37,784)	-	3,509,261	-	3,509,261

(b) Reconciliation of the Group's income statement reported in accordance with SFRS to SFRS(I)

For the financial year ended 30 June 2018	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Effects of applying SFRS(I) 1-23 $'000	Reported under SFRS(I) $'000
Revenue	373,230	-	(12,802)	-	360,428
Cost of sales	(193,055)	-	9,672	6,623	(176,760)
Gross profit	180,175	-	(3,130)	6,623	183,668
Other gains – net	32,426	5,936	6	-	38,368
Expenses					
– Distribution	(63,717)	-	196	-	(63,521)
– Administrative and other	(88,570)	7	-	-	(88,563)
Operating profit	60,314	5,943	(2,928)	6,623	69,952
Finance costs	(32,497)	-	-	(36)	(32,533)
Share of profits of associated and joint venture companies	211,620	-	(4,788)	1,646	208,478
Profit before income tax	239,437	5,943	(7,716)	8,233	245,897
Income tax expense	(18,328)	-	704	(956)	(18,580)
Total profit	221,109	5,943	(7,012)	7,277	227,317

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Adoption of SFRS(I) *(continued)*

(b) Reconciliation of the Group's income statement reported in accordance with SFRS to SFRS(I) *(continued)*

For the financial year ended 30 June 2018	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Effects of applying SFRS(I) 1-23 $'000	Reported under SFRS(I) $'000
Attributable to:					
Equity holders of the Company	218,803	5,943	(6,857)	7,277	225,166
Non-controlling interests	2,306	-	(155)	-	2,151
	221,109	5,943	(7,012)	7,277	227,317

(c) Reconciliation of the Group's total comprehensive income reported in accordance with SFRS to SFRS(I)

For the financial year ended 30 June 2018	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Effects of applying SFRS(I) 1-23 $'000	Reported under SFRS(I) $'000
Total profit	221,109	5,943	(7,012)	7,277	227,317
Other comprehensive (expense)/income:					
Items that may be reclassified subsequently to profit or loss:					
Fair value losses on AFS financial assets	(739)	-	-	-	(739)
Cash flow hedges	4,449	-	-	-	4,449
Currency translation differences	(12,811)	-	165	(596)	(13,242)
Share of other comprehensive income of associated and joint venture companies	6,048	-	-	-	6,048
	(3,053)	-	165	(596)	(3,484)
Item that will not be reclassified subsequently to profit or loss:					
Currency translation differences	(646)	-	(2)	-	(648)
Revaluation gains on property, plant and equipment	2,012	(2,012)	-	-	-
Share of other comprehensive income of associated and joint venture companies	91	-	-	-	91
	1,457	(2,012)	(2)	-	(557)
Other comprehensive expense, net of tax	(1,596)	(2,012)	163	(596)	(4,041)
Total comprehensive income	219,513	3,931	(6,849)	6,681	223,276

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Adoption of SFRS(I) *(continued)*

(d) There were no material adjustments to the Group's statement of cash flows arising from the transition from SFRS to SFRS(I).

(e) Reconciliation of the Company's equity reported in accordance with SFRS to SFRS(I)
The Company's opening statement of financial position was prepared as at 1 July 2017, which was the Company's date of transition to SFRS(I). There were no material impact to the Company's balances on adoption of SFRS(I), except for the effects arising from the application of SFRS(I) 9, as follows.

Classification and measurement of financial assets
For financial assets held by the Company on 1 July 2018, management has assessed the business models that are applicable on that date to these assets so as to classify them into the appropriate categories under the SFRS(I) 9. Material reclassifications resulting from management's assessment are as follows:

(i) Equity investments reclassified from AFS to FVPL
The Company's equity investments amounting to $3.2 million were reclassified from "AFS financial assets" to "financial investments at FVPL" on 1 July 2018.

(ii) Impairment of financial assets
The Company has the following types of financial assets subject to the expected credit loss impairment model under SFRS(I) 9:

- Cash and cash equivalents
- Loans to subsidiary companies and other receivables at amortised costs; and
- Issued financial guarantees for bank borrowings of subsidiary companies.

The impairment methodology under SFRS and SFRS(I) for each of these classes of financial assets is different. The impairment methodology for each of these classes of financial assets under SFRS(I) 9 is as disclosed in Note 32(b). There was no material impact on the financial statements from the application of the expected credit loss model on the above financial assets on 1 July 2018.

(f) Explanatory notes to reconciliations
The effects of transition to SFRS(I) mainly arises from the optional exemptions provided for under SFRS(I) 1 and the adoption of SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers.*

(i) Optional exemptions applied
SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has applied the following exemptions in preparing this first set of financial statements in accordance with SFRS(I). The exemptions that resulted in adjustments to the previously issued SFRS financial statements are as follows:

(a) Business combinations
SFRS(I) 3 *Business Combinations* has not been applied to business combinations that occurred before the date of transition on 1 July 2017. The same classification as in its previous SFRS financial statements has been adopted.

The Group has not applied SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I) on 1 July 2017. Such fair value adjustments and goodwill continue to be accounted for using the same basis as under SFRS 21.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Adoption of SFRS(I) *(continued)*

(f) Explanatory notes to reconciliations *(continued)*

(i) Optional exemptions applied (continued)

(b) Deemed cost
The Group has elected to regard the carrying amount of certain property, plant and equipment stated at valuation as their deemed cost at the date of transition to SFRS(I) on 1 July 2017. As a result, $24.2 million of the Group's asset revaluation reserve was reclassified directly into retained earnings on that date.

By electing this optional exemption, the Group's property, plant & equipment (leasehold land and building) as at 30 June 2018 decreased by $1.9 million (1 July 2017: $6,000) and retained earnings decreased by $1.9 million (1 July 2017: $6,000). The depreciation expense for the year ended 30 June 2018 decreased by $7,000.

(c) Cumulative translation differences
The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 July 2017. As a result, currency translation reserve and share of capital reserves of associated and joint venture companies as at 1 July 2017 was increased by $87.3 million and $7.3 million respectively, and retained earnings decreased by $94.7 million on the same date.

Consequently, the disposal of the Group's interest in a subsidiary company, Yong Yue (Shanghai) Property Development Co., Ltd in the previous financial year resulted in a decrease in currency translation reserve of $6.0 million and an increase in retained earnings of $6.0 million. The gain on disposal of the subsidiary company for the year ended 30 June 2018 increased by $6.0 million.

(d) Leases
The Group has not reassessed the determination of whether an arrangement contained a lease in accordance with SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease.*

(ii) Adoption of SFRS(I) 9
The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 July 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 30 June 2018. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosure* to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.

The accounting policies for financial assets under SFRS(I) 9 is as disclosed in Note 2.11.

Classification and measurement of financial assets:

		Financial assets	
	AFS $'000	**FVPL $'000**	**FVOCI $'000**
Balance as at 30 June 2018 – before adoption of SFRS(I)	31,743	-	-
Reclassify non-trading equities from AFS to FVOCI [Note 2.2(ii)(a)]	(28,554)	-	28,554
Reclassify non-trading equities from AFS to FVPL [Note 2.2(ii)(b)]	(3,189)	3,189	-
Balance as at 1 July 2018 – after adoption of SFRS(I)	-	3,189	28,554

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Adoption of SFRS(I) *(continued)*

(f) Explanatory notes to reconciliations *(continued)*

(ii) Adoption of SFRS(I) 9 (continued)

(a) Equity investments reclassified from AFS to FVOCI
The Group has elected to recognise changes in the fair value of certain equity investments not held for trading and previously classified as AFS, in other comprehensive income. Accordingly, assets with a fair value of $28.6 million were reclassified from "AFS financial assets" to "financial investments at FVOCI".

(b) Equity investments reclassified from AFS to FVPL
Investments in certain equity shares of the Group amounting to $3.2 million respectively were reclassified from "AFS financial assets" to "financial investments at FVPL" on 1 July 2018.

In addition, the Group's associated company has reclassified its AFS financial assets to financial investments at FVPL as they do not meet the criteria for classification at amortised cost. As a result, the Group's share of the related fair value gains of $11.5 million was transferred from share of capital reserves of associated and joint venture companies directly to retained earnings on 1 July 2018 to be consistent with the associated company. For the financial year ended 30 June 2019, fair value gains related to these investments amounting to $3.1 million were recognised in the income statement.

(c) Impairment of financial assets
SFRS(I) 9 requires the Group and the Company to apply the expected credit loss impairment model on financial assets measured at amortised cost and FVOCI, and contract assets. The impairment methodology for each of these classes of financial assets under SFRS(I) 9 is as disclosed in Note 32(b). There was no material impact on the financial statements from the application of the expected credit loss model on 1 July 2018.

(iii) Adoption of SFRS(I) 15
The Group has applied all of the requirements of SFRS(I) 15 retrospectively, and have used the practical expedients for completed contracts in accordance with the transitional provisions under paragraph C5 of SFRS(I) 15 at 1 July 2017. Under these practical expedients, completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not adjusted. The Group has also voluntarily changed the presentation of comparative figures of assets and liabilities related to contracts with customers.

The adoption of SFRS(I) 15 resulted in adjustments to the previously issued SFRS financial statements as explained below:

(a) Accounting for sale of development properties
Under SFRS(I) 15, the Group's revenue from the sale of development properties is recognised when or as the control of assets is transferred to the customers, depending on the terms of the contract and the laws that apply to the contract. The Group identified certain contracts relating to the sale of development properties where there are two distinct performance obligations which are satisfied at different timings (i.e. sale of properties, and sale of other items that are delivered on completion of the properties), and concluded that the revenue recognition for these contracts are affected by the change in accounting policy. For properties sold under these contracts, the Group has determined that they have no alternative use to the Group due to contractual restrictions, and the Group has enforceable rights to payment from the customers for performance completed to date. Accordingly, the Group recognises revenue as the performance obligation is satisfied over time by reference to the stage of completion of the properties. Revenue for the sale of the other items is recognised at a point in time when the control of those items is passed to the customer upon transfer of legal title of the completed property.

<u>Equity accounting for share of results of associated company</u>
In addition, in accordance with the requirements of SFRS(I) 1, the Group's associated company has applied the requirements of SFRS(I) 15 retrospectively. The Group has adjusted the carrying value of its investment in associated company and its share of profits of associated company in line with the adoption.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Adoption of SFRS(I) *(continued)*

(f) Explanatory notes to reconciliations *(continued)*

(iii) Adoption of SFRS(I) 15 (continued)

(a) Accounting for sale of development properties *(continued)*
Along with the impact separately disclosed in (b) and (c) below, the total impact is summarised in the table disclosed in Note 2.2(f)(iii).

(b) Accounting for costs to obtain a contract
Under SFRS(I), the Group capitalises sales commission paid to property agents on the sale of property, which were previously recognised as expenses, if these costs are recoverable. Sales commission will be amortised to profit or loss as the Group recognises the related revenue.

As at 30 June 2018, $2,000 (1 July 2017: $35,000) which was presented within “distribution expenses” under SFRS has been reclassified to contract assets – costs to obtain a contract within “other assets”.

(c) Presentation of contract assets and contract liabilities
The Group has also changed the presentation of certain comparatives in the balance sheet as at 30 June 2018 and 30 June 2017 on adopting SFRS(I) 15:

(i) Contract assets in respect of the property development business which relate primarily to the Group’s right to consideration for work completed but have not been billed at the reporting date.

As at 30 June 2018, $nil (1 July 2017: $22.6 million) which was presented as accrued receivables within “trade and other receivables” under SFRS has been reclassified to contract assets – unbilled revenue within “other assets”.

(ii) Contract liabilities in respect of the property development business which relate mainly to advance consideration received from customers and progress billings in excess of the Group’s right to the consideration.

As at 30 June 2018, $8.2 million and $6.3 million (1 July 2017: $4.6 million and $nil) which were presented as “development properties” and “trade and other payables” under SFRS have been reclassified to contract liabilities within “other liabilities”.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Adoption of SFRS(I) *(continued)*

(f) Explanatory notes to reconciliations *(continued)*

(iii) Adoption of SFRS(I) 15 (continued)

Accordingly, the following adjustments were effected:

Statement of financial position	Increase/(decrease) As at 30 June 2018 $'000	As at 1 July 2017 $'000
Trade and other receivables	-	(25,213)
Development properties	13,305	12,316
Other current assets	2	22,586
Investments in associated and joint venture companies	(4,942)	(116)
Deferred income tax assets	(1,140)	1,010
Trade and other payables	(6,282)	-
Other current liabilities	14,511	4,611
Deferred income tax liabilities	78	205
Other reserves	165	-
Retained earnings	(1,086)	5,068
Non-controlling interests	(161)	699

Statement of comprehensive income	Year ended 30 June 2018 $'000
Revenue	(12,802)
Cost of sales	9,672
Other gains - net	6
Distribution and marketing expenses	196
Share of profits of associated and joint venture companies	(4,788)
Income tax expense	704

(iv) Adoption of SFRS(I) 1-23

In 2018, the IFRS Interpretations Committee ("IFRIC"), which works with the IASB in supporting the application of IFRS standards, received a submission on whether a real estate developer capitalises borrowing costs as part of the cost of units for a residential multi-unit real estate development, for which the developer recognises revenue over time for the sale of individual units in the development based on IFRS 15 *Revenue from Contracts with Customers.*

In November 2018, the IFRIC issued a Tentative Agenda Decision containing explanatory material for the decision and how the applicable principles and requirements in International Accounting Standards ("IAS") 23 *Borrowing Costs* apply to the fact pattern in the submission. The IFRIC tentatively concluded that such an entity should not capitalise borrowing costs. This Tentative Agenda Decision was finalised in its original form on 20 March 2019.

As SFRS(I) 1-23 and SFRS(I) 15 are aligned to IAS 23 and IFRS 15 respectively, the above Agenda Decision has relevant impact to the Group's activities as a property developer. Following this Agenda Decision, borrowing costs which were previously capitalised for development projects over the period of development are now expensed as incurred to the income statement.

Please refer to Note 2.2 (a) to (c) for the related adjustments.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 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 from development properties" under other liabilities when the Group has not yet performed under the contract but has received advanced 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. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses. Estimates of revenue, 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.

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 the profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 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 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 each reporting date.

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 under deferred revenue, within trade and other payables 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 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 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 2.5 for the accounting policy on goodwill on acquisitions.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 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 2.6 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 2.5 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.

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 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 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 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.

2.5 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.

2.6 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.

2.7 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.7 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% or over the remaining lease period, whichever is shorter

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in 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 - net".

2.8 Investment properties

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

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

2.9 Development Properties

(a) Properties under development

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

Cost includes cost of land and other direct and related expenditure, including interest on borrowings incurred in developing the properties 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 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 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 – 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.

2.10 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
Investments in subsidiary, associated and joint venture companies

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

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

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

The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Financial assets

The accounting for financial assets before 1 July 2018 are as follows:

(a) Classification

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

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

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

(ii) Loans and receivables

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

(iii) AFS financial assets

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

(b) Recognition and derecognition

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

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

(c) Initial measurement

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

(d) Subsequent measurement

AFS financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Investments in unquoted equity investments whose fair value cannot be reliably measured are carried at cost. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Financial assets *(continued)*

(e) Impairment

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

(i) Loans and receivables

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

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

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

(ii) AFS financial assets

In addition to the objective evidence of impairment described in Note 2.11(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the AFS financial asset is impaired.

If there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through the profit or loss in subsequent period.

The accounting for financial assets from 1 July 2018 are as follows:

(f) 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Financial assets *(continued)*

(f) Classification and measurement *(continued)*

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:

(a) 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.

(b) 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 and losses, which are recognised in profit and 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 and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

(c) 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 – net".

(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 – 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".

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Financial assets *(continued)*

(g) 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 32(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 the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(h) 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 profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary companies. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary 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.

Prior to 1 July 2018, financial guarantees were subsequently measured at the higher of (a) and the expected amounts payable to the banks in the event it is probable that the Company will reimburse the banks.

Intra-group transactions are eliminated on consolidation.

2.13 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.14 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.

2.15 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, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

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

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

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

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:

(i) The gain or loss relating to the effective portion of the spot component of forward contracts 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)

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Derivative financial instruments and hedging activities (continued)

(ii) 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 swaps 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 swaps 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.

2.16 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the 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.

2.17 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.

2.18 Operating leases

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

Contingent rents are recognised as an expense in profit or loss when incurred.

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

Contingent rents are recognised in profit or loss when earned.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.19 Income taxes

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

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

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

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

Deferred income tax is measured:

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

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

Current and deferred income taxes are recognised 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.

2.20 Provisions

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

2.21 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.22 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.

2.23 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.

(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 of the entity giving rise to such reserve.

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.24 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 and finance costs are not allocated to the segments.

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

2.25 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.

2.26 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.

2.27 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.

2.28 Disposal groups held for sale

Disposal groups are classified as held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

3. REVENUE

	Group 2019 $'000	2018 $'000
Revenue from contracts with customers under SFRS(I) 15		
Revenue from development properties:		
– recognised at a point in time	**109,765**	117,591
– recognised over time	**26,423**	61,787
Revenue from sale of goods:		
– recognised at a point in time	**134,465**	137,283
Management fees:		
– recognised over time	**9,242**	6,925
Other revenue		
Rental income	**41,314**	35,884
Dividend income		
– financial investments at FVOCI	**1,338**	-
– financial investments at FVPL	**69**	-
– AFS financial assets	**-**	958
	322,616	360,428

(a) Contract assets and liabilities

	Group		
	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Contract assets: Unbilled revenue [Note 21(a)]	**15,952**	-	22,551
Contract liabilities for development properties [Note 25]	**(7,182)**	(14,511)	(4,611)

Unbilled revenue primarily relates to the Group's rights to consideration for work completed but not billed at the reporting date on sale of development properties. Unbilled revenue is transferred to receivables when the rights to consideration become unconditional. The contract assets increased due to revenue recognised on the Group's development properties in the current financial year but unbilled at the reporting date.

Contract liabilities primarily relates to advance consideration received from customers for sale of development properties. The contract liabilities decreased due to revenue recognised on the Group's development properties in the current financial year where control of the properties have been transferred to the customer.

<u>Revenue recognised in relation to contract liabilities</u>

	Group 2019 $'000	2018 $'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period: – sale of development properties	**8,037**	4,679

(b) Assets recognised from costs to obtain contracts

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. The Group has applied the practical expedient and recognised the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

	Group		
	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Assets recognised from costs to obtain contracts [Note 21(a)]	**308**	2	35

	Group 2019 $'000	2018 $'000
Amortisation recognised to marketing and distribution expense during the period	**2**	35

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

3. REVENUE *(continued)*

As permitted under the transitional provisions in SFRS(I) 15, the transaction price allocated to partially or fully unsatisfied performance obligations as of 30 June 2018 and 1 July 2017 is not disclosed.

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.

4. OTHER GAINS – NET

	Group	
	2019	**2018**
	$'000	**$'000**
Other gains:		
– Interest income	**10,292**	7,724
– Gain on disposal of subsidiary companies	**-**	22,705
– Gain on disposal of property, plant and equipment	**2,213**	716
– Gain on liquidation of subsidiary companies	**2**	-
– Fair value gains on investment properties	**9,502**	12,696
– Fair value gains on derivative financial instruments	**4**	-
– Fair value gains on financial investments at FVPL	**7,636**	-
– Other miscellaneous gains	**5,190**	5,435
	34,839	49,276
Other losses:		
– Fair value losses on derivative financial instruments	**-**	(950)
– Dilution loss on interest in an associated company	**(4,263)**	(3,534)
– Allowance for foreseeable losses on development properties	**-**	(4,498)
– Foreign exchange loss - net	**(3,142)**	(1,529)
– Other miscellaneous losses	**(309)**	(397)
	(7,714)	(10,908)
	27,125	38,368

5. EXPENSES BY NATURE

	Group	
	2019	**2018**
	$'000	**$'000**
Depreciation of property, plant and equipment	**8,063**	7,557
Employee compensation	**68,758**	69,518
Auditors' remuneration paid/payable to:		
– auditor of the Company	**432**	417
– other auditors	**347**	324
Other fees paid/payable to:		
– auditor of the Company	**89**	282
– other auditors	**179**	269
Allowance for stock obsolescence	**799**	1,404
Write-off of property, plant and equipment	**70**	323
Impairment loss on property, plant and equipment	**121**	-
Rental expense on operating leases	**35,475**	35,332
Development cost included in cost of sales	**36,139**	97,954
Raw materials and finished goods included in cost of sales	**63,081**	60,605

Included in the Group's rental expense on operating leases is contingent rent amounting to $2.3 million (2018: $4.7 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 2019

6. EMPLOYEE COMPENSATION

	Group	
	2019	**2018**
	$'000	**$'000**
Wages and salaries (including directors' remuneration)	**60,762**	62,145
Employer's contribution to defined contribution plans including Central Provident Fund	**5,612**	6,031
Share-based payment	**2,384**	1,342
	68,758	69,518

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

7. FINANCE COSTS

	Group	
	2019	**2018**
	$'000	**$'000**
Interest expense to banks	**30,849**	32,475
Redemption premium for borrowings	**-**	58
	30,849	32,533

8. INCOME TAXES

(a) Income tax (credit)/expense

	Group	
	2019	**2018**
	$'000	**$'000**
Tax expense attributable to profit is made up of:		
Current income tax		
– Singapore	**110**	15,583
– Foreign	**1,314**	9,668
	1,424	25,251
Deferred income tax	**4,392**	(3,781)
	5,816	21,470
Overprovision in preceding financial years		
– Current income tax	**(6,366)**	(2,843)
– Deferred income tax	**(1,929)**	(47)
	(2,479)	18,580

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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

8. INCOME TAXES *(continued)*

(a) Income tax expense *(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 2019 $'000	Group 2018 $'000
Tax calculated at Singapore standard rate of income tax	**(1,057)**	6,361
Different tax rates in other countries	**795**	2,873
Expenses not deductible for tax purposes	**12,589**	11,575
Income not subject to tax	**(5,785)**	(5,226)
Overprovision of tax	**(8,295)**	(2,890)
(Utilisation of previously unrecognised tax losses)/unrecognised tax losses	**(726)**	5,887
	(2,479)	18,580

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

	Before tax $'000	Group Tax charge $'000	After tax $'000
2019			
Fair value losses on financial investments at FVOCI	(3,951)	-	(3,951)
Cash flow hedges	(3,401)	-	(3,401)
Currency translation differences	(34,483)	-	(34,483)
Share of other comprehensive income of associated and joint venture companies	(5,285)	-	(5,285)
	(47,120)	**-**	**(47,120)**
2018			
Fair value losses on AFS financial assets	(739)	-	(739)
Cash flow hedges	4,449	-	4,449
Currency translation differences	(13,890)	-	(13,890)
Share of other comprehensive income of associated and joint venture companies	6,139	-	6,139
	(4,041)	-	(4,041)

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

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	
	2019	**2018**	**1 July 2017**
	$'000	**$'000**	**$'000**
Deferred income tax assets	**(8,783)**	(10,041)	(10,867)
Deferred income tax liabilities	**36,046**	36,568	38,344

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group had unrecognised tax losses of $150.7 million (2018: $146.4 million) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unutilised tax losses in their respective countries of incorporation. These tax losses have no expiry date.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

Deferred income tax liabilities – Group

	Accelerated tax depreciation	**Revaluation gains**	**Recognition of profits on percentage of completion**	**Other temporary differences**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
2019					
Beginning of financial year	3,431	30,507	622	2,038	36,598
Currency translation differences	7	(525)	-	(123)	(641)
(Credited)/charged to income statement	(2,621)	1,096	1,620	(6)	89
End of financial year	**817**	**31,078**	**2,242**	**1,909**	**36,046**
2018					
Beginning of financial year	4,021	28,298	4,410	2,064	38,793
Effect of adoption of SFRS(I) 15	-	-	205	-	205
Balance at 1 July 2017, as reported	4,021	28,298	4,615	2,064	38,998
Currency translation differences	9	242	577	53	881
(Credited)/charged to income statement	(599)	1,967	(4,697)	48	(3,281)
End of financial year	3,431	30,507	495	2,165	36,598

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

8. INCOME TAXES *(continued)*

(b) Deferred income taxes *(continued)*

Deferred income tax assets – Group

	Accelerated tax depreciation $'000	Tax losses $'000	Provisions and other temporary differences $'000	Total $'000
2019				
Beginning of financial year	195	11	9,865	10,071
Currency translation differences	(7)	-	1,093	1,086
Charged to income statement	(15)	(11)	(2,348)	(2,374)
End of financial year	**173**	**-**	**8,610**	**8,783**
2018				
Beginning of financial year	211	315	5,790	6,316
Effect of adoption of SFRS(I) 15	-	-	1,010	1,010
Effect of adoption of SFRS(I) 1-23	-	-	4,195	4,195
Balance at 1 July 2017, as reported	211	315	10,995	11,521
Currency translation differences	7	5	(2,009)	(1,997)
(Credited)/charged to income statement	(23)	(309)	879	547
End of financial year	195	11	9,865	10,071

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 2019	Group 2018
Profit attributable to:		
– equity holders of the Company ($'000)	**46,771**	225,166
– holders of perpetual securities ($'000)	**(6,820)**	(6,120)
Profit attributable to ordinary shareholders of the Company ($'000)	**39,951**	219,046
Weighted average number of ordinary shares in issue ('000)	**767,544**	774,165
Basic earnings per share (cents)	**5.21**	28.29

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

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	
	2019 $'000	**2018 $'000**
Profit attributable to ordinary shareholders of the Company	**39,951**	219,046
Adjustments for share plans of:		
– an associated company	**(16)**	(333)
Profit used to determine diluted earnings per share	**39,935**	218,713

	2019 '000	**2018 '000**
Weighted average number of ordinary shares in issue	**767,544**	774,165
Adjustment for share plans	**2,327**	2,035
Weighted average number of shares used to determine diluted earnings per share	**769,871**	776,200
Diluted earnings per share (cents)	**5.19**	28.18

10. CASH AND CASH EQUIVALENTS

	Group			Company		
	2019 $'000	**2018 $'000**	**1 July 2017 $'000**	**2019 $'000**	**2018 $'000**	**1 July 2017 $'000**
Fixed deposits with financial institutions	**70,177**	241,225	231,161	**-**	150,000	154,500
Cash and bank balances	**147,155**	550,926	616,212	**68,770**	459,945	486,923
	217,332	792,151	847,373	**68,770**	609,945	641,423

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 $44.7 million (2018: $49.1 million; 1 July 2017: $90.8 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

10. CASH AND CASH EQUIVALENTS *(continued)*

Disposal of subsidiary companies

In the previous financial year, the Group disposed of its 100% interest in Winnamax Investment Pte Ltd, Winmine Investment Pte Ltd and Yong Yue (Shanghai) Property Development Co., Ltd for a cash consideration of $272.6 million. The effects of the disposal on the cash flows of the Group were:

	Group 2018 $'000
Carrying amount of assets and liabilities disposed of:	
Cash and cash equivalents	4,821
Development properties	249,289
Other current assets	219
Trade and other payables	(3,061)
Current income tax liabilities	(9)
Net assets disposed of	251,259
Reclassification of currency translation reserve	(1,359)
Gain on disposal of subsidiary companies	22,705
Cash proceeds from disposal	272,605
Cash and cash equivalents in subsidiary companies disposed of	(4,821)
Net cash inflow on disposal	**267,784**

Reconciliation of liabilities arising from financing activities

	Group	
	Bank borrowings $'000	**Interest payable $'000**
2019		
Beginning of financial year	780,066	5,204
Principal and interest payments	(150,700)	(28,324)
Interest expense	1,829	29,020
Settlement of derivative financial instruments	(2,379)	-
Currency translation differences	(1,419)	(4)
Others	(269)	-
End of financial year	**627,128**	**5,896**
2018		
Beginning of financial year	929,624	5,451
Principal and interest payments	(144,662)	(31,424)
Interest expense	1,366	31,167
Transaction costs capitalised	(4,798)	-
Currency translation differences	(1,464)	(1)
Others	-	11
End of financial year	780,066	5,204

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

11. DERIVATIVE FINANCIAL INSTRUMENTS

	2019		2018		1 July 2017	
	Contract notional amount $'000	Fair value asset/ (liability) $'000	Contract notional amount $'000	Fair value asset/ (liability) $'000	Contract notional amount $'000	Fair value asset/ (liability) $'000
Group						
Current assets						
Net investment hedge						
– Cross currency swaps	-	-	-	-	85,470	2,062
Non-hedging instruments						
– Currency forwards	-	-	731	28	8,560	126
		-		28		2,188
Non-current assets						
Cash flow hedge						
– Interest rate and cross currency swaps	78,030	91	229,095	5,890	113,210	2,826
Net investment hedge						
– Cross currency swaps	-	-	143,325	9,378	147,207	7,420
		91		15,268		10,246
Current liability						
Non-hedging instruments						
– Currency forwards	22,531	**(99)**	143,838	(958)	3,216	(80)
Non-current liabilities						
Cash flow hedge						
– Interest rate swap	-	-	-	-	118,000	(979)
Net investment hedge						
– Cross currency swap	83,168	(6,734)	83,216	(3,716)	-	-
– Currency forwards	168,394	(3,339)	-	-	-	-
		(10,073)		(3,716)		(979)
Company						
Current asset						
Non-hedging instrument						
– Cross currency swaps*	-	-	-	-	85,470	2,062
Non-current assets						
Cash flow hedge						
– Interest rate and cross currency swaps	-	-	131,970	1,599	13,970	1,107
Non-hedging instrument						
– Cross currency swaps*	-	-	125,245	8,194	128,638	6,484
		-		9,793		7,591
Non-current liabilities						
Cash flow hedge						
– Interest rate swap	-	-	-	-	118,000	(979)
Non-hedging instrument						
– Cross currency swaps*	83,168	(6,734)	83,216	(3,716)	-	-
– Currency forwards	168,394	(3,339)	-	-	-	-
		(10,073)		(3,716)		(979)

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

11. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

As at 30 June 2019, the fixed interest rate on SGD interest rate swap is nil (2018: 3.1%; 1 July 2017: 3.1%) per annum and the fixed interest rates on HKD interest rate and cross currency swaps range from 1.5% to 4.5% (2018: 1.5% to 4.5%; 1 July 2017: 1.5% to 3.4%) per annum. The main floating rates are Singapore Swap Offered Rate and Hong Kong Interbank Offered Rate. The forward rate under currency forward contracts mainly on HKD is 5.939 (2018: nil) and the hedged rate under cross currency swaps contracts on HKD is 5.917 (2018: 5.470 to 5.917).

Interest rate swaps are transacted to hedge variable quarterly interest payments on borrowings and will mature in July 2022 (2018: November 2019 and July 2022; 1 July 2017: November 2019 and July 2022).

Cross currency swaps, that will mature in June 2023 (2018: June 2023; 1 July 2017: November 2019), are transacted to hedge (i) variable quarterly interest payments on borrowings and (ii) currency translation differences from the Group's investment in its associated company.

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

Please refer to Note 2.15 for details of the financial instruments and hedging policies.

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

	Contract notional amount $'000	Changes in fair value used in calculating hedge ineffectiveness: Hedging instrument $'000	Hedged item $'000	Hedge ineffectiveness recognised in profit or loss $'000
Group				
Cash flow hedge				
Interest rate risk				
- Interest rate swaps	**78,030**	**(2,653)**	**2,653**	**-**
Net investment hedge				
Currency risk				
- Cross currency swaps	**83,168**	**(3,018)**	**3,018**	**-**
- Currency forwards	**168,394**	**(3,339)**	**3,339**	**-**

12. TRADE AND OTHER RECEIVABLES – CURRENT

	Group 2019 $'000	Group 2018 $'000	Group 1 July 2017 $'000	Company 2019 $'000	Company 2018 $'000	Company 1 July 2017 $'000
Trade receivables	**7,205**	39,337	12,087	**-**	-	-
Allowance for impairment of receivables	**(73)**	(61)	(88)	**-**	-	-
	7,132	39,276	11,999	**-**	-	-
Due from subsidiary companies						
– non-trade [Note 12(a)]	**-**	-	-	**762,190**	904,312	826,624
Allowance for impairment of receivables	**-**	-	-	**(339,587)**	(320,477)	(308,906)
	-	-	-	**422,603**	583,835	517,718
Due from associated and joint venture companies						
– non-trade [Note 12(b)]	**4,981**	3,127	4,285	**300**	303	302
Due from non-controlling interests	**2,293**	2,284	-	**-**	-	-
Dividends receivable from an associated company	**-**	-	11,363	**-**	-	-
Sundry receivables	**9,698**	13,021	13,854	**566**	1,433	1,330
	24,104	57,708	41,501	**423,469**	585,571	519,350

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For the Financial Year Ended 30 June 2019

12. TRADE AND OTHER RECEIVABLES – CURRENT *(continued)*

(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 $331.1 million (2018: $429.8 million; 1 July 2017: $351.9 million).

(b) Amounts due from associated and joint venture companies are unsecured and repayable on demand.

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

13. INVENTORIES

		Group	
	2019	**2018**	**1 July 2017**
	$'000	**$'000**	**$'000**
Raw materials	**20**	24	99
Work-in-progress	**-**	-	106
Finished goods	**19,572**	23,692	19,216
	19,592	23,716	19,421

The cost of inventories recognised as expense and included in "cost of sales" amounted to $63.1 million (2018: $60.6 million; 1 July 2017: $64.0 million).

14. DEVELOPMENT PROPERTIES

		Group	
	2019	**2018**	**1 July 2017**
	$'000	**$'000**	**$'000**
Properties under development			
– Land, at cost	**605,330**	103,919	101,589
– Development costs and overhead expenditure capitalised	**23,929**	32,072	49,519
	629,259	135,991	151,108
– Allowance for foreseeable losses	**(12,040)**	(16,481)	(11,528)
	617,219	119,510	139,580
Properties held for sale	**474,889**	520,917	578,958
	1,092,108	640,427	718,538
Value of development properties mortgaged to secure long term banking facilities granted (Note 23)	**-**	-	244,144

Significant estimates and judgement are applied in assessing the valuation of development properties in accordance with Note 2.9. Allowance for foreseeable losses on development properties is disclosed in Note 4.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

14. DEVELOPMENT PROPERTIES *(continued)*

The major development properties are as follows:

Location	Type of development	Tenure		% of completion at 30.06.2019	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 with ground floor commercial unit	99-year lease expiring 2119		-	2024	7,963	31,343	100
Malaysia								
Le Nouvel KLCC at Section 43, Town of Kuala Lumpur	195 units of condominium housing	Freehold		100	n/a	6,084	40,565	100
Nobleton Crest at Section 89, Town of Kuala Lumpur	25 units of condominium housing	Freehold		100	n/a	4,047	4,496	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	8,726	9,913	100
Impiana Boulevard and Impiana Gallery at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	80 units of shop houses	Freehold		100	n/a	6,327	7,324	100
Jesselton Hills at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	972 units of terrace and semi-detached houses	Freehold	Phase 1 Phase 1A Phase 2 Phase 3-5	100 100 100 -	n/a n/a n/a -	224,578	4,964	100
Mahkota Impian at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	386 units of shops and serviced apartments	Freehold		100	n/a	29,793	8,335	100
Vacant land at Mukim 14-16, Daerah Seberang Perai Tengah, Pulau Pinang	-	Freehold		-	-	479,812	n/a	100
The People's Republic of China								
The Lakeside at No. 1 Xingzhou Street, Suzhou Industrial Park	-	70-year lease expiring 2066	Phase 2	-	-	19,518	n/a	75

n/a: not applicable

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

15. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 6 June 2017, the Group's wholly-owned subsidiary company, Wing Tai China Pte. Ltd. entered into a Sale and Purchase agreement to dispose of its 100% interest in the issued share capital of and shareholder's loan to Winnamax Investment Pte. Ltd. ("Winnamax") for a cash consideration of $270.8 million, subject to adjustment. The disposal was completed on 5 September 2017. Upon completion, Winnamax and its 100% directly and indirectly owned subsidiary companies, Winmine Investment Pte. Ltd. and Yong Yue (Shanghai) Property Development Co., Ltd respectively, ceased to be subsidiary companies of the Group.

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

	Group 1 July 2017 $'000
Cash and cash equivalents	5,199
Other current assets	115
Development properties*	246,872
Property, plant and equipment	22
	252,208

* A commercial site at Huai Hai Middle Road, Shanghai, The People's Republic of China held by Yong Yue (Shanghai) Property Development Co., Ltd.

Details of the liabilities of the disposal group classified as held for sale are as follows:

	Group 1 July 2017 $'000
Trade and other payables	2,147

There are no cumulative currency translation differences relating to disposal group classified as held for sale.

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For the Financial Year Ended 30 June 2019

16. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group			Company		
	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000
Loans to subsidiary companies [Note 16(a)]	**-**	-	-	**1,165,099**	536,586	621,054
Allowance for impairment of receivables	**-**	-	-	**(3,097)**	(3,132)	(3,182)
	-	-	-	**1,162,002**	533,454	617,872
Loans to joint venture companies [Note 16(b)]	**297,010**	297,298	228,340	**-**	-	-
Allowance for impairment of receivables [Note 16(b)]	**(27,116)**	(27,116)	(27,116)	**-**	-	-
	269,894	270,182	201,224	**-**	-	-
Loans to non-controlling interests [Note 16(c)]	**8,664**	7,916	2,395	**-**	-	-
	278,558	278,098	203,619	**1,162,002**	533,454	617,872

(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 $288.1 million (2018: $275.9 million; 1 July 2017: $198.3 million).

The interest-free loans to subsidiary companies are intended to be a long-term source of additional capital for the subsidiary companies. As a result, management considers such loans to be in substance part of the Company's net investment in these subsidiary companies and has accounted for these loans in accordance with Note 2.6.

(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 $231.6 million (2018: $238.0 million; 1 July 2017: $170.7 million), which are subordinated to banking facilities of $718.0 million (2018: $718.0 million; 1 July 2017: $420.0 million) granted by banks to the said joint venture companies.

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

The carrying amounts of non-current trade and other receivables approximated their fair values and are categorised under Level 2 of the fair value measurement hierarchy.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

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.		
	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000
Summarised statement of financial position									
Current assets	**1,467,363**	1,665,583	1,116,316	**159,141**	177,946	126,726	**145,208**	130,361	81,439
Non-current assets	**4,830,404**	4,711,323	4,497,875	**20,141**	19,064	23,340	**20,120**	20,970	21,816
Current liabilities	**(585,225)**	(501,502)	(276,852)	**(66,214)**	(81,824)	(68,485)	**(55,621)**	(64,617)	(40,985)
Non-current liabilities	**(752,227)**	(926,351)	(952,212)	**-**	(846)	-	**(1,550)**	(1,529)	(1,168)
Net assets	**4,960,315**	4,949,053	4,385,127	**113,068**	114,340	81,581	**108,157**	85,185	61,102
Summarised statement of comprehensive income									
Revenue	**148,716**	170,580	210,829	**335,852**	307,860	285,673	**315,171**	260,330	204,982
Other gains – net and expenses	**(50,402)**	320,974	39,800	**(293,243)**	(268,360)	(256,864)	**(257,086)**	(216,432)	(173,893)
Profit before income tax	**98,314**	491,554	250,629	**42,609**	39,500	28,809	**58,085**	43,898	31,089
Income tax expense	**(9,558)**	(15,376)	(18,135)	**(1,480)**	(9,588)	(5,444)	**(14,141)**	(12,463)	(8,784)
Total profit	**88,756**	476,178	232,494	**41,129**	29,912	23,365	**43,944**	31,435	22,305
Other comprehensive income/(expense)	**383**	8,161	7,544	**(1,386)**	2,847	(246)	**(356)**	(137)	399
Total comprehensive income	**89,139**	484,339	240,038	**39,743**	32,759	23,119	**43,588**	31,298	22,704

	Wing Tai Properties Limited		
	2019 $'000	2018 $'000	1 July 2017 $'000
Net assets of an associated company attributable to:			
– Non-controlling interests	**1,231**	934	713
– Equity holders	**4,959,084**	4,948,119	4,384,414
Total comprehensive income of an associated company attributable to:			
– Non-controlling interests	**296**	267	537
– Equity holders	**88,843**	484,072	239,501

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

	Uniqlo (Singapore) Pte. Ltd.			Uniqlo (Malaysia) Sdn. Bhd.		
	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000
Included in net assets of the joint venture companies are:						
– Cash and cash equivalents	**93,450**	97,807	69,965	**83,648**	61,021	40,829
– Financial liabilities (excluding trade and other payables and provisions):						
– Current	**(149)**	-	(2,347)	**(1,122)**	(1,808)	(713)
Included in total comprehensive income of the joint venture companies are:						
– Interest income	**835**	629	406	**937**	548	493
– Depreciation and amortisation	**(5,815)**	(7,273)	(8,679)	**(7,821)**	(8,335)	(7,929)
– Interest expense	**(456)**	(284)	(543)	**(711)**	(518)	(374)

	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						
2019						
Beginning of financial year	1,607,184	56,027	38,333	60,125	154,485	1,761,669
Currency translation differences	(929)	-	(1,623)			
Dilution loss	(4,263)	-	-			
Dividends	(21,739)	(20,097)	(7,654)	(17,715)	(45,466)	(67,205)
Group's share of (at gross shareholding):	34.2%	49.0%	45.0%			
– Profit for the year	26,385	20,153	19,775	(13,815)	26,113	52,498
– Other comprehensive income/(expense)	131	(680)	(160)	(4,576)	(5,416)	(5,285)
End of financial year	**1,606,769**	**55,403**	**48,671**	**23,817**	**127,891**	**1,734,660**

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

	Wing Tai Properties Limited $'000	Uniqlo (Singapore) Pte. Ltd. $'000	Uniqlo (Malaysia) Sdn. Bhd. $'000	Other individually immaterial joint venture companies $'000	Total for joint venture companies $'000	Total $'000
Reconciliation of carrying amounts of investments in associated and joint venture companies *(continued)*						
2018						
Beginning of financial year	1,506,486	39,975	27,496	30,336	97,807	1,604,293
Currency translation differences	(38,351)	-	1,593			
Dilution loss	(3,534)	-	-			
Dividends	(21,457)	-	(4,840)	(1,540)	(6,380)	(27,837)
Group's share of (at gross shareholding):	34.3%	49.0%	45.0%			
– Profit for the year	161,222	14,657	14,146	18,453	47,256	208,478
– Other comprehensive income/(expense)	2,818	1,395	(62)	1,988	3,321	6,139
End of financial year	1,607,184	56,027	38,333	60,125	154,485	1,761,669

	Group 2019 $'000	2018 $'000	1 July 2017 $'000
Capital commitments in relation to interest in a joint venture company	**11,785**	12,247	12,505
Share of joint venture companies' capital commitments	**46,049**	61,908	34,531
Share of associated and joint venture companies' contingent liabilities and financial guarantees incurred jointly with other investors	**478,908**	434,292	156,498
Market value of quoted equity shares of an associated company	**441,075**	531,200	431,032

The Group's associated company, Wing Tai Properties Limited ("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 2018 to 31 March 2019 (2018: 1 April 2017 to 31 March 2018; 2017: 1 April 2016 to 31 March 2017) and adjusts for any significant transactions and events that occur between 1 April and 30 June 2019 that become publicly available prior to the date of the Group's consolidated financial statements.

As at 30 June 2019, 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. Included in the carrying value of the investment in associated company are investment properties and development properties of $1,223.7 million (2018: $1,174.6 million) and $260.5 million (2018: $249.1 million) respectively and for which the valuation of these assets are carried in accordance with the accounting policies of the Group.

The market value of quoted equity shares of an associated company is determined by reference to the published market bid price at the end of the reporting period and is categorised under Level 1 of the fair value measurement hierarchy.

Details of the Group's associated and joint venture companies are listed in Note 35 to the financial statements.

Notes to the Financial Statements

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18. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company 2019 $'000	2018 $'000	1 July 2017 $'000
Equity investments, at cost	**282,063**	282,063	282,063

Details of the Group's subsidiary companies are listed in Note 35 to the financial statements.

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

Name of company	Effective interest held by non-controlling interests 2019 %	2018 %	2017 %
Brave Dragon Ltd	**10.6**	10.6	10.6
Wing Tai Malaysia Berhad	**-**	-	11.9

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.

	2019 Brave Dragon Ltd $'000	2018 Brave Dragon Ltd $'000	1 July 2017 Brave Dragon Ltd $'000	1 July 2017 Wing Tai Malaysia Berhad $'000	1 July 2017 Total $'000
Summarised statement of financial position					
Current assets	**18**	403	3,498	452,208	455,706
Non-current assets	**553,365**	546,345	502,645	143,273	645,918
Current liabilities	**(23,647)**	(29,893)	(34,830)	(34,177)	(69,007)
Non-current liabilities	**-**	-	-	(151,863)	(151,863)
Net assets	**529,736**	516,855	471,313	409,441	880,754
Net assets attributable to non-controlling interests	**56,152**	54,787	49,959	48,723	98,682
Add: Carrying amount of individually immaterial non-controlling interests of other subsidiary companies	**17,075**	17,566			21,666
Carrying amount of non-controlling interests	**73,227**	72,353			120,348
Summarised statement of comprehensive income					
Revenue	**-**			83,682	83,682
Total profit	**14,712**	55,076	27,310	13,974	41,284
Other comprehensive (expense)/income	**(316)**	(11,014)	11,586	(28)	11,558
Total comprehensive income	**14,396**	44,062	38,896	13,946	52,842
Total comprehensive income attributable to non-controlling interests	**1,526**	4,672	4,123	2,861	6,984
Dividends paid to non-controlling interests	**-**	-	-	1,572	1,572
Summarised cash flows					
Cash flows from:					
– Operating activities	**147**	(150)	(2)	2,396	2,394
– Investing activities	**6,625**	9,901	1,066	(1,120)	(54)
– Financing activities	**(7,009)**	(9,509)	(1,075)	(14,486)	(15,561)
Net (decrease)/increase in cash and cash equivalents	**(237)**	242	(11)	(13,210)	(13,221)

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

19. INVESTMENT PROPERTIES

	Group 2019 $'000	2018 $'000
Beginning of financial year	**733,250**	651,805
Fair value gains recognised in income statement	**9,502**	12,696
Additions	**53,523**	66,918
Transfer from development properties	**5,784**	-
Transfer from property, plant and equipment	**-**	3,313
Currency translation differences	**(9,396)**	(1,482)
End of financial year	**792,663**	733,250

The following amounts are recognised in the income statement:

	Group 2019 $'000	2018 $'000
Rental income	**37,686**	31,464
Direct operating expenses arising from investment properties that generated rental income	**(13,056)**	(10,140)

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	13,352	100
Winsland House II at 163 Penang Road	8-storey commercial building	99-year lease expiring 2093	7,304	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				
Lanson Place Kondominium No. 8 at Section 89A, Town of Kuala Lumpur	132 units of condominium housing	Freehold	22,702	100
1-10 Jalan SU1E, Persiaran Sering Ukay 1, Sering Ukay, Ampang, Selangor	10 units of shop offices	Freehold	2,872	100

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

19. INVESTMENT PROPERTIES *(continued)*

Name of building/location	Description	Tenure of land	Lettable area (Sq m)	Group's interest in property (%)
Malaysia *(continued)*				
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
Australia				
376-388 Flinders Street, Melbourne, Victoria	8-storey commercial building	Freehold	9,513	100
28 Thornton Crescent, Mitcham, Victoria	Single-storey commercial property	Freehold	3,946	100
12 Brookhollow Avenue, Baulkham Hills, New South Wales	4-storey commercial property	Freehold	3,933	100
464 St. Kilda Road, Melbourne, Victoria	8-storey commercial property	Freehold	13,830	50
Japan				
1 Chome 11-6 Asakusa, Taito, Tokyo	13-storey hotel	Freehold	3,063	100
The People's Republic of China				
Singa Plaza at 8 Jinji Hu Road, Suzhou Industrial Park	8-storey commercial building	50-year lease expiring 2046	8,255	75

Investment properties are valued by independent professional valuers based on the properties' highest and best use determined using the Direct Comparison Approach, the Capitalisation Approach and/or the Discounted Cash Flow Approach. A description of the valuation techniques and the valuation processes of the Group are provided in Note 32(e).

Investment properties are leased to third parties under operating leases (Note 30).

Investment properties with a total valuation of $323.2 million (2018: $324.1 million) were mortgaged to banks to secure long term banking facilities granted to certain subsidiary companies (Note 23).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

20. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Group						
2019						
Cost						
Beginning of financial year	34,427	58,800	4,234	24,738	53,500	175,699
Additions	793	2	2,836	1,970	3,911	9,512
Disposals	(583)	(1,988)	(769)	(28)	(81)	(3,449)
Write-off	-	-	-	(217)	(2,586)	(2,803)
Currency translation differences	(1,302)	(234)	(76)	(218)	(898)	(2,728)
End of financial year	33,335	56,580	6,225	26,245	53,846	176,231
Accumulated depreciation and impairment losses						
Beginning of financial year	1,121	1,613	3,093	12,095	42,678	60,600
Depreciation charge	569	1,102	725	1,150	4,517	8,063
Disposals	(34)	(428)	(675)	(24)	(15)	(1,176)
Write-off	-	-	-	(192)	(2,541)	(2,733)
Impairment loss	-	-	-	22	99	121
Currency translation differences	(50)	(17)	(69)	(190)	(759)	(1,085)
End of financial year	1,606	2,270	3,074	12,861	43,979	63,790
Net book value						
End of financial year	**31,729**	**54,310**	**3,151**	**13,384**	**9,867**	**112,441**
2018						
Cost						
Beginning of financial year	32,636	61,816	4,688	25,361	50,110	174,611
Additions	242	49	56	3,058	6,033	9,438
Disposals	-	-	(603)	(2,518)	(1,470)	(4,591)
Write-off	-	-	-	(1,480)	(2,201)	(3,681)
Transfer to investment properties	-	(3,379)	-	-	-	(3,379)
Currency translation differences	1,549	314	93	317	1,028	3,301
End of financial year	34,427	58,800	4,234	24,738	53,500	175,699
Accumulated depreciation and impairment losses						
Beginning of financial year	538	426	3,030	13,797	40,898	58,689
Depreciation charge	541	1,228	514	1,050	4,224	7,557
Disposals	-	-	(535)	(1,571)	(1,418)	(3,524)
Write-off	-	-	-	(1,467)	(1,891)	(3,358)
Transfer to investment properties	-	(66)	-	-	-	(66)
Currency translation differences	42	25	84	286	865	1,302
End of financial year	1,121	1,613	3,093	12,095	42,678	60,600
Net book value						
End of financial year	33,306	57,187	1,141	12,643	10,822	115,099

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

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

	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Company				
2019				
Cost				
Beginning of financial year	1,003	12,227	2,638	15,868
Additions	2,332	654	23	3,009
End of financial year	3,335	12,881	2,661	18,877
Accumulated depreciation				
Beginning of financial year	506	2,335	2,478	5,319
Depreciation charge	416	68	59	543
End of financial year	922	2,403	2,537	5,862
Net book value				
End of financial year	**2,413**	**10,478**	**124**	**13,015**
2018				
Cost				
Beginning of financial year	1,003	12,339	2,506	15,848
Additions	-	800	134	934
Disposals	-	(908)	-	(908)
Write-off	-	(4)	(2)	(6)
End of financial year	1,003	12,227	2,638	15,868
Accumulated depreciation				
Beginning of financial year	313	2,177	2,366	4,856
Depreciation charge	193	162	113	468
Write-off	-	(4)	(1)	(5)
End of financial year	506	2,335	2,478	5,319
Net book value				
End of financial year	497	9,892	160	10,549

The major properties included in freehold and leasehold land and buildings are as follows:

Name of building/location	Description	Tenure of land	Lettable area (Sq m)
Singapore			
Winsland House I at 3 Killiney Road (Basement 1 and 10th floor)	10-storey commercial building	99-year lease expiring 2082	2,669
Malaysia			
166-A, Rifle Range Road, Pulau Pinang	5-storey commercial building	99-year lease expiring 2109	11,136
Ambassador Row Serviced Suites at 1 Jalan Ampang Hilir, Kuala Lumpur	221 units of serviced apartments in a 20-storey building	Freehold	17,452

Property, plant and equipment with net book values amounting to $2.4 million (2018: $3.0 million; 1 July 2017: $0.8 million) were mortgaged to banks to secure long term banking facilities granted to subsidiary companies (Note 23).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

21. OTHER ASSETS

	Group			Company		
	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000
Current assets						
Deposits	**4,311**	25,835	38,979	**34**	41	67
Prepayments	**4,731**	5,043	10,691	**1,075**	1,289	3,284
Contract assets [Note 21(a)]	**16,260**	2	22,586	**-**	-	-
Derivative financial instruments [Note 11]	**-**	28	2,188	**-**	-	2,062
	25,302	30,908	74,444	**1,109**	1,330	5,413
Non-current assets						
Derivative financial instruments [Note 11]	**91**	15,268	10,246	**-**	9,793	7,591
Financial investments at FVOCI [Note 21(b)]	**35,946**	-	-	**-**	-	-
Financial investments at FVPL [Note 21(c)]	**10,825**	-	-	**10,825**	-	-
AFS financial assets [Note 21(d)]	**-**	31,743	22,708	**-**	3,189	3,189
Deposits	**1,560**	1,433	2,535	**-**	-	-
	48,422	48,444	35,489	**10,825**	12,982	10,780

The carrying amounts of other non-current liabilities approximated their fair values and are categorised under Level 2 of the fair value measurement hierarchy.

(a) Contract assets

	Group			Company		
	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000
Unbilled revenue [Note 3(a)]	**15,952**	-	22,551	**-**	-	-
Costs to obtain a contract [Note 3(b)]	**308**	2	35	**-**	-	-

(b) Financial investments at FVOCI

	Group			Company		
	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000
Beginning of financial year	**-**	-	-	**-**	-	-
Reclassification at 1 July 2018	**28,554**	-	-	**-**	-	-
Fair value losses recognised in other comprehensive income	**(3,951)**	-	-	**-**	-	-
Additions	**11,343**	-	-	**-**	-	-
End of financial year	**35,946**	-	-	**-**	-	-

(c) Financial investments at FVPL

	Group			Company		
	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000
Beginning of financial year	**-**	-	-	**-**	-	-
Reclassification at 1 July 2018	**3,189**	-	-	**3,189**	-	-
Fair value gains credited to income statement	**7,636**	-	-	**7,636**	-	-
End of financial year	**10,825**	-	-	**10,825**	-	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

21. OTHER ASSETS *(continued)*

(d) AFS financial assets

	Group			Company		
	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000
Beginning of financial year	**31,743**	22,708	6,276	**3,189**	3,189	3,189
Reclassification at 1 July 2018	**(31,743)**	-	-	**(3,189)**	-	-
Fair value (losses)/gains recognised in other comprehensive income	**-**	(739)	1,214	**-**	-	-
Additions	**-**	9,774	18,305	**-**	-	-
Impairment loss	**-**	-	(3,185)	**-**	-	-
Currency translation differences	**-**	-	98	**-**	-	-
End of financial year	**-**	31,743	22,708	**-**	3,189	3,189

These equity investments are analysed as follows:

	Group			Company		
	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000
Financial investments at FVOCI						
Quoted securities in Singapore	**35,946**	-	-	**-**	-	-
Financial investments at FVPL						
Unquoted securities in Singapore	**10,825**	-	-	**10,825**	-	-
AFS financial assets						
Quoted securities in Singapore	**-**	28,554	19,519	**-**	-	-
Unquoted securities in Singapore	**-**	3,189	3,189	**-**	3,189	3,189
	46,771	31,743	22,708	**10,825**	3,189	3,189

22. TRADE AND OTHER PAYABLES

	Group			Company		
	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000
Trade payables	**15,786**	15,798	17,987	**-**	-	-
Due to subsidiary companies – non-trade [Note 22(a)]	**-**	-	-	**1,880**	167	25,251
Due to associated and joint venture companies – non-trade [Note 22(b)]	**1,705**	15,929	15,925	**-**	-	-
Accrued project costs	**16,860**	23,415	38,759	**-**	-	-
Accrued operating expenses	**24,355**	36,376	26,565	**7,949**	17,207	7,334
Other payables	**3,213**	4,976	42,030	**54**	102	156
	61,919	96,494	141,266	**9,883**	17,476	32,741

(a) Non-trade amounts due to subsidiary companies are unsecured 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

23. BORROWINGS

	Group 2019 $'000	Group 2018 $'000	Group 1 July 2017 $'000	Company 2019 $'000	Company 2018 $'000	Company 1 July 2017 $'000
Current						
– Secured bank loans	**-**	-	4,253	**-**	-	-
Non-current						
– Secured bank loans	**83,004**	84,199	221,534	**-**	-	-
– Unsecured bank loans	**176,042**	327,855	334,337	**99,189**	231,236	233,293
– Unsecured medium term notes due in 2021	**115,832**	115,762	117,250	**115,832**	115,762	117,250
– Unsecured medium term notes due in 2022	**92,750**	92,750	92,750	**92,750**	92,750	92,750
– Unsecured medium term notes due in 2023	**80,500**	80,500	80,500	**80,500**	80,500	80,500
– Unsecured medium term notes due in 2024	**79,000**	79,000	79,000	**79,000**	79,000	79,000
	627,128	780,066	925,371	**467,271**	599,248	602,793
Total borrowings	**627,128**	780,066	929,624	**467,271**	599,248	602,793

The carrying amounts of borrowings approximated their fair values and are categorised under Level 2 of the fair value measurement hierarchy.

(a) Interest rate risks

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

	Group 2019 $'000	Group 2018 $'000	Group 1 July 2017 $'000	Company 2019 $'000	Company 2018 $'000	Company 1 July 2017 $'000
Less than one year	**101,946**	102,952	238,787	**18,942**	18,753	13,000
Between one and two years	**-**	268,089	-	**-**	247,998	-
Between two and five years	**525,182**	330,025	271,397	**448,329**	253,497	250,543
Over five years	**-**	79,000	419,440	**-**	79,000	339,250
	627,128	780,066	929,624	**467,271**	599,248	602,793

(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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

24. DIVIDENDS

	Group and Company	
	2019 **$'000**	**2018** **$'000**
Dividends paid in respect of the preceding financial year		
First and final dividend of 3 cents (2018: 3 cents) per share	**23,032**	23,234
Special dividend of 5 cents (2018: 3 cents) per share	**38,386**	23,234
	61,418	46,468

The directors have recommended a first and final dividend in respect of the financial year ended 30 June 2019 of 3 cents per share and a special dividend of 2 cents per share. These financial statements do not reflect these proposed dividends, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 June 2020.

The proposed first and final dividend in respect of the financial year ended 30 June 2018 have been accounted for in the shareholders' equity as an appropriation of retained earnings in the current financial year.

25. OTHER LIABILITIES

	Group			Company		
	2019 **$'000**	**2018** **$'000**	**1 July 2017** **$'000**	**2019** **$'000**	**2018** **$'000**	**1 July 2017** **$'000**
Current liabilities						
Contract liabilities [Note 3(a)]	**7,182**	14,511	4,611	**-**	-	-
Tenancy and other deposits	**2,623**	3,747	30,613	**-**	-	-
Derivative financial instruments [Note 11]	**99**	958	80	**-**	-	-
Others	**1,486**	1,444	811	**-**	-	-
	11,390	20,660	36,115	**-**	-	-
Non-current liabilities						
Tenancy deposits	**6,033**	3,725	4,499	**-**	-	-
Loans from non-controlling interests	**-**	-	8,005	**-**	-	-
Retention payable	**352**	4,376	5,172	**-**	-	-
Derivative financial instruments [Note 11]	**10,073**	3,716	979	**10,073**	3,716	979
Others	**1,633**	1,729	1,959	**-**	-	-
	18,091	13,546	20,614	**10,073**	3,716	979

Loans from non-controlling interests were unsecured, interest-free and had no fixed terms of repayment.

The carrying amounts of other non-current liabilities approximated their fair values and are categorised under Level 2 of the fair value measurement hierarchy.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

26. SHARE CAPITAL

	Group and Company Number of ordinary shares '000	Amount $'000
Issued share capital		
2019		
Beginning and end of financial year	**793,927**	**838,250**
2018		
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 26 September 2018 (2018: 25 September 2017), awards were granted by the Company to qualifying employees pursuant to the Wing Tai PSP in respect of 315,000 (2018: 333,000) 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
2019					
14.09.2015	191,000	-	(155,800)	(35,200)	**-**
21.09.2016	323,000	-	-	-	**323,000**
25.09.2017	333,000	-	-	-	**333,000**
26.09.2018	-	315,000	-	-	**315,000**
	847,000	**315,000**	**(155,800)**	**(35,200)**	**971,000**
2018					
26.09.2014	182,000	-	(182,000)	-	-
14.09.2015	191,000	-	-	-	191,000
21.09.2016	323,000	-	-	-	323,000
25.09.2017	-	333,000	-	-	333,000
	696,000	333,000	(182,000)	-	847,000

Wing Tai RSP

On 26 September 2018 (2018: 25 September 2017), awards were granted by the Company to qualifying employees pursuant to the Wing Tai RSP in respect of 1,328,000 (2018: 772,000) 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

26. 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
2019					
14.09.2015	290,800	-	(290,800)	-	**-**
21.09.2016	345,100	-	(147,900)	(8,400)	**188,800**
25.09.2017	729,000	-	(218,700)	(30,100)	**480,200**
26.09.2018	-	1,328,000	(398,400)	(42,000)	**887,600**
	1,364,900	**1,328,000**	**(1,055,800)**	**(80,500)**	**1,556,600**
2018					
26.09.2014	335,200	-	(335,200)	-	-
14.09.2015	524,300	-	(224,700)	(8,800)	290,800
21.09.2016	519,000	-	(155,700)	(18,200)	345,100
25.09.2017	-	772,000	-	(43,000)	729,000
	1,378,500	772,000	(715,600)	(70,000)	1,364,900

The fair values of the awards granted pursuant to the Wing Tai PSP and the Wing Tai RSP on 26 September 2018 (2018: 25 September 2017) determined using the Monte Carlo simulation model was $0.2 million (2018: $0.1 million) and $1.6 million (2018: $1.6 million) respectively. The significant inputs into the model were share price at grant date of $1.96 (2018: $2.15) per share, standard deviation of expected share price returns of 20.2% (2018: 20.3%), dividend yield of 1.0% (2018: 0.5%) and annual risk-free one-year, two-year and three-year interest rates of 1.8%, 2.0% and 2.2% (2018: 1.2%, 1.3% and 1.5%) 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.

27. 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, 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		
	2019 $'000	**2018 $'000**	**2017 $'000**
Perpetual securities 2017	**147,778**	147,778	147,778
Perpetual securities 2019	**148,597**	-	-
	296,375	147,778	147,778

Notes to the Financial Statements

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28. OTHER RESERVES

	Group			Company		
	2019 $'000	2018 $'000	1 July 2017 $'000	2019 $'000	2018 $'000	1 July 2017 $'000
Share-based payment reserve	**2,161**	1,769	11,668	**2,161**	1,769	10,486
Cash flow hedge reserve	**624**	4,025	(424)	**-**	577	(1,058)
Asset revaluation reserve	**-**	-	-	**-**	-	-
Share of capital reserves of associated and joint venture companies	**59,425**	76,264	70,216	**-**	-	-
Currency translation reserve	**(48,251)**	(14,603)	-	**-**	-	-
Fair value reserve	**(3,476)**	475	1,214	**-**	-	-
Treasury shares reserve	**(42,919)**	(33,990)	(30,597)	**(42,919)**	(33,990)	(30,597)
Statutory reserve	**4,859**	4,859	4,859	**-**	-	-
	(27,577)	38,799	56,936	**(40,758)**	(31,644)	(21,169)

		Group		Company	
		2019 $'000	2018 $'000	2019 $'000	2018 $'000
(a)	**Share-based payment reserve**				
	Beginning of financial year	**1,769**	11,668	**1,769**	10,486
	Employee share plans and share option schemes:				
	– Value of employee services (Notes 6 and 26)	**2,384**	1,342	**2,384**	1,181
	– Reissuance of treasury shares	**(1,992)**	(1,196)	**(1,992)**	(1,196)
	Expiry of share options	**-**	(9,634)	**-**	(8,702)
	Termination of share plans	**-**	(411)	**-**	-
	End of financial year	**2,161**	1,769	**2,161**	1,769
(b)	**Cash flow hedge reserve**				
	Interest rate risk				
	Beginning of financial year	**4,025**	(424)	**577**	(1,058)
	Fair value (losses)/gains on derivative financial instruments	**(3,675)**	3,866	**(1,160)**	1,930
	Reclassified to income statement as finance costs	**274**	583	**583**	(295)
	End of financial year	**624**	4,025	**-**	577
(c)	**Asset revaluation reserve**				
	Beginning of financial year	**-**	24,247	**-**	-
	Effects of adoption of SFRS(I)s	**-**	(24,247)	**-**	-
	Balance at 1 July, as reported and end of financial year	**-**	-	**-**	-
(d)	**Share of capital reserves of associated and joint venture companies**				
	Beginning of financial year	**76,264**	62,877	**-**	-
	Effects of adoption of SFRS(I)s	**-**	7,339	**-**	-
	Balance at 1 July, as adjusted	**76,264**	70,216	**-**	-
	Effect of adoption of SFRS(I) 9	**(11,549)**	-	**-**	-
	Balance at 1 July, as reported	**64,715**	70,216	**-**	-
	Share of capital reserves of associated and joint venture companies	**(5,285)**	6,139	**-**	-
	Attributable to non-controlling interests	**(5)**	(91)	**-**	-
	End of financial year	**59,425**	76,264	**-**	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

28. OTHER RESERVES *(continued)*

		Group		Company	
		2019 $'000	2018 $'000	2019 $'000	2018 $'000
(e)	**Currency translation reserve**				
	Beginning of financial year	**(14,603)**	(87,333)	**-**	-
	Effects of adoption of SFRS(I)s	**-**	87,333	**-**	-
	Balance at 1 July, as reported	**(14,603)**	-	**-**	-
	Translation of financial statements of foreign subsidiary, associated and joint venture companies	**(28,232)**	(9,248)	**-**	-
	Translation of foreign currency denominated loans which form part of net investment in subsidiary companies	**(6,251)**	(4,642)	**-**	-
	Termination of share plans	**-**	(2)	**-**	-
	Liquidation of subsidiary companies	**(2)**	-	**-**	-
	Disposal of a subsidiary company	**-**	(1,359)	**-**	-
	Attributable to non-controlling interests	**837**	648	**-**	-
	End of financial year	**(48,251)**	(14,603)	**-**	-
	As at 30 June 2019, $15.6 million (2018: $3.8 million) of the currency translation reserve relates to net investment hedges. During the financial year ended 30 June 2019, net fair value changes the hedging instruments relating to net investment hedges and recognised in currency translation reserves are disclosed in Note 11 (2018: $3.8 million).				
(f)	**Fair value reserve**				
	Beginning of financial year	**475**	1,214	**-**	-
	Fair value losses on financial investments at FVOCI/AFS	**(3,951)**	(739)	**-**	-
	End of financial year	**(3,476)**	475	**-**	-
(g)	**Treasury shares reserve**				
	Beginning of financial year	**(33,990)**	(30,597)	**(33,990)**	(30,597)
	Reissuance of treasury shares	**1,787**	1,086	**1,787**	1,086
	Purchase of treasury shares	**(10,716)**	(4,479)	**(10,716)**	(4,479)
	End of financial year	**(42,919)**	(33,990)	**(42,919)**	(33,990)
(h)	**Statutory reserve**				
	Beginning and end of financial year	**4,859**	4,859	**-**	-
	Total	**(27,577)**	38,799	**(40,758)**	(31,644)

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

The total number of treasury shares held by the Company as at 30 June 2019 was 26,201,800 (2018: 21,731,400). The Company reissued 1,091,000 (2018: 715,600) treasury shares during the financial year pursuant to the Wing Tai RSP (2018: Wing Tai RSP). The purchase cost of the treasury shares reissued amounted to $1.8 million (2018: $1.1 million). The total consideration for the treasury shares reissued which comprised the value of employee services amounted to $2.0 million (2018: $1.2 million).

Statutory reserve relates to non-distributable reserve of a subsidiary company in China made 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 to the circumstances as stipulated in the relevant regulations.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

29. RETAINED EARNINGS

(a) Retained earnings of the Group are distributable except for accumulated retained earnings of associated and joint venture companies amounting to $1,293.1 million (2018: $1,254.0 million) and the amount of $42.9 million (2018: $34.0 million) utilised to purchase treasury shares. Retained earnings of the Company are distributable except for the amount of $42.9 million (2018: $34.0 million) utilised to purchase treasury shares.

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

	Company	
	2019	**2018**
	$'000	**$'000**
Beginning of financial year	**460,777**	485,687
Total comprehensive (expense)/income	**(13,764)**	18,866
Expiry of share options	**-**	8,702
Reissuance of treasury shares	**205**	110
Accrued perpetual securities distribution	**(6,820)**	(6,120)
Ordinary and special dividends paid (Note 24)	**(61,418)**	(46,468)
End of financial year	**378,980**	460,777

30. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements, excluding those relating to investments in associated and joint venture companies (Note 17), are as follows:

	Group	
	2019	**2018**
	$'000	**$'000**
Commitments in respect of contracts placed	**-**	1,120

(b) Operating lease commitments – where the Group is a lessee

The Group leases office and retail units and warehouse space under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	Group	
	2019	**2018**
	$'000	**$'000**
Not later than one year	**22,561**	25,996
Between one and five years	**15,040**	20,552
	37,601	46,548

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

30. COMMITMENTS *(continued)*

(c) Operating lease commitments – where the Group is a lessor

The Group leases out office and retail units and serviced apartments under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are as follows:

	Group	
	2019 $'000	**2018 $'000**
Not later than one year	**36,907**	30,140
Between one and five years	**57,661**	41,923
Later than five years	**44,820**	23,544
	139,388	95,607

31. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

The details and estimates of the maximum amounts of contingent liabilities and financial guarantees, excluding those relating to investments in associated and joint venture companies (Note 17), are as follows:

	Group		Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Financial guarantees issued to banks for credit facilities granted to:				
– subsidiary companies	**-**	-	**78,030**	98,498
– joint venture companies	**8,280**	8,280	**-**	-
	8,280	8,280	**78,030**	98,498

The Company has given financial guarantees for all liabilities incurred under a tender bond facility of a subsidiary company amounting to $15.0 million (2018: $15.0 million) granted by a bank to the subsidiary company.

32. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk

(i) Currency risk

The Group operates in Asia-Pacific with dominant operations in Singapore, Malaysia, Australia, Japan, the People's Republic of China and Hong Kong SAR. Entities in the Group may transact in currencies other than their respective functional currencies. Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. To manage the currency 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	RM $'000	USD $'000	HKD $'000	AUD $'000	Others $'000	Total $'000
Group							
2019							
Financial assets							
Cash and cash equivalents	105,167	40,838	4,791	11,779	9,078	45,679	217,332
Trade and other receivables (current and non-current)	282,363	5,985	87	8,668	1,030	4,529	302,662
Other assets (current and non-current)	18,921	2,720	-	-	92	90	21,823
	406,451	49,543	4,878	20,447	10,200	50,298	541,817
Financial liabilities							
Trade and other payables	(34,053)	(23,081)	(875)	(132)	(589)	(3,189)	(61,919)
Borrowings	(533,250)	-	-	(78,030)	(18,386)	-	(629,666)
Other liabilities (current and non-current)	(7,199)	(2,066)	-	-	-	(1,376)	(10,641)
	(574,502)	(25,147)	(875)	(78,162)	(18,975)	(4,565)	(702,226)
Net financial (liabilities)/assets	(168,051)	24,396	4,003	(57,715)	(8,775)	45,733	(160,409)
Net financial (assets)/liabilities denominated in the respective entities' functional currencies	168,047	(24,230)	(1,655)	(8,701)	9,014	(47,636)	94,839
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	(510)	-	-	(5,169)	(5,679)
Currency forwards and cross currency swaps	-	-	-	(227,121)	(28,287)	6,826	(248,582)
Currency exposure	**(4)**	**166**	**1,838**	**(293,537)***	**(28,048)**	**(246)**	**(319,831)**

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) *Currency risk (continued)*

	SGD $'000	RM $'000	USD $'000	HKD $'000	AUD $'000	Others $'000	Total $'000
Group							
2018							
Financial assets							
Cash and cash equivalents	652,100	61,594	5,399	18,946	5,346	48,766	792,151
Trade and other receivables (current and non-current)	316,459	7,300	86	8,067	3,086	808	335,806
Other assets (current and non-current)	24,741	2,427	-	-	-	100	27,268
	993,300	71,321	5,485	27,013	8,432	49,674	1,155,225
Financial liabilities							
Trade and other payables	(65,521)	(23,672)	(2,271)	(582)	(850)	(3,598)	(96,494)
Borrowings	(651,250)	-	(35,399)	(78,075)	(19,707)	-	(784,431)
Other liabilities (current and non-current)	(7,515)	(5,726)	-	-	-	(336)	(13,577)
	(724,286)	(29,398)	(37,670)	(78,657)	(20,557)	(3,934)	(894,502)
Net financial assets/(liabilities)	269,014	41,923	(32,185)	(51,644)	(12,125)	45,740	260,723
Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(269,271)	(41,744)	19,494	(18,892)	13,401	(48,580)	(345,592)
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	(619)	(78)	-	(5,460)	(6,157)
Currency forwards and cross currency swaps	-	-	16,036	(227,110)	-	8,434	(202,640)
Currency exposure	(257)	179	2,726	(297,724)*	1,276	134	(293,666)

The Group does not have significant currency exposure arising from inter-company balances.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) *Currency risk (continued)*

	SGD $'000	RM $'000	USD $'000	HKD $'000	AUD $'000	JPY $'000	Others $'000	Total $'000
Company								
2019								
Financial assets								
Cash and cash equivalents	68,350	160	260	-	-	-	-	68,770
Trade and other receivables (current and non-current)	534,085	7	21,997	81,785	32,059	41,667	6	711,606
Other assets (current and non-current)	34	-	-	-	-	-	-	34
	602,469	167	22,257	81,785	32,059	41,667	6	780,410
Financial liabilities								
Trade and other payables	(7,783)	-	-	(1,890)	-	-	(210)	(9,883)
Borrowings	(468,250)	-	-	-	-	-	-	(468,250)
	(476,033)	-	-	(1,890)	-	-	(210)	(478,133)
Net financial assets/(liabilities)	126,436	167	22,257	79,895	32,059	41,667	(204)	302,277
Net financial assets denominated in the Company's functional currency	(126,436)	-	-	-	-	-	-	(126,436)
Cross currency swaps	-	-	-	(227,121)	(28,287)	-	-	(255,408)
Currency exposure	**-**	**167**	**22,257**	**(147,226)***	**3,772**	**41,667**	**(204)**	**(79,567)**
2018								
Financial assets								
Cash and cash equivalents	608,898	169	878	-	-	-	-	609,945
Trade and other receivables (current and non-current)	689,279	-	2,760	97,876	71,572	-	7	861,494
Other non-current assets	41	-	-	-	-	-	-	41
	1,298,218	169	3,638	97,876	71,572	-	7	1,471,480
Financial liabilities								
Trade and other payables	(17,036)	-	(88)	(27)	-	-	(325)	(17,476)
Borrowings	(586,250)	-	(14,976)	-	-	-	-	(601,226)
	(603,286)	-	(15,064)	(27)	-	-	(325)	(618,702)
Net financial assets/(liabilities)	694,932	169	(11,426)	97,849	71,572	-	(318)	852,778
Net financial assets denominated in the Company's functional currency	(694,932)	-	-	-	-	-	-	(694,932)
Cross currency swaps	-	-	15,064	(208,971)	-	-	-	(193,907)
Currency exposure	-	169	3,638	(111,122)*	71,572	-	(318)	(36,061)

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) *Currency risk (continued)*

* The HKD net currency exposure of $293.5 million (2018: $297.7 million) for the Group and $147.2 million (2018: $111.1 million) for the Company mainly relate to cross currency swaps 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 2019 in relation to the net investment hedges.

If the RM, USD, HKD, JPY and AUD change against the SGD by 1% (2018: 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	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Group				
RM against SGD				
– strengthened	**2**	2	**-**	-
– weakened	**(2)**	(2)	**-**	-
USD against SGD				
– strengthened	**23**	36	**-**	-
– weakened	**(23)**	(36)	**-**	-
HKD against SGD				
– strengthened	**(2,935)**	(2,976)	**-**	-
– weakened	**2,935**	2,976	**-**	-
AUD against SGD				
– strengthened	**(280)**	13	**-**	-
– weakened	**280**	(13)	**-**	-
Company				
RM against SGD				
– strengthened	**2**	2	**-**	-
– weakened	**(2)**	(2)	**-**	-
USD against SGD				
– strengthened	**223**	36	**-**	-
– weakened	**(223)**	(36)	**-**	-
HKD against SGD				
– strengthened	**(1,472)**	(1,111)	**-**	-
– weakened	**1,472**	1,111	**-**	-
JPY against SGD				
– strengthened	**417**	-	**-**	-
– weakened	**(417)**	-	**-**	-
AUD against SGD				
– strengthened	**38**	716	**-**	-
– weakened	**(38)**	(716)	**-**	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. 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 securities listed in Singapore, which have been classified in the consolidated statement of financial position as financial assets, at FVOCI (2018: AFS).

Based on the portfolio of quoted equity securities held by the Group, if prices for equity securities listed in Singapore change by 1% (2018: 1%; 1 July 2017: 1%), with all other variables being held constant, the fair value reserve will be higher/lower by $0.4 million (2018: $0.3 million; 1 July 2017: $0.2 million).

(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.

Hedge effectiveness

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

The Group's borrowings at floating rates on which effective hedges have not been entered into are denominated mainly in SGD and AUD. If the SGD and AUD interest rates increase/decrease by 1% (2018: 1%) with all other variables being held constant, the profit before income tax would have been lower/higher by $1.0 million (2018: $1.0 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $5.5 million (2018: $6.5 million) as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of floating rate borrowings.

The Company's borrowings at floating rates on which effective hedges have not been entered into are denominated in SGD. If the SGD interest rate increases/decreases by 1% (2018: 1%) with all other variables being held constant, the profit before income tax would have been lower/higher by $0.2 million (2018: $0.2 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $3.2 million (2018: $3.6 million) as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of floating rate borrowings.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

(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 from subsidiary companies and joint venture companies (Notes 12, 16 and 21). 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 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 five 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 disclosed in Note 31.

The credit risk for trade receivables is as follows:

	Group	
	2019 $'000	**2018 $'000**
By business segments		
Development properties	**2,451**	32,782
Investment properties	**731**	1,528
Retail	**3,835**	4,798
Others	**115**	168
	7,132	39,276

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Credit risk *(continued)*

(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 relate 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 loss allowance provision 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 companies, associated companies, joint venture companies and non-controlling interests

For trade and other receivables and loans to subsidiary companies, 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 Company has issued financial guarantees to banks for borrowings of its subsidiary companies. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiary 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 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Credit risk *(continued)*

The movements for credit loss allowance are as follows:

	Trade and other receivables	
	Group	**Company**
	2019 $'000	**2019 $'000**
As at 1 July 2018 under SFRS and SFRS(I) 9	**27,177**	**323,609**
Allowance made	**15**	**19,075**
Currency translation differences	**(3)**	**-**
End of financial year	**27,189**	**342,684**

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

Previous accounting policy for impairment of trade and other receivables
In 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

(i) Significant financial difficulties of the debtor;
(ii) Probability that the debtor will enter bankruptcy or financial reorganisation; and
(iii) Default or delinquency in payments (more than 60 days overdue).

Financial assets that are neither past due nor impaired
Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially due from companies with a good collection track record with the Group.

Financial assets that are past due and/or impaired
There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

The Group's credit risk exposure in relation to trade and other receivables under SFRS 39 as at 30 June 2018 and 1 July 2017 are set out as follows:

	Group	
	30 June 2018 $'000	**1 July 2017 $'000**
Past due less than 3 months	1,439	1,050
Past due 3 to 6 months	16	27
Past due over 6 months	28	352
	1,483	1,429

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

The carrying amount of trade and other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Gross amount	**160,603**	159,999	**394,954**	742,989
Less: Allowance for impairment	**(27,177)**	(27,204)	**(323,609)**	(312,088)
	133,426	132,795	**71,345**	430,901
Beginning of financial year	**27,204**	332	**312,088**	273,176
Allowance (written back)/made	**(24)**	27,123	**11,521**	38,912
Allowance utilised	**(36)**	(183)	**-**	-
Currency translation differences	**33**	(68)	**-**	-
End of financial year	**27,177**	27,204	**323,609**	312,088

The impaired trade and other receivables of the Group and the Company arose mainly from loans to joint venture and subsidiary companies for which recoverability is uncertain.

(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				
2019				
Net-settled interest rate swaps	(749)	(747)	(759)	-
Gross-settled cross currency swaps				
– Receipts	(2,471)	(2,464)	(85,972)	-
– Payments	3,728	3,718	90,583	-
Gross-settled currency forwards				
– Receipts	(22,424)	-	(168,394)	-
– Payments	22,531	-	172,209	-
Trade and other payables	61,919	-	-	-
Borrowings	24,991	24,867	663,936	-
Non-current liabilities	-	3,446	3,469	1,103
Financial guarantees	8,280	-	-	-
	95,805	**28,820**	**675,072**	**1,103**

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity risk *(continued)*

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Group *(continued)*				
2018				
Net-settled interest rate swaps	(398)	(392)	(776)	-
Gross-settled cross currency swaps				
– Receipts	(7,455)	(157,643)	(88,416)	-
– Payments	7,360	148,351	94,355	-
Gross-settled currency forwards				
– Receipts	(142,458)	-	-	-
– Payments	144,569	-	-	-
Trade and other payables	96,494	-	-	-
Borrowings	29,312	199,186	586,048	81,472
Other non-current liabilities	-	7,140	2,690	-
Financial guarantees	8,280	-	-	-
	135,704	196,642	593,901	81,472
Company				
2019				
Gross-settled cross currency swaps				
– Receipts	(2,471)	(2,464)	(85,972)	-
– Payments	3,728	3,718	90,583	-
Gross-settled currency forwards				
– Receipts	-	-	(168,394)	-
– Payments	-	-	172,209	-
Trade and other payables	9,883	-	-	-
Borrowings	19,040	18,988	496,489	-
Financial guarantees	-	-	78,030	-
	30,180	**20,242**	**582,945**	**-**
2018				
Net-settled interest rate swaps	(13)	(5)	-	-
Gross-settled cross currency swaps				
– Receipts	(6,655)	(136,935)	(88,416)	-
– Payments	6,901	130,108	94,355	-
Trade and other payables	17,476	-	-	-
Borrowings	23,190	153,508	433,979	81,472
Financial guarantees	-	20,423	78,075	-
	40,899	167,099	517,993	81,472

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. 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.

	Group		Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Borrowings	**627,128**	780,066	**467,271**	599,248
Less: Cash and cash equivalents	**(217,332)**	(792,151)	**(68,770)**	(609,945)
Net debt/(cash)	**409,796**	(12,085)	**398,501**	(10,697)
Equity attributable to equity holders of the Company:				
- ordinary shareholders	**3,213,041**	3,289,130	**1,176,472**	1,267,383
- holders of perpetual securities	**296,375**	147,778	**296,375**	147,778
	3,509,416	3,436,908	**1,472,847**	1,415,161
Debt-equity ratio	**12%**	n/m	**27%**	n/m

n/m: not meaningful

The Group and the Company are required by the banks to maintain a certain level of the debt-equity ratio. The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2019 and 2018.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements

(i) Fair value measurement hierarchy

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

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2019				
Assets				
Derivative financial instruments	-	91	-	91
Investment properties	-	-	792,663	792,663
Financial investments at FVOCI	35,946	-	-	35,946
Financial investments at FVPL	-	-	10,825	10,825
Liabilities				
Derivative financial instruments	-	(10,172)	-	(10,172)
	35,946	**(10,081)**	**803,488**	**829,353**
2018				
Assets				
Derivative financial instruments	-	15,296	-	15,296
Investment properties	-	-	733,250	733,250
AFS financial assets	28,554	-	3,189	31,743
Liabilities				
Derivative financial instruments	-	(4,674)	-	(4,674)
	28,554	10,622	736,439	775,615
Company				
2019				
Assets				
Financial investments at FVPL	-	-	10,825	10,825
Liabilities				
Derivative financial instruments	-	(10,073)	-	(10,073)
	-	**(10,073)**	**10,825**	**752**
2018				
Assets				
Derivative financial instruments	-	9,793	-	9,793
AFS financial assets	-	-	3,189	3,189
Liabilities				
Derivative financial instruments	-	(3,716)	-	(3,716)
	-	6,077	3,189	9,266

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

(ii) *Level 2 fair value measurements*

The fair value of interest rate and cross currency swaps is calculated as the present value of the estimated future cash flows discounted at actively quoted interest and forward exchange rates. The fair value of currency forwards is determined using actively quoted forward exchange rates at the end of the reporting period. These instruments are classified as Level 2 and comprise derivative financial instruments.

(iii) *Level 3 fair value measurements*

(a) Valuation techniques and inputs

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.

Types	**Valuation techniques**	**Significant unobservable inputs**	**Range of significant unobservable inputs**	**Relationship of significant unobservable inputs to fair value**
Commercial buildings, serviced apartments, condominium housing and shop offices in Singapore, Malaysia, Australia, Japan and the People's Republic of China	Direct Comparison Approach	Market value per square metre	$700 - $22,641 (2018: $845 - $22,058)	The higher the adjusted valuation, the higher the fair value
		Market value per room	$970,000 (2018: $970,000)	The higher the market value, the higher the fair value
	Capitalisation Approach	Estimated rental rate per square metre per month	$24 - $99 (2018: $19 - $98)	The higher the estimated rental rate, the higher the fair value
		Estimated rental rate per bay per month	$260 - $303 (2018: $304 - $312)	
		Capitalisation rate	3.75% - 6.00% (2018: 3.75% - 6.25%)	The higher the capitalisation rate, the lower the fair value
	Discounted Cash Flow Approach	Discount rate	3.50% - 7.00% (2018: 6.25% - 7.75%)	The higher the discount rate, the lower the fair value
Financial investments at FVPL	Market approach	Price from market transaction involving identical assets	Not applicable	The higher the transaction value, the higher the fair value

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

(iii) Level 3 fair value measurements

(b) Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair values of the Group's investment properties 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 Method involves discounting of future income stream over a period to arrive at a present value.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed in Notes 11 and 21 to the financial statements and as follows:

	Group 2019 $'000	Company 2019 $'000
Financial assets at FVPL	**10,916**	**10,825**
Financial liabilities at FVPL	**10,172**	**10,073**
Financial assets at amortised cost	**541,817**	**780,410**
Financial liabilities at amortised cost	**699,688**	**477,154**

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Loans and receivables	**1,155,225**	1,156,558	**1,471,480**	1,359,141
Financial liabilities at amortised cost	**890,137**	1,121,138	**616,724**	635,534

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

33. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sale of goods and rendering of services

	Group	
	2019 **$'000**	**2018** **$'000**
Management and service fees received from joint venture companies	**8,095**	4,505
Management fees paid to an associated company	**358**	260
Payments on behalf of joint venture companies	**5,416**	6,075

(b) Key management personnel compensation

	Group	
	2019 **$'000**	**2018** **$'000**
Salaries and other short term employee benefits	**13,805**	13,702
Share-based payment	**920**	443
	14,725	14,145

Included in the above is compensation paid/payable to directors of the Company which amounted to $10.3 million (2018: $9.4 million).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

34. SEGMENT INFORMATION

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

2019	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Group $'000
Revenue					
- Recognised at a point in time	109,765	-	134,465	-	**244,230**
- Recognised over time	26,423	-	-	9,242	**35,665**
- Others	-	41,314	-	1,407	**42,721**
	136,188	41,314	134,465	10,649	**322,616**
EBIT*	14,071	53,005	40,185	(40,426)	**66,835**
Interest income					**10,292**
Finance costs					**(30,849)**
Profit before income tax					**46,278**
Income tax credit					**2,479**
Total profit					**48,757**
Segment assets	1,289,668	878,706	51,794	115,387	**2,335,555**
Investments in associated and joint venture companies	504,637	1,284,285	111,838	(166,100)	**1,734,660**
Due from associated and joint venture companies	272,526	21	1,171	1,158	**274,876**
	2,066,831	2,163,012	164,803	(49,555)	**4,345,091**
Tax recoverable					**5,678**
Derivative financial instruments					**91**
Deferred income tax assets					**8,783**
Consolidated total assets					**4,359,643**
Segment liabilities	40,811	13,895	11,726	14,796	**81,228**
Borrowings	-	83,005	-	544,123	**627,128**
	40,811	96,900	11,726	558,919	**708,356**
Current income tax liabilities					**22,426**
Derivative financial instruments					**10,172**
Deferred income tax liabilities					**36,046**
Consolidated total liabilities					**777,000**
Capital expenditure	39	55,288	3,614	4,094	**63,035**
Depreciation	89	2,248	3,268	2,458	**8,063**

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

34. SEGMENT INFORMATION *(continued)*

2018	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Group $'000
Revenue					
- Recognised at a point in time	117,591	-	136,126	1,157	254,874
- Recognised over time	61,787	-	-	6,925	68,712
- Others	-	35,884	-	958	36,842
	179,378	35,884	136,126	9,040	360,428
EBIT*	67,406	197,811	34,329	(28,840)	270,706
Interest income					7,724
Finance costs					(32,533)
Profit before income tax					245,897
Income tax expense					(18,580)
Total profit					227,317
Segment assets	1,398,773	814,151	56,780	155,308	2,425,012
Investments in associated and joint venture companies	505,054	1,246,017	103,776	(93,178)	1,761,669
Due from associated and joint venture companies	278,602	20	868	3	279,493
	2,182,429	2,060,188	161,424	62,133	4,466,174
Tax recoverable					7,693
Derivative financial instruments					15,296
Deferred income tax assets					10,041
Consolidated total assets					4,499,204
Segment liabilities	56,218	12,263	13,826	43,719	126,026
Borrowings	-	84,199	-	695,867	780,066
	56,218	96,462	13,826	739,586	906,092
Current income tax liabilities					42,609
Derivative financial instruments					4,674
Deferred income tax liabilities					36,568
Consolidated total liabilities					989,943
Capital expenditure	15	70,116	4,606	1,619	76,356
Depreciation	183	1,905	2,859	2,610	7,557

* EBIT includes 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2019

34. SEGMENT INFORMATION *(continued)*

	Revenue		Non-current assets	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Singapore	**148,530**	226,748	**894,583**	900,001
Malaysia	**164,847**	124,624	**153,093**	148,543
Australia	**7,952**	5,939	**113,572**	119,781
PRC	**1,222**	3,117	**87,636**	106,124
Japan	**65**	-	**55,566**	-
Hong Kong SAR	**-**	-	**1,615,432**	1,615,100
	322,616	360,428	**2,919,882**	2,889,549

35. COMPANIES IN THE GROUP

Information relating to the companies in the Group is given below, with the exception of inactive and dormant companies. Singapore-incorporated subsidiary and joint venture companies are audited by PricewaterhouseCoopers LLP, Singapore unless otherwise indicated.

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2019 %	2018 %
(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
Angel Wing (M) Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
Angkasa Indah Sdn. Bhd.	*, !	Malaysia	Property development	**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 Jaya Sdn. Bhd.	*, !	Malaysia	Property investment	**100**	100
DNP Land Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
D & P-Ejenawa Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100

n/a: not applicable

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35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2019 %	2018 %
(b) Subsidiary companies *(continued)*					
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 development	**100**	100
Seniharta Sdn. Bhd.	*, !	Malaysia	Property investment	**100**	100
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
Wincheer Investment Pte Ltd	*	Singapore	Property investment and development	**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
Winnervest Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winnorth Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winquest Investment Pte Ltd	*	Singapore	Property investment and development	**60**	60
Winrise (Japan) TMK	*, <	Japan	Property investment	**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

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35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2019 %	2018 %
(b) Subsidiary companies *(continued)*					
Winsmart Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Wingcharm Investment Pte Ltd	*	Singapore	Property development	**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
Wing Tai Clothing Pte Ltd	*	Singapore	Retailing of garments	**100**	100
Wing Tai Clothing Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**100**	100
Wing Tai Digital Management Pte Ltd	*	Singapore	IT consultancy	**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 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	*, +	Australia	Property investment	**100**	100

Notes to the Financial Statements

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35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2019 %	2018 %
(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	**33.1**	33.2
(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 to Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit and Risk Committee and the Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its significant subsidiary and associated companies would not compromise the standard and effectiveness of the audit of the Company.

Notes to the Financial Statements

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36. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2019 and which the Group has not early adopted:

- SFRS(I) 16 *Leases*;
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*;
- Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*;
- Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*; and
- Annual Improvements to SFRS(I) Standards 2015-2017 cycle

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 except for the following:

(a) SFRS(I) 16 *Leases* (effective for annual periods beginning on or after 1 January 2019)

SFRS(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group will apply the standard from its mandatory adoption date of 1 July 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

The standard will affect primarily the accounting for the Group's operating leases. As at 30 June 2019, the Group has non-cancellable operating lease commitment of $37.6 million (Note 30(b)) that may result in the recognition of an asset and a liability for future payments.

The Group is currently finalising the transition adjustments.

(b) SFRS(I) INT 23 *Uncertainty Over Income Tax Treatments* (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

(i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

(ii) that the entity should assume a tax authority will examine, the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

(iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

(iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

(v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group does not expect additional tax liability to be recognised arising from the uncertain tax positions on the adoption of the interpretation on 1 July 2019.

37. 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 12 September 2019.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF WING TAI HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019

The information in this Appendix III has been reproduced from the announcement on 23 October 2019 of the unaudited consolidated financial statements of Wing Tai Holdings Limited and its subsidiaries for the first quarter ended 30 September 2019 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 FIRST QUARTER ENDED 30 SEPTEMBER 2019

The Company announces the unaudited consolidated results for the first quarter ended 30 September 2019.

1 (a)(i) **Income Statement**

	Group			
	First Quarter ended 30-Sep-19 S$'000	First Quarter ended 30-Sep-18 S$'000	+/(-) %	Note
Revenue	**79,310**	77,906	2	
Cost of sales	**(36,938)**	(46,019)	(20)	
Gross profit	**42,372**	31,887	33	
Other gains – net	**1,350**	2,408	(44)	(a)
Expenses				
- Distribution	**(14,124)**	(14,904)	(5)	(b)
- Administrative and other	**(22,041)**	(20,455)	8	(c)
Operating profit/(loss)	**7,557**	(1,064)	n.m.	
Finance costs	**(7,225)**	(7,968)	(9)	
Share of profits of associated and joint venture companies	**10,470**	9,286	13	
Profit before income tax	**10,802**	254	n.m.	
Income tax (expense)/credit	**(3,985)**	2,043	n.m.	
Total profit	**6,817**	2,297	197	
Attributable to:				
Equity holders of the Company	**6,847**	2,213	209	
Non-controlling interests	**(30)**	84	n.m.	
	6,817	2,297	197	

1 (a)(ii) **Notes to Income Statement**

		Group			
		First Quarter ended 30-Sep-19 S$'000	First Quarter ended 30-Sep-18 S$'000	+/(-) %	Note
(A)	Investment income	**1,490**	1,299	15	
(B)	Interest income	**662**	2,503	(74)	
(C)	Finance costs	**(7,225)**	(7,968)	(9)	
(D)	Depreciation and amortisation	**(7,479)**	(1,880)	298	(d)
(E)	Write-back of allowance for doubtful debts	**-**	60	n.m.	
(F)	Write-back of allowance/ (allowance) for stocks obsolescence	**73**	(1,135)	n.m.	
(G)	Impairment in value of investments	**-**	-	-	
(H)	Foreign exchange loss	**(764)**	(4,794)	(84)	
(I)	Adjustment for tax in respect of prior years	**-**	-	-	
(J)	Gain on disposal of property, plant and equipment	**52**	2,105	(98)	
(K)	Exceptional items	**-**	-	-	

Note:-

(a) The decrease in other gains – net is mainly due to the lower interest income.
(b) The decrease in distribution expenses is mainly due to the lower rental for retail stores in Singapore.
(c) The increase in administrative and other expenses is due to the higher accrued operating expenses.
(d) The increase in depreciation and amortisation expenses is primarily due to the depreciation charge on right-of-use assets (which mainly relates to the leases for retail stores) arising from the adoption of SFRS(I) 16 *Leases* from the current financial year.

n.m. - not meaningful

1 (b)(i) **Statements of Financial Position**

	Group		Company		
	As at 30-Sep-19 S$'000	As at 30-Jun-19 S$'000	**As at 30-Sep-19 S$'000**	As at 30-Jun-19 S$'000	Note
ASSETS					
Current assets					
Cash and cash equivalents	**211,873**	217,332	**64,086**	68,770	
Trade and other receivables	**27,612**	24,104	**397,842**	423,469	(f)
Inventories	**18,513**	19,592	**-**	-	
Development properties	**1,073,745**	1,092,108	**-**	-	(a)
Tax recoverable	**6,260**	5,678	**-**	-	
Other assets	**14,557**	25,302	**934**	1,109	(b)
	1,352,560	1,384,116	**462,862**	493,348	
Non-current assets					
Trade and other receivables	**275,238**	278,558	**1,187,206**	1,162,002	(g)
Investments in associated and joint venture companies	**1,764,696**	1,734,660	**-**	-	(c)
Investments in subsidiary companies	**-**	-	**282,063**	282,063	
Investment properties	**842,748**	792,663	**-**	-	(d)
Property, plant and equipment	**137,035**	112,441	**12,965**	13,015	(e)
Deferred income tax assets	**8,543**	8,783	**-**	-	
Other assets	**45,789**	48,422	**11,060**	10,825	
	3,074,049	2,975,527	**1,493,294**	1,467,905	
Total assets	**4,426,609**	4,359,643	**1,956,156**	1,961,253	
LIABILITIES					
Current liabilities					
Trade and other payables	**68,152**	61,919	**10,782**	9,883	
Current income tax liabilities	**25,320**	22,426	**1,179**	1,179	
Other liabilities	**30,553**	11,390	**-**	-	
	124,025	95,735	**11,961**	11,062	
Non-current liabilities					
Borrowings	**628,163**	627,128	**467,337**	467,271	
Deferred income tax liabilities	**36,489**	36,046	**-**	-	
Other liabilities	**34,719**	18,091	**14,528**	10,073	
	699,371	681,265	**481,865**	477,344	
Total liabilities	**823,396**	777,000	**493,826**	488,406	
NET ASSETS	**3,603,213**	3,582,643	**1,462,330**	1,472,847	
EQUITY					
Capital and reserves attributable to ordinary shareholders of the Company					
Share capital	**838,250**	838,250	**838,250**	838,250	
Other reserves	**(14,541)**	(27,577)	**(40,523)**	(40,758)	
Retained earnings	**2,406,274**	2,402,368	**364,992**	378,980	
	3,229,983	3,213,041	**1,162,719**	1,176,472	
Perpetual securities	**299,611**	296,375	**299,611**	296,375	
Non-controlling interests	**73,619**	73,227	**-**	-	
TOTAL EQUITY	**3,603,213**	3,582,643	**1,462,330**	1,472,847	

1 (b)(i) **Statements of Financial Position** (continued)

Note:-

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

(b) The decrease in the Group's other current assets is largely due to the receipt of progress billings for development projects.

(c) The increase in the Group's investments in associated and joint venture companies is primarily due to the share of profits and the currency translation gain.

(d) The increase in the Group's investment properties is primarily attributable to the acquisition of a data centre in Australia.

(e) The increase in the Group's property, plant and equipment is largely due to the recognition of right-of-use assets (which mainly relates to the leases for retail stores) arising from the adoption of SFRS(I) 16 *Leases*.

(f) The decrease in the Company's current trade and other receivables is mainly due to the repayment of loans from its subsidiary companies.

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

1 (b)(ii) **Aggregate amount of group's borrowings and debt securities**

Amount repayable in one year or less, or on demand

As at 30-Sep-19		As at 30-Jun-19	
Secured	**Unsecured**	Secured	Unsecured
S$'000	**S$'000**	S$'000	S$'000
-	**-**	-	-

Amount repayable after one year

As at 30-Sep-19		As at 30-Jun-19	
Secured	**Unsecured**	Secured	Unsecured
S$'000	**S$'000**	S$'000	S$'000
82,856	**545,307**	83,004	544,124

Details of any collateral

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.

1 (c) **Statement of Cash Flows**

	Group	
	First Quarter ended 30-Sep-19 S$'000	First Quarter ended 30-Sep-18 S$'000
Cash flows from operating activities		
Total profit	**6,817**	2,297
Adjustments for:		
Non-cash items	**6,880**	(1,701)
Operating cash flows before working capital changes	**13,697**	596
Changes in operating assets and liabilities:		
Development properties	**20,171**	34,700
Other current assets/liabilities	**19,589**	36,921
Cash generated from operations	**53,457**	72,217
Income tax paid	**(723)**	(697)
Net cash generated from operating activities	**52,734**	71,520
Cash flows from investing activities		
Acquisition of additional interest in a joint venture company	**(1,154)**	-
Additions to investment properties	**(50,934)**	(611)
Additions to property, plant and equipment	**(844)**	(3,504)
Purchase of financial investments	**-**	(4,529)
Disposal of property, plant and equipment	**382**	4,466
Repayment of the loans to non-controlling interests	**4,634**	4,516
Dividends received	**1,490**	12,924
Interest received	**828**	2,445
Net cash (used by)/generated from investing activities	**(45,598)**	15,707
Cash flows from financing activities		
Purchase of treasury shares	**-**	(10,716)
Principal payment of lease liabilities	**(4,985)**	-
Interest paid	**(7,292)**	(8,396)
Net cash used in financing activities	**(12,277)**	(19,112)
Net (decrease)/increase in cash and cash equivalents	**(5,141)**	68,115
Cash and cash equivalents at beginning of financial quarter	**217,332**	792,151
Effects of currency translation on cash and cash equivalents	**(318)**	(4,377)
Cash and cash equivalents at end of financial quarter	**211,873**	855,889

Note:-
- Cash and cash equivalents consist of fixed deposits, cash and bank balances.
- The decrease in the Group's cash and cash equivalents for the current quarter is mainly due to the acquisition of a data centre in Australia.

1 (d) **Statement of Comprehensive Income**

	Group		
	First Quarter ended 30-Sep-19 S$'000	First Quarter ended 30-Sep-18 S$'000	+/(-) %
Total profit	**6,817**	2,297	197
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	**85**	422	(80)
Currency translation differences	**17,842**	(3,989)	n.m.
Share of other comprehensive expense of associated and joint venture companies	**(1,976)**	(3,549)	(44)
	15,951	(7,116)	n.m.
Items that will not be reclassified subsequently to profit or loss:			
Fair value losses on financial investments at fair value through other comprehensive income	**(3,150)**	(760)	314
Currency translation differences	**484**	(234)	n.m.
Share of other comprehensive expense of associated and joint venture companies	**(62)**	(26)	138
	(2,728)	(1,020)	167
Other comprehensive income/(expense), net of tax	**13,223**	(8,136)	n.m.
Total comprehensive income/(expense)	**20,040**	(5,839)	n.m.
Attributable to:			
Equity holders of the Company	**19,648**	(5,663)	n.m.
Non-controlling interests	**392**	(176)	n.m.
	20,040	(5,839)	n.m.

Note:-
n.m. - not meaningful

1 (e)(i) **Statements of Changes in Equity for the Group**

	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
Balance at 1 July 2019	838,250	(27,577)	2,402,368	3,213,041	296,375	73,227	3,582,643
Total comprehensive income	-	12,801	6,847	19,648	-	392	20,040
Cost of share-based payment	-	450	-	450	-	-	450
Reissuance of treasury shares	-	(215)	215	-	-	-	-
Accrued perpetual securities distribution	-	-	(3,236)	(3,236)	3,236	-	-
Tax credit arising from perpetual securities	-	-	80	80	-	-	80
Balance at 30 September 2019	**838,250**	**(14,541)**	**2,406,274**	**3,229,983**	**299,611**	**73,619**	**3,603,213**
Balance at 1 July 2018	838,250	27,250	2,423,630	3,289,130	147,778	72,353	3,509,261
Total comprehensive (expense)/income	-	(7,876)	2,213	(5,663)	-	(176)	(5,839)
Cost of share-based payment	-	1,016	-	1,016	-	-	1,016
Reissuance of treasury shares	-	(205)	205	-	-	-	-
Purchase of treasury shares	-	(10,716)	-	(10,716)	-	-	(10,716)
Accrued perpetual securities distribution	-	-	(1,542)	(1,542)	1,542	-	-
Balance at 30 September 2018	838,250	9,469	2,424,506	3,272,225	149,320	72,177	3,493,722

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

1 (e)(i) **Statements of Changes in Equity for the Company**

	Share capital S$'000	Share-based payment reserve S$'000	Cash flow hedge reserve S$'000	Treasury shares reserve S$'000	Retained earnings S$'000	Perpetual securities S$'000	Total equity S$'000
Balance at 1 July 2019	838,250	2,161	-	(42,919)	378,980	296,375	1,472,847
Total comprehensive expense	-	-	-	-	(11,047)	-	(11,047)
Cost of share-based payment	-	450	-	-	-	-	450
Reissuance of treasury shares	-	(1,484)	-	1,269	215	-	-
Accrued perpetual securities distribution	-	-	-	-	(3,236)	3,236	-
Tax credit arising from perpetual securities	-	-	-	-	80	-	80
Balance at 30 September 2019	**838,250**	**1,127**	**-**	**(41,650)**	**364,992**	**299,611**	**1,462,330**
Balance at 1 July 2018	838,250	1,769	577	(33,990)	460,777	147,778	1,415,161
Total comprehensive income/(expense)	-	-	36	-	(13,108)	-	(13,072)
Cost of share-based payment	-	1,016	-	-	-	-	1,016
Reissuance of treasury shares	-	(1,992)	-	1,787	205	-	-
Purchase of treasury shares	-	-	-	(10,716)	-	-	(10,716)
Accrued perpetual securities distribution	-	-	-	-	(1,542)	1,542	-
Balance at 30 September 2018	838,250	793	613	(42,919)	446,332	149,320	1,392,389

1 (e)(ii) **Changes in the Company's share capital**

	Number of shares
Issued ordinary shares	
Balance at 1 July and 30 September 2019	793,927,260

At 30 September 2019, the Company's issued share capital (excluding treasury shares) comprises 768,500,460 (30 June 2019: 767,725,460) ordinary shares. The total number of treasury shares held by the Company as at 30 September 2019 was 25,426,800 (30 September 2018: 26,201,800) which represents 3.3% (30 September 2018: 3.4%) of the total number of issued shares (excluding treasury shares).

There were 775,000 (30 September 2018: 1,091,000) treasury shares reissued pursuant to the employee share plans for the first quarter ended 30 September 2019.

2 **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The above figures have not been audited and reviewed by the Company's auditors.

3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation as in the audited financial statements for the financial year ended 30 June 2019.

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

On 1 July 2019, the Group has adopted the following Singapore Financial Reporting Standards (International) ("SFRS(I)s"), and amendments and interpretations of SFRS(I)s that are relevant to the Group and the Company and effective for annual periods beginning on or after 1 July 2019 as follows:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*
- Amendments to SFRS(I) 3 and 11 *Previously Held Interest in a Joint Operation*
- Amendments to SFRS(I) 1-12 *Income Tax Consequences of Payments on Financial Instruments classified as Equity*

The adoption of the above standards did not have any significant impact on the financial performance or position of the Group and the Company except for the following:

<u>SFRS(I) 16 *Leases*</u>

SFRS(I) 16 removes the distinction between operating and finance leases and results in the recognition of an asset (the right to use the leased item) and a financial liability to pay rentals in the statement of financial position for leases except those that are short term or have low value.

The Group applied SFRS(I) 16 on 1 July 2019 using the modified retrospective approach and has not restated comparatives for the financial year ended 30 June 2019, as permitted under the specific transition provisions in the standard. In addition, the Group applied the practical expedient to grandfather the definition of the leases on transition and accordingly SFRS(I) 16 will be applied to contracts which were previously identified as leases under SFRS(I) 1-17 *Leases* and SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*.

On adoption of SFRS(I) 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of SFRS(I) 1-17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019.

Right-of-use assets and lease liabilities of approximately $32.3 million and $32.3 million respectively have been recognised by the Group on 1 July 2019 in its statement of financial position while the impact to the consolidated income statement is not significant. There is also no significant impact on the financial statements from the Group's activities as a lessor except for some additional disclosures which will be required in the full year Annual Report.

6 **Earnings per ordinary share**

	Group	
	First Quarter ended 30-Sep-19	First Quarter ended 30-Sep-18
	cents	cents
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares	**0.47**	0.09
(b) On a fully diluted basis	**0.47**	0.09

7 **Net asset value per ordinary share**

	Group		Company	
	As at 30-Sep-19	As at 30-Jun-19	**As at 30-Sep-19**	As at 30-Jun-19
	S$	S$	**S$**	S$
Net asset value per ordinary share based on issued share capital excluding treasury shares	**4.20**	4.19	**1.51**	1.53

8 **Review of performance of the group**

For the three months ended 30 September 2019 ("current quarter"), the Group recorded a total revenue of S$79.3 million. This represents a 2% increase from the S$77.9 million revenue recorded in the three months ended 30 September 2018 ("corresponding quarter"). This increase is largely due to the higher contribution from development properties. Revenue for the current quarter was mainly attributable to the additional units sold in Le Nouvel Ardmore in Singapore.

The Group recorded an operating profit of S$7.6 million in the current quarter mainly due to the contribution from Le Nouvel Ardmore.

The Group's share of profits of associated and joint venture companies increased by 13% to S$10.5 million in the current quarter largely due to the higher contributions from Wing Tai Properties Limited in Hong Kong and Malaren Gardens in Shanghai.

In the current quarter, the Group's net profit attributable to shareholders was S$6.8 million as compared to the S$2.2 million recorded in the corresponding quarter.

The Group's net asset value per share as at 30 September 2019 was S$4.20 as compared to S$4.19 as at 30 June 2019. The Group's net gearing ratio remained at 0.12 times as at 30 September 2019.

9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The current announced results are in line with the prospect statement previously disclosed to shareholders in the results announcement for the financial year ended 30 June 2019.

10 **Commentary of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The URA's flash estimate shows that the residential property price index increased by 0.9% in the third quarter of 2019, as compared to the 1.5% increase in the previous quarter. The total number of new residential units sold in the third quarter of 2019 was approximately 3,200 units, as compared to 3,012 units sold in the third quarter of 2018.

In September 2019, the Group acquired the freehold property known as 4 Wesley Court, Burwood East, Victoria, Australia. The property located within the Tally Ho Business Park, is currently leased out as a data centre.

The Group will continue to monitor the market and will launch its new residential project for sale in Singapore at the appropriate time.

11 **Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the immediately Preceding Financial Year

None.

(c) The date the dividend is payable.

Not applicable.

(d) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividends are determined.

Not applicable.

12 **If no dividend has been declared / recommended, a statement to that effect.**

No dividend has been declared / recommended for the first quarter ended 30 September 2019.

13 **Interested Person Transactions**

The Company does not have a shareholder's mandate for interested person transactions.

14 **Confirmation by the Board of Directors pursuant to Rule 705(5) of the Listing Manual**

The Directors confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the first quarter ended 30 September 2019 to be false or misleading in any material respect.

15 **Confirmation by the Company pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Gabrielle Tan
Company Secretary
Singapore
23 October 2019