WT

Creating Enduring Value

Wing Tai Holdings Limited
Annual Report 2016

WINGTAI ASIA

CONTENTS

Printed on environmentally friendly paper

Designed by Jean Nouvel, the Le Nouvel Ardmore is infused with abundant greenery and energy, stemming from the interplay of natural elements with architectural brilliance.

CHAIRMAN'S MESSAGE

Overview

Singapore's economic growth slowed to 2.0% in 2015, the weakest growth rate since the global financial crisis of 2008. In the second quarter of 2016, the Singapore economy grew at 2.2% on a year-on-year basis. Within a tight regulatory framework of property cooling measures firmly in place, the property market has remained subdued. The Ministry of Trade and Industry has narrowed Singapore's GDP growth forecast to 1.0% - 2.0%. Given a volatile environment, global economic outlook has further weakened with limited improvement in 2016.

The private residential property index decreased by 0.4% in the second quarter of 2016, following a 0.7% decline in the previous quarter. The total number of new residential units sold in Singapore in the first half of 2016 was 3,675 units, compared to 3,427 units sold in the first half of 2015.

Group Performance

For the financial year ended 30 June 2016, the Group recorded a total revenue of S$544.5 million. This represents a 20% decrease from the S$676.7 million revenue recorded in the previous year. Revenue for the current year was mainly attributable to the progressive sales recognised from The Tembusu and the additional units sold in Le Nouvel Ardmore in Singapore, The Lakeview in China, as well as the contribution from Phase 2 of Jesselton Hills in Penang.

The Group's operating profit decreased by 73% from S$103.3 million to S$27.5 million in the current year.

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

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

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

The Board recommended a first and final dividend of 3 cents per share and a special dividend of 3 cents per share for the current year.

A Value Approach

Notwithstanding a depressed business environment, the Group seeks actively to strengthen its property investments through a diversified portfolio in major asset classes. It has also invested development resources in China and Malaysia, to seize opportunities in these growth markets.

It has also set up a new fund management unit, an adjacency property business to open up profit generating avenues and investment opportunities for the Group in the Asia Pacific region.

Concurrently, the Group stays focused in creating value, by delivering business excellence in its core businesses.

The Group has several landmark projects in the pipeline, including the Le Nouvel KLCC, a high-end residential development in Kuala Lumpur by Jean Nouvel, as well as a mixed development which he has also designed for a prime Shanghai site. In Singapore, The Crest designed by Toyo Ito offers unsurpassed attractiveness for homebuyers. By these successful recurrent collaborations with internationally reputed architects, the Group is recognised by its quest for uncompromised quality and value.

It has also streamlined its retail business to drive performance of its brands and retail operations. The sale of its food and beverage business Yoshinoya was its latest consolidation activity.

At the same time, the Group has capitalised on Singapore's position as an attractive retail gateway into the region to launch Uniqlo's global flagship store for Southeast Asia earlier this month. The Group will continue to gain competitive advantage and maintain its lead in the retail sector, through customer-centric programmes and extending to digital platforms to more actively engage its customers.

The Group also recognises the importance of investing in its staff members. It has committed resources towards corporate development and skills training, to develop a performance driven culture. It will continue to emphasise strong teamwork, discipline and good corporate governance to strengthen its business operations.

Wing Tai Malaysia Berhad's Golden Jubilee

This July, we celebrated Wing Tai Malaysia Berhad's 50th founding anniversary, a significant milestone on our subsidiary company's growth journey. From modest operations out of a rubber smoking factory in Penang in 1966, the company grew and made the leap from garment manufacturing to property investment and development, hospitality management and retail.

Today, with total assets exceeding RM 1.9 billion, the company whose stock has been traded in KLSE since 1979 has a remarkably strong financial standing. Our persistent quest for value creation will keep us growing.

Board Movement

I welcomed Tan Sri Dato' Paduka Dr Mazlan bin Ahmad to the Board on 6 January 2016 as an independent Non-Executive Director. Concurrently Chairman of Wing Tai Malaysia Berhad appointed since 18 November 2014, he chairs the subsidiary company's Nomination Committee and Restricted Share Plan Committee, and is a member of its Audit Committee.

The Group stays focused in creating value, by delivering business excellence in its core businesses.

Appreciation

On behalf of the Board, I thank our diligent and dedicated staff, for striving to be their tenacious best and always committing to excellence. As regards the management team, I am encouraged by their courage and conviction to strengthen and grow the business despite the complex and volatile environments we face.

I also thank our shareholders, customers, tenants, bankers and business associates for their unwavering support and belief in the Group, that we may continue to build on our winning partnerships through the years.

To our directors, I thank them for their astute leadership in steering the business confidently ahead. Their wisdom and insights are invaluable to the Group's success.

CHENG WAI KEUNG
Chairman
15 September 2016

BOARD OF DIRECTORS

Cheng Wai Keung

Cheng Wai Keung is the Chairman of Wing Tai Holdings Limited (the "Company"), appointed to the Board since 17 April 1973. He is also the Managing Director of the Company and a member of the Nominating Committee. Mr Cheng is the Deputy Chairman of Temasek Holdings (Private) Limited, Vice Chairman of Singapore-Suzhou Township Development Pte Ltd, Managing Director of Wing Tai Malaysia Berhad, and a Director with Singapore Health Services Pte Ltd. He had chaired the boards of power and utilities, media and broadcasting companies, as well as multinational corporations engaged in global shipping and logistics, and international hospitality businesses. He was awarded the Distinguished Service Order (DUBC) by the Singapore Government in August 2007, Public Service Star (Bar) (BBM-Lintang) in 1997 and Public Service Star (BBM) in 1987. He has been appointed Justice of The Peace by the Singapore President since 2000. Mr Cheng graduated with Masters of Business Administration from the University of Chicago, after obtaining his Bachelor of Science degree from Indiana University. Mr Cheng was re-elected a director on 28 October 2015.

Edmund Cheng Wai Wing

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

Boey Tak Hap

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

Cheng Man Tak

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

Christopher Lau Loke Sam

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

Lee Kim Wah

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

Loh Soo Eng

Loh Soo Eng has served as a Non-Executive Director since 1 June 2004, after retiring as the Director-Property of the Company. He is the Chairman of the Remuneration Committee and a member of the Audit & Risk Committee. He has experience in power, oil, shipbuilding and ship repair industries as well as in banking, where he had been for 17 years with the DBS Group as the Executive Director of Raffles City Pte Ltd and the General Manager of DBS Land. Mr Loh has served on government committees, including the SAFTI Military College and Temasek Polytechnic. He was the Chairman of SLF Properties Pte Ltd and SLF Management Services Pte Ltd, and was the President of the Real Estate Developers' Association of Singapore (REDAS) from 2001 to 2003. He graduated with a Bachelor of Engineering (Mechanical) degree from the University of Adelaide, Australia. Mr Loh was re-elected a director on 28 October 2015.

Paul Hon To Tong

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

Tan Sri Dato' Paduka Dr. Mazlan bin Ahmad

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

Tan Hwee Bin

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

KEY MANAGEMENT

Dato' Roger Chan Wan Chung

Dato' Roger Chan Wan Chung is the General Manager of Wing Tai Malaysia Berhad. He is a pioneer staff of the Company, with over 40 years of business experience in Malaysia. He assists the Managing Director in overseeing the day-to-day operation of the Wing Tai Malaysia Berhad group. He was appointed to the board of Wing Tai Malaysia Berhad in August 1988 and currently sits on the board of several subsidiaries of the group.

Helen Chow

Helen Chow is a Director of Wing Tai Property Management Pte Ltd and has held various positions in the Company 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.

Helen Khoo

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

Chua Choy Soon

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

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 Company'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.

Ng Kim Huat

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

Karine Lim

Karine Lim is the General Manager, Group Human Resource of Wing Tai Holdings Limited. 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.

CORPORATE DATA

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
Boey Tak Hap
Independent

Cheng Man Tak

Christopher Lau Loke Sam
Independent

Lee Kim Wah
Independent

Loh Soo Eng
Independent

Paul Hon To Tong
Lead Independent Director
Independent

Tan Sri Dato' Paduka
Dr. Mazlan bin Ahmad
Independent

Audit & Risk Committee

Christopher Lau Loke Sam
Chairman

Boey Tak Hap

Loh Soo Eng

Paul Hon To Tong

Nominating Committee

Lee Kim Wah
Chairman

Cheng Wai Keung

Christopher Lau Loke Sam

Paul Hon To Tong

Remuneration Committee

Loh Soo Eng
Chairman

Boey Tak Hap

Lee Kim Wah

Company Secretaries

Gabrielle Tan

Ooi Siew Poh

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Fax: 6732 9956
www.wingtaiasia.com.sg

Share Registrar

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

Auditors

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants
8 Cross Street
#17-00 PWC Building
Singapore 048424
Audit Partner: Theresa Sim
(Year of Appointment: 2016)

Principal Bankers

DBS Bank Limited
12 Marina Boulevard
DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

The Hongkong and Shanghai Banking Corporation Limited
21 Collyer Quay
HSBC Building
Singapore 049320

Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

Overseas-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

The Bank of Tokyo-Mitsubishi UFJ, Ltd
9 Raffles Place #01-01
Republic Plaza
Singapore 048619

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Sky links on the 6th and 12th storeys at The Tembusu form a park network extension of the units, connecting all five blocks of the development.

SINGAPORE

In the year under review, the Group's residential properties continued to generate fair sales under challenging market conditions. As at 30 June 2016, The Tembusu, a 337-unit freehold development comprising five 18-storey towers and one commercial unit at Tampines Road, was almost fully sold. The project was designed by Arc Studio Architecture + Urbanism and received its Temporary Occupation Permit (TOP) in August 2016.

Le Nouvel Ardmore, a 43-unit freehold development at Ardmore Park designed by Pritzker Prize laureate Jean Nouvel, had seven units including the penthouse sold as at 30 June 2016. Marketing and sales activities are on-going.

PROPERTY

By successful recurrent collaborations with internationally reputed architects, the Group is recognised by its quest for uncompromised quality and value.

The Crest, a 99-year leasehold development in the Tanglin enclave of Prince Charles Crescent, comprises 469 units – three 23-storey towers and four 5-storey island villas. Designed by Pritzker Prize winner Toyo Ito, it was close to 30% sold as at 30 June 2016. TOP for this development is expected to be obtained in the first quarter of 2017.

In hospitality management, the Group's investment properties Winsland House I and Winsland House II achieved average occupancy of over 90%.

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

The Crest at Prince Charles Crescent takes a majestic towering form of a glorious growing tree and blossom petals, symbolising life and celebrating life's many peaks.

MALAYSIA

The Group's property business activities in Malaysia are conducted through its subsidiary company, Wing Tai Malaysia Berhad.

The Le Nouvel KLCC features 195 well-appointed luxury residences in a pair of 49- and 43-storey towers.

In Kuala Lumpur, the dual-tower Le Nouvel KLCC, designed by Pritzker Prize winner Jean Nouvel, is a 195-unit freehold development at Jalan Ampang. Certification of Compliance was achieved in May 2016 and the project was previewed in the second quarter of 2016.

Verticas Residensi, a 423-unit freehold development comprising three 43-storey towers and one 9-storey tower at Bukit Ceylon, was over 95% sold as at 30 June 2016. Nobleton Crest, a 25-unit freehold development with three blocks of 5-storey residential units at the prestigious Jalan U-Thant, was nearly a quarter sold.

In Penang, Phase 4 of Taman Bukit Minyak Utama, comprising 98 units of 2-storey terrace houses and 3-storey semi-detached houses, was fully completed and about 50% sold as at 30 June 2016. Phase 5, which will comprise 97 units of 2-storey terrace houses and 2-storey semi-detached houses, will be launched upon receipt of approval from the housing ministry.

Phase 1 of Jesselton Hills comprising 2- and 2½-storey semi-detached houses, was nearly fully sold; Phase 2 comprising 2-storey terrace houses was over 80% sold.

Impiana Commercial Hub, comprising 2- and 3-storey shop offices along Jalan Rozhan namely Impiana Boulevard, Impiana Avenue and Impiana Gallery, was completed and over 80% sold as at 30 June 2016.

Mahkota Impian comprises three high-rise blocks of 360 units located within a mixed development of over 7-acres. The project was over 40% sold as at 30 June 2016. Main building works were about 60% completed.

The Group seeks actively to strengthen its property investments through a diversified portfolio in major asset classes.

Located in Luodian New Town of Baoshan district, Malaren Gardens is a low-density residential estate comprising 301 units of terrace houses, duplexes and apartments.

CHINA

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

In Suzhou, Phase 3 of The Lakeview comprising 190 units in two residential towers was fully sold as at 30 June 2016.

In Shanghai, construction of Malaren Gardens, a low-density residential estate located in Luodian New Town of Baoshan District, commenced in the third quarter of 2015. The development comprises 301 units of terrace houses, duplexes and apartments. A sales launch is planned for the second half of 2016.

The office and commercial site, within the Huai Hai Middle Road business circle at Huangpu District in Shanghai, will be developed into an urban upscale retail and office development with over 473,000 square feet of construction floor area. It is scheduled to open for operations by end of 2018 and construction is expected to commence in the third quarter of 2016.

HONG KONG

The Group's property interests in Hong Kong are represented by investment in its associated company, Wing Tai Properties Limited.

As at 30 June 2016, The Warren and The Pierre were between 90% to 95% sold; Providence Bay, Providence Peak and The Graces were over 85%, about 95% and almost fully sold, respectively.

Homantin Hillside is a residential project in Hung Hom, in close proximity to the upcoming Ho Man Tin MTR Station. The development comprises 173 units with gross saleable area of 128,000 square feet. As at 30 June 2016, close to 55% of the residential units were pre-sold.

At Kau To, Shatin, two low-density high-end residential sites have commenced works and projects are scheduled for completion in 2017.

The prime harbourfront residential site in Shau Kei Wan and a low-density residential site at Siu Sau, Tuen Mun, are scheduled for completion in 2018 and 2019, respectively.

In 2016, the Group acquired two residential sites located on So Kwun Wat Road and Castle Peak Road – Tai Lam, both in Tuen Mun. The developments are scheduled for completion in 2021 and 2022, respectively.

The commercial investment properties viz. Landmark East in Kowloon East and W Square in Wan Chai, continued to achieve average occupancy of over 95%.

Homantin Hillside is a residential project in Hung Hom, comprising 173 units with gross saleable area of 128,000 square feet.

HOSPITALITY

The Group's hospitality business under the Lanson Place management continues to grow steadily in terms of rental rates and occupancy.

Lanson Place Winsland Serviced Residences in Singapore achieved an average occupancy of over 85%. Ambassador Row Hotel Suites and Lanson Place Bukit Ceylon Serviced Residences in Malaysia achieved an average occupancy of 80%. Aroma Garden Serviced Suites by Lanson Place in Shanghai and Lanson Place Hotel Hong Kong maintained good occupancy.

In Shanghai, Parkside Serviced Suites comprises 182 units, is fully furnished and was opened in June 2016.

Lanson Place signed a 10-year management contract for One Sunland Serviced Suites in Waigaoqiao Free Trade Zone, Pudong, Shanghai in July 2015. The development has 196 studios and 1- to 3-bedroom apartments and is targeted to open around the third quarter of 2016. Another 10-year management contract was signed in March 2016 to manage the 213 serviced apartments at Two MacDonnell Road in Mid-Levels, Hong Kong.

Lanson Place's interest in Lanson Place Jinlin Tiandi Serviced Residences, Shanghai was disposed of in October 2015, with the property remaining under its management.

Lanson Place Hotel Hong Kong was awarded "Asia's Leading Boutique Hotel 2015" and "Hong Kong's Leading Boutique Hotel 2015" at the World Travel Awards. It also won "Outstanding Customer Service Award" at the Small Luxury Hotels of the World 2015 Hotel Awards. Aroma Garden Serviced Suites by Lanson Place clinched "Best New Serviced Residence in China" at Business Traveller China Awards.

Lanson Place currently operates a total of 11 management contracts across Singapore, Malaysia, China and Hong Kong.

Parkside Serviced Suites offers 182 one- and two-bedroom suites, with modern interiors and a relaxed ambience that exude understated elegance and comfort.

Karen Millen is known for its exceptional quality, craftsmanship and cutting edge design, creating modern effortless fashion for today's intelligent, urban woman.

The Group will continue to gain competitive advantage... through customer-centric programmes and extending to digital platforms to more actively engage its customers.

RETAIL

The Group's Retail division consolidated its business to drive operational performance. As at 30 June 2016, with the sale of its food and beverage business Yoshinoya, the Group had 229 stores, with a portfolio of 12 brands each, in Singapore and Malaysia. It maintained a slight growth in overall retail footage spanning over one million square feet.

Japanese brand Uniqlo continued to expand to 25 and 35 stores in Singapore and Malaysia, respectively. Its first global flagship store in Singapore and the Southeast Asia region, was scheduled to open in the third quarter of 2016.

With the shift in consumer spending patterns, the Retail division has adopted a multichannel approach with a strong focus on social, content and customer-centricity, to leverage on technology, improving processes and systems, to deliver a seamless customer cross-channel journey and to engage more customers.

In November 2015, its loyalty program wt+ launched a mobile application which provides customers with quick accessibility to information on stock availability, product launches, events and promotions.

Partnership with Zalora, an Asian online fashion retailer, has been successfully expanded to cover eight retail brands in seven countries viz. Singapore, Malaysia, Hong Kong, Taiwan, Thailand, Philippines and Vietnam.

CALENDAR OF EVENTS

July 2015
Wing Tai Retail clinched the inaugural Asia Retail Trailblazer Award by Asia Enterprise Brands Awards, Singapore

Lanson Place Hospitality Management Limited announced partnership with Shanghai Waigaoqiao Group to manage One Sunland Serviced Suites, Shanghai

August 2015
Announcement of full-year results for year ended 30 June 2015, Singapore

Workforce Skills Qualification (WSQ) Training Excellence Award (Retail Non-SME) by Singapore Workforce Development Agency conferred on Wing Tai Retail

September 2015
Lanson Place Winsland Serviced Residences awarded Best Serviced Apartment by Property in HRM Asia Readers Choice Awards, Singapore

Launched Topman and Topshop on Zalora, an Asia online fashion retailer, Singapore

October 2015
51st Annual General Meeting, Singapore

Singapore Landscape Architecture Awards organised by Singapore Institute of Landscape Architects conferred gold on Casa Merah Condominium; silver for Belle Vue Residences and Helios Residences

Retail division achieved Commemorative Award in Excellent Service Award (EXSA), Singapore

November 2015
Launched mobile application for Retail division's wt+ rewards programme

Best New Serviced Residence in China at Business Traveller China Awards awarded to Aroma Garden Serviced Suites by Lanson Place

December 2015
Organised Wing Tai-Boys' Brigade Share-A-Gift project to support the needy members in the Singapore community

Lanson Place Hotel Hong Kong awarded Asia's Leading Boutique Hotel and Hong Kong's Leading Boutique Hotel at the World Travel Awards, and Outstanding Customer Service Award at the Small Luxury Hotels of the World Awards

February 2016
Set up a wholly-owned subsidiary WT Fund Management Pte. Ltd., Singapore

March 2016
Participated in Earth Hour to support environmental sustainability, Singapore

April 2016
Le Nouvel KLCC topped out, Malaysia

Lanson Place Hospitality Management Limited added Two MacDonnell Road in Mid-Levels into its portfolio, Hong Kong

May 2016
Lanson Place Hospitality Management Limited opened Parkside Serviced Suites in Shanghai, China

June 2016
Participated at Willing Hearts soup kitchen to prepare meals for the underprivileged and needy elderly in community, Singapore

The Tembusu awarded RoSPA Gold Award for Health and Safety by The Royal Society for the Prevention of Accidents, Singapore

Disposal of 100% interest in the issued share capital of Yoshinoya (S) Pte Ltd, Singapore

CORPORATE SOCIAL RESPONSIBILITY

WING TAI FOUNDATION

The Group fulfils its corporate social responsibility (CSR) through the Wing Tai Foundation which offers financial aid and donations to the needy elderly and needy young in the community. By doing this, it hopes to recognise the contributions of the elderly made to Singapore's progress and nation-building, and to nurture the younger generation.

In the year under review, the Group collaborated with Boys' Brigade in their annual Share-A-Gift project – a community programme which collects and distributes basic food and daily necessities to the less fortunate young and old. The Group collected close to 3,000 items for donation. In addition, the Group organised its Staff CSR programme at Willing Hearts soup kitchen, a wholly volunteer non-profit organisation, for the second consecutive year. Over 50 staff volunteers helped to prepare, pack and deliver meals to more than 5,000 beneficiaries.

The Wing Tai Foundation also contributes towards educational development through the Chinese Development Assistance Council, and provides funding to the needy elderly at the Kidney Dialysis Foundation as well as beneficiaries of the Community Chest.

CORPORATE GOVERNANCE REPORT

The Company recognises the importance of good corporate governance, which is essential to ensuring the sustainability of the Company's businesses, enhancing its corporate performance, and safeguarding shareholders' interests and maximising long-term shareholder value. Hence, in our continuous commitment towards values underpinning good corporate governance, transparency and accountability, the Company has adopted a well-defined set of internal policies, structures and processes which is in line with the principles and guidelines of the Code of Corporate Governance 2012 (the "Code") and are set out in this report.

BOARD MATTERS

The Board's Conduct of its Affairs

The board of directors (the "Board" or "Directors") is responsible for the overall management of the Company, and the Directors objectively make decisions in the best interests of the Company. The Board continues to set the Company's values and standards to ensure obligations to our shareholders and all other stakeholders are fully understood, properly carried out and met. The principal functions of the Board include approving strategic business plans and major acquisitions or disposal of valuable assets, evaluating Management performance, reviewing the corporate policies and financial performance of the Company and its subsidiaries (the "Group"), approving quarterly and annual financial results of the Group, and establishing a comprehensive framework of prudent and effective controls to assess and manage risk.

The Board conducts regular meetings on a quarterly basis and as necessary when circumstances arise. A total of four Board meetings were held in the financial year ended 30 June 2016 ("FY2016"). Details of the Directors' attendance at the Board and Board Committee meetings for the year are set out in the table below.

The Constitution of the Company ("Constitution") allows the Directors to participate in Board and Board Committee meetings by way of telephone or video conference or other similar means of communication equipment whereby all persons participating in the meeting are able to hear each other, without requiring their physical presence at the meeting. The Company has set up telephone and video conference facilities to enable alternative means of participation in the Board and Board Committee meetings.

Directors' Attendance at Board and Board Committee Meetings for FY2016

Name	Board	Audit & Risk Committee	Remuneration Committee	Nominating Committee
	Meetings Held: 4	Meetings Held: 4	Meetings Held: 3	Meetings Held: 1
	Meetings Attended	Meetings Attended	Meetings Attended	Meetings Attended
Cheng Wai Keung	4			1
Edmund Cheng Wai Wing	4			
Boey Tak Hap	4	4	3	
Cheng Man Tak	3			
Christopher Lau Loke Sam	4	4		1
Lee Kim Wah	4		3	1
Loh Soo Eng	4	4	3	
Paul Hon To Tong	4	4		1
Tan Sri Dato' Dr Mazlan bin Ahmad#	1			
Tan Hwee Bin	4			

\# Appointed on 6 January 2016

Matters which require the Board's approval include, *inter alia*, those involving material acquisitions and disposal of assets, distribution of dividends and other returns to shareholders, fund raising exercises, corporate and financial restructuring, and interested person transactions of a material nature. A Director's contribution may extend beyond the confines of formal Board meetings, through the sharing of views, advice, experience, and strategic networking relationships which would further the interests of the Company.

The Board is also responsible for the overall strategy and direction of the Group and is regularly updated on the latest amendments to the law as well as changes to regulations and accounting standards. Where regulatory changes have an important bearing on the Company's or Directors' disclosure obligations, Directors are duly briefed during Board meetings. Newly appointed Directors are given orientation briefings by the Management on their roles and functions as a director and how to discharge their duties in the course and conduct of the Group's business, directions and policies. They are also encouraged to regularly attend courses organised by the Singapore Institute of Directors ("SID") as well as other relevant organisations. For first-time directors, the Company provides training in areas such as accounting, legal or such other industry-specific knowledge where appropriate. It is important that every Director receives from time to time further relevant training, particularly on the enactment of relevant new laws and regulations as well as on new and evolving or emerging commercial risks. The Company Secretaries readily keep the Directors informed as and when there are appropriate courses, conferences and seminars such as those conducted by the SID.

The Directors are encouraged to attend such training at the Company's expense. During FY2016, the Directors attended a number of courses and seminars, namely, the SID courses on "Launch of Nominating Committee Guide", "Launch of Remuneration Committee Guide", "Launch of the Board Risk Committee Guide & Asian Corporate Governance Scorecard", the ACRA-SGX-SID Audit Committee Seminar on "Raising the bar for financial reporting and audit", a training session conducted by Lee & Lee on "Companies (Amendment) Act", and a PricewaterhouseCoopers LLP event on "Today's financial reporting, a question of judgement and complexity". Upon appointment of each Director, the Company will provide a formal letter to the Director, setting out clearly the Directors' duties and obligations.

Board Composition and Balance
The Board currently comprises a majority of non-executive Directors, with more than one-half of the Board being made up of independent Directors. The Nominating Committee ("NC") reviews the independence of each Director annually based on the definition of "independence" as prescribed in the Code to ensure that there is a strong element of independence and autonomy on the Board. Pursuant to the Code, an "independent" director is one who has no relationship with the company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company.

When considering the independence of the Directors, the NC also reviews the annual declaration by the independent non-executive Directors regarding their independence and the Directors' disclosures of interests in transactions. There are currently ten members on the Board, three of whom are executive Directors and six of whom are independent non-executive Directors. Although four of the independent Directors have served on the Board for more than nine years, the Board has, with the NC's recommendation, reviewed their appointments and considers each of them to be independent, having satisfied itself on the more important inquiry as to whether each of the Directors has truly demonstrated integrity, independent judgment, objectivity in the discharge of his or her duties, and, professionalism, rather than simply imposing a maximum number of years that he or she should serve on the Board, which can be arbitrary. In this regard, the Board is fully satisfied as to the performance and continued independent judgment of each of these Directors. Further, the Board does not consider it to be in the best interests of the Company or shareholders to require all the Directors who have served on the Board for more than nine years to retire at the same time, but rather, strongly favours preserving continuity and stability within the Company through orderly succession.

During FY2016, Tan Sri Dato' Dr Mazlan bin Ahmad was appointed as an independent and non-executive Director.

Given the present scope and nature of the Company's operations, the Board considers its current size and profile of its members, whose core competencies, qualifications, skills and experience are diverse, extensive and complementary, to be appropriate. The Board will examine its size and composition whenever circumstances require. No individual or smaller group of individuals dominates the Board's decision-making process.

Chairman and Managing Director
The Chairman of the Board is also the Managing Director ("MD") of the Group and has overall responsibility for the management and operation of the Group. Mr Cheng Wai Keung's primary role as Chairman of the Board is to assist the Board in developing sound policies and strategies for the Company and ensuring that they are implemented effectively. Mr Cheng also provides leadership to the Board and ensures that Board meetings are held whenever necessary and that Board members are provided with complete, adequate and timely information. As the MD, he makes key decisions on the management and operations of the Group and is responsible for the conduct of the business and affairs of the Group, supported by the respective Heads of Departments. The sustained growth of the Company under Mr Cheng's leadership clearly demonstrates his ability to discharge the responsibilities of both his roles as Chairman and MD effectively.

In order to address the issue of independence given that the Chairman and MD are the same person, the Board has formally appointed Mr Paul Hon To Tong as Lead Independent Director to serve as a sounding board for the Chairman and also as an intermediary between the non-executive Directors and the Chairman. In addition, Mr Tong is available to the shareholders whenever they have any concerns which cannot be resolved or which may not be appropriate to be raised through normal contact channels of the executive Directors or the chief financial officer (the "CFO").

BOARD COMMITTEES

To assist the Board in the execution of its responsibilities, the Board delegates specific functions to the various Board committees, namely, the Audit & Risk Committee ("ARC"), the NC and the Remuneration Committee ("RC"). Each of these Board committees has its own terms of reference and reports its activities regularly to the Board.

Nominating Committee

Board Membership
The NC comprises four members,

namely, Mr Lee Kim Wah – Chairman of the NC, Mr Christopher Lau Loke Sam, Mr Paul Tong (all of whom are independent non-executive Directors; Mr Paul Tong is the Lead Independent Director) and Mr Cheng Wai Keung.

The NC has adopted its own specific written terms of reference. The principal functions of the NC are to make recommendations to the Board for the appointment and re-appointment of Directors to the Board and to review the independence of each Director annually and as and when circumstances require. The NC will make recommendations relating to the review of board succession plans for Directors (in particular, for the Chairman and the MD) and the composition of the Board, from time to time, and to search for and identify suitable candidates with the right qualifications, expertise and experience to be appointed as Directors. Each candidate will be evaluated based on his ability to enhance the Board's capabilities through his contributions in his area of expertise and to improve the Group's business strategies, controls or corporate governance.

All Directors are required to submit themselves for re-nomination and re-election once every three years. At least one-third of the Directors retire at each Annual General Meeting ("AGM") subject to re-election annually. Since 2014, local Directors who reach the age of 80 years old and overseas Directors who reach the age of 75 years old will automatically retire from the Board.

Key information on the Directors are set out on pages 4 to 6 of this Annual Report.

Multiple Board Representation

When a Director serves on multiple boards of different companies, that Director is to ensure that sufficient time and efforts are allocated to the affairs of each company with assistance from the Management, which provides relevant and complete information on a regular basis for the effective discharge of his/her duties.

To address the competing time commitments that a Director may face in holding multiple board appointments, the internal guideline recommended by the NC provides that the maximum number of listed company board representations which any Director may hold at any one point in time is five.

Board Performance

The NC's assessment of the effectiveness and performance of the Board as a whole and its Board committees is conducted on an annual basis (by circulating board evaluation forms amongst the Directors) taking into account the level of participation and contribution of the individual Directors towards the Board's effectiveness and competencies, as well as the strategic insight, financial literacy, business judgment, integrity and relevant industry knowledge rendered for the benefit of the Group. The aim of the evaluation is to assess whether each Director is able and continues to contribute effectively and demonstrate commitment to his/her role. Individual evaluation of each Director by way of self-assessment is also conducted on an annual basis.

Access to Information

Prior to each meeting and when the need arises, the Board is furnished with complete and adequate information in a timely manner to enable full deliberation of the issues to be considered.

To ensure that the Board is able to fulfill its responsibilities, the Management readily provides the Board with board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, periodic management reports, forecasts, budgets, financial statements and other relevant information of the Group.

The Board has separate and independent access to the Management and the Company Secretaries at all times. Directors are entitled to request from and are provided by the Management, in a timely manner, with such additional information as may be needed to make informed decisions. The Board also seeks independent professional advice at the Company's expense as and when necessary to enable the Directors (whether individually or as a group) to discharge their responsibilities effectively.

The Company Secretaries attend all Board meetings and ensures that Board procedures are strictly adhered. The Company Secretaries, together with the Management, also ensure that the Company complies with all applicable statutory and regulatory rules.

REMUNERATION MATTERS

Remuneration Committee

The RC comprises three members, all of whom, including the Chairman, are independent non-executive Directors. The RC members are Mr Loh Soo Eng - Chairman of the RC, Mr Boey Tak Hap and Mr Lee Kim Wah.

The RC reviews and recommends to the Board a general framework of remuneration and the specific remuneration packages for each Director as well as for the key management personnel of the Group. As and when required, the RC obtains independent and professional advice on remuneration matters (including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind) from human resource advisers and an external management consultancy firm specializing in people-pay-performance management strategies, Carrots Consulting Pte Ltd ("Carrots"). Other than its professional engagement, Carrots has no affiliation or relationship with the Company that will affect the independence and objectivity of Carrots. The RC reviews the structure of the remuneration packages for the Directors and key management personnel respectively to ensure that they are competitive and sufficient to attract, retain and motivate key executives. No Director is involved in deciding his or her own remuneration.

The RC reviews the Company's obligations arising in the event of termination of the executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable terms of termination which are not overly generous, onerous or adverse to the Company.

Remuneration

The Company's remuneration framework for executive Directors and key management personnel comprises a fixed component (in the form of a base salary, annual wage supplement, fixed allowances, where applicable, together with other benefits-in-kind in accordance with the Company's human resource policies), a variable component in the form of variable bonuses, as well as a share-based component. The remuneration packages take into account the individual's performance, the Group's overall performance, as well as acceptable market practices and employment conditions within the industry. Carrots undertakes a benchmarking exercise on the remuneration packages of the executive Directors and key management personnel of the Group on an annual basis.

Non-executive Directors are paid a fixed fee. Directors who participate in Board committees receive higher fees for the additional responsibilities they take on. All Directors' fees are approved by shareholders at the AGM of the Company before they are paid.

The Company uses the Wing Tai Performance Share Plan ("Wing Tai PSP") and the Wing Tai Restricted Share Plan ("Wing Tai RSP") to incentivise both employees and Directors to promote the long-term success of the Company. The performance conditions which the Wing Tai PSP seeks to promote are stretched targets aimed at sustaining longer-term growth, and they are set over a three-year performance period. On the other hand, the performance conditions prescribed under the Wing Tai RSP are shorter term targets aimed at encouraging continued service, and the shares have a vesting schedule of three years. Other than the Wing Tai RSP and Wing Tai PSP ("Shares") granted to the Executive Director, Ms Tan Hwee Bin, no Shares nor share options were granted to the other Directors during the financial year.

The RC has the discretion not to award variable incentive in any year if an executive Director or a key management personnel is involved in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company.

Directors' and key management personnel's remuneration packages are a competitive advantage of the Group. Given the sensitivity and confidentiality of such information, the Company has chosen to make disclosure in relation thereto in bands of $250,000 (except for key management where there is no upper limit for the top band) with a breakdown in percentage terms of base salary, bonus, share awards and other benefits. The Company is of the view that such disclosures would provide adequate information on the remuneration policies and practice for Directors and key management personnel.

There are no termination, retirement and post-employment benefits granted to the Directors and key management personnel.

The breakdown (in percentage terms) of the Directors' remuneration for FY2016 is as follows:-

Remuneration Bands	Fees (%)	Salary (%)	Bonus (%)	Other benefits (%)	Total (%)	Shares granted during the year
$2,250,001 to $2,500,000						
Cheng Wai Keung	-	53	32	15#	100	-
Edmund Cheng Wai Wing	-	53	32	15#	100	-
$1,250,001 to $1,500,000						
Tan Hwee Bin	-	44	40	16^	100	146,000
Below $250,000						
Boey Tak Hap	100	-	-	-	100	-
Cheng Man Tak	100	-	-	-	100	-
Christopher Lau Loke Sam	100	-	-	-	100	-
Lee Kim Wah	73	-	-	27	100	-
Loh Soo Eng	100	-	-	-	100	-
Paul Tong	100	-	-	-	100	-
Tan Sri Dato' Dr Mazlan bin Ahmad+	70	-	-	30#	100	-

\# Includes fees, allowance and other benefits from Wing Tai Malaysia Berhad (where applicable)
^ Includes the fair value of restricted shares and performance shares
\+ Appointed on 6 January 2016

Remuneration Bands	Salary (%)	Bonus (%)	Share awards^ (%)	Other benefits (%)	Total (%)
Above $750,000					
Dato' Roger Chan Wan Chung#	34	47	2	17	100
Helen Chow	54	38	-	8	100
$500,001 to $750,000					
Helen Khoo	56	27	11	6	100
Ng Kim Huat	53	28	12	7	100
Karine Lim	52	28	13	7	100

\# Includes allowance, other benefits and fair value of restricted shares from Wing Tai Malaysia Berhad

^ Includes the fair value of restricted shares and performance shares (where applicable)

The breakdown of the remuneration of the top five key management personnel (Ms Helen Chow is the spouse of the MD) in bands of $250,000 for FY2016 is set out in the table above. The total remuneration paid to the top 5 key management personnel for FY2016 amounted to $4.1 million.

Mrs Kit Cheng, who is the spouse of the Deputy Chairman, Mr Edmund Cheng Wai Wing, received remuneration that is between $250,000 and $300,000 during FY2016.

ACCOUNTABILITY AND AUDIT

Accountability

In presenting the annual financial statements and announcements of financial results to the shareholders, it is the aim of the Board to provide shareholders with a balanced and comprehensible assessment of the Company's performance, financial position and prospects on a quarterly basis, as well as other price-sensitive public reports, and reports to regulators, where required.

The Management furnishes the Board with periodic management reports which present a fair and accurate appraisal of the Company and its businesses, and all other information that will enable the Board to make a balanced and well-informed assessment of the Company's performance, position and prospects.

Audit & Risk Committee

The ARC comprises four members, all of whom are independent non-executive Directors. The ARC members are Mr Christopher Lau Loke Sam - Chairman of the ARC, Mr Boey Tak Hap, Mr Paul Tong and Mr Loh Soo Eng.

The Board considers the members of the ARC appropriately qualified to discharge the responsibilities of the ARC. The majority of the members of the ARC, including the Chairman, have sufficient accounting and financial management expertise and experience. The ARC held four meetings in FY2016. The ARC meetings were held with the internal and external auditors without the presence of the Management during FY2016.

The ARC is guided by the written terms of reference setting out its authority and duties. The ARC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management, full discretion to invite any Director or executive officer to attend its meeting, and reasonable resources to enable it to discharge its functions effectively and properly.

The ARC maintains a high standard of corporate governance and risk management by reviewing, *inter alia*, the annual audit plan, internal audit process and the adequacy of internal controls within the Company as well as any interested person transactions which may arise during the course of the Company's business. The ARC also reviews the quarterly and annual financial statements of the Group before submitting the same to the Board for its approval. Any changes to accounting standards and issues which have a direct impact on financial statements will be raised at such meetings.

The ARC takes measures to keep abreast of new developments in and changes to accounting standards and issues which have a material impact on financial statements by participating in training conducted and regular updates provided by professionals or external auditors and consultants.

The ARC meets on a periodic basis to perform, *inter alia*, the following: (i) recommend the appointment, reappointment and removal of the external auditor; (ii) review the scope, results and cost effectiveness of the audit exercise; and (iii) evaluate the independence and objectivity of the external auditors. Having reviewed the value of the non-audit services provided by the external auditors to the Group, the ARC is satisfied that the nature and extent of such services does not prejudice the independence and objectivity of the external auditors when carrying out its functions in audit of the Company. The aggregate amount of fees, broken down into audit and non-audit services as provided by the auditors to the Company for FY2016 is disclosed on page 56 of this Annual Report.

The Group has complied with Rule 712 and 715 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited ("SGX-ST") in relation to the appointment of its external auditors.

Risk Management/Internal Controls

The Board recognises the importance of effective internal controls and risk management practices to good corporate governance. The Group's internal controls provide reasonable assurance that the Group's assets are safeguarded, proper accounting records are maintained, financial information are reliable and applicable laws and regulations are properly complied with.

The Board ensures that the Management maintains an adequate and effective system of internal controls and risk management which addresses key material risks including financial, operational, compliance and information technology controls. The Board requires the ARC to review and report annually on the adequacy and effectiveness of the internal controls and risk management as well as to assist in its risk management oversight.

The Group has in place an enterprise risk management ("ERM") framework to provide the Board with a Group-wide view of the risks in the respective business units. The ERM framework enables the identification, assessment, management and monitoring of key risks to the Group's business. As part of this framework, risk registers are set up to document the identified key material risks and mitigating controls/actions. The policies and procedures within the ERM framework allow the Group to regularly review the significance and adequacy of its key material risks, consider the effectiveness of the Group's system of internal controls to limit, mitigate and monitor the identified key material risks and the implementation of further action plans to manage strategic business risks.

As part of its continuing efforts to improve the risk management policies and systems, the Board, with the assistance of KPMG Services Pte Ltd ("KPMG"), reviews the Group's existing internal controls and the risk registers at least annually. Risk workshops are carried out with the risk owners to identify, assess and prioritise these risks. Mitigating actions in managing the key risks, as well as action plans to address the gaps, are considered and documented.

Risk tolerance limits are set up to align with the Group's risk appetite and are subject to annual reviews. Operating within risk tolerance limits provides the Management with greater assurance that the Group operates within its risk appetite.

The Board has received assurance from the MD and the CFO that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (ii) the Group's framework of risk management and internal controls is adequate and effective in addressing the key material risks relating to financial, operational, compliance and information technology controls, which the Company may face in the day to day operation of its businesses.

Based on the internal controls established and the reviews conducted by the internal and external auditors and the existing management controls in place, the Board, with the concurrence of the ARC, is of the opinion that there are adequate and effective internal controls and risk management systems in place within the Group addressing the key material risks relating to financial, operational, compliance, and information technology controls, to meet the needs of the Group in its current business environment as at 30 June 2016.

The system of internal controls which have been established by the Group provides reasonable assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board, however, notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

Whistle-blowing Policy

The Group has put in place a policy on whistle-blowing to facilitate the reporting of activities or practices which are in violation of the Group's work ethics and rules. The Group encourages employees or any other parties with whom the Group has a business relationship to report unlawful, unethical or fraudulent activities or practices in strict confidence. All whistle-blowing reports are submitted either to the internal auditors (the "IA") or the Chairman of the ARC so that independent investigation and appropriate follow-up action can be carried out. The ARC has the responsibility of overseeing this whistle-blowing policy, which is administered with the assistance of the IA. The process of raising concerns about possible improprieties in matters of financial reporting or other matters has been properly communicated to all employees in the Company. It is believed that this will not only encourage openness and promote transparency but also act as a form of check and balance against the internal controls and risk management practices of the Group.

Interested Person Transaction

The Company has established an internal policy when dealing with interested person transactions ("IPT") and also set out clear procedures for their review and approval. The Company did not obtain any shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual. During FY2016, there was no discloseable IPT.

Internal Audit
The ARC is the body which approves the hiring, removal, evaluation and compensation of the head of the internal audit function of the Group. The internal audit function is outsourced to KPMG. Staffed by qualified executives, KPMG has unrestricted access to the ARC. KPMG reports to the Chairman of the ARC and is guided by the Standards for the Professional Practice of Internal Auditing. These standards cover attributes as well as performance and implementation standards. KPMG is provided unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC.

A set of internal controls is also adopted by the Company which sets out approval limits for expenditure, investments and divestments and cheque signatory arrangements within the Company. KPMG assists the ARC in its functions by reporting its audit findings to the ARC and to the Management.

The scope of the KPMG is to perform detailed work to assist the ARC and the Board in the evaluation of internal controls and risk management. KPMG submits its plans and recommendations to the ARC for approval.

COMMUNICATION WITH SHAREHOLDER S

In line with the disclosure obligations under the SGX-ST Listing Rules and the Companies Act (Cap. 50), the Company promptly informs shareholders of all major developments that impact the Group. Shareholders are updated on the business and affairs of the Company through the quarterly release of the Company's results. Material and price-sensitive information is publicly released by the Company via the Singapore Exchange Network ("SGXNET") on an immediate basis where required by SGX-ST. The Company does not practise selective disclosure of information. Timely and detailed disclosure of pertinent corporate information is communicated via SGXNET and the Company's website.

All shareholders receive the annual report of the Company and notice of the AGM. The notice (which is also advertised in the press) and Company's results are published via SGXNET. To address shareholders' concerns and share views, the Company also conducts media and analysts briefing for its full-year results to provide market updates on the Group's business.

Shareholders are given the opportunity to raise relevant questions and communicate their views at general meetings and these are minuted accordingly and made available upon request. The Board is present at the annual general meetings to address any questions that the shareholders may have. The external auditors of the Company are also present to assist the Board in addressing relevant queries by the shareholders. The Company practices separate resolutions at general meetings on each distinct issue. A shareholder can vote in person or by way of proxy at general meetings. All resolutions at the annual general meetings are put to the vote by way of poll and the detailed results of the voting for each of the resolutions are announced on the SGX-ST.

The Company's website is at www.wingtaiasia.com.sg. The Company's latest financial results and annual reports are available on the Company's website. If shareholders have any queries on investor relations, they may contact investors@wingtaiasia.com.sg.

The Company has a dividend policy of around 30% payout ratio based on underlying net profits taking into consideration the financial position, capital needs, plans for expansion and other factors as the Board may deem appropriate.

DEALINGS IN SECURITIES

The Company has adopted and implemented an internal guideline on share dealings in the Company's securities in compliance with Rule 1207(19)(c) of the SGX-ST Listing Manual. All officers of the Company are prohibited from dealing in securities of the Company while in possession of price-sensitive information. They are also prohibited from dealing in securities of the Company during the closed period, which is two weeks before the date of announcement of results for each of the first three quarters of the Company's financial year and one month before the date of announcement of the full-year financial results. In addition, officers of the Company are also discouraged from dealing in the Company's securities on short-term considerations.

Financial Reports

FOR THE FINANCIAL YEAR 2016

FIVE-YEAR FINANCIAL SUMMARY

	2016 $'000	2015 $'000	2014 $'000	2013 $'000	2012 $'000
Revenue	**544,531**	676,715	803,393	1,332,500	624,888
Property	**367,234**	467,720	581,497	1,115,041	401,810
Retail	**169,640**	199,012	213,519	210,020	216,462
Investment and others	**7,657**	9,983	8,377	7,439	6,616
Profit before income tax	**41,373**	175,295	312,471	690,817	317,821
Total profit	**15,661**	165,943	276,342	587,891	284,134
Profit attributable to equity holders of the Company	**7,079**	150,304	254,390	531,126	262,366
Shareholders' equity	**3,122,709**	3,173,169	2,969,655	2,840,640	2,230,989
Total assets	**4,975,635**	4,887,560	4,883,414	4,977,772	4,008,341
Total liabilities and non-controlling interests	**1,852,926**	1,714,391	1,913,759	2,137,132	1,777,352
Earnings per share[1] (cents)	**0.91**	19.16	32.39	67.81	33.60
Net tangible assets per share ($)	**4.04**	4.07	3.78	3.62	2.85
Cash dividends per share (cents)	**6.00**	3.00	6.00	12.00	7.00

Note:

1. The number of shares used for this purpose is as follows:

	’000
2016	**777,271**
2015	784,455
2014	785,482
2013	783,216
2012	780,803

DIRECTORS' STATEMENT

For the Financial Year Ended 30 June 2016

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2016 and the statement of financial position of the Company as at 30 June 2016.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 34 to 109 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2016 and of the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Cheng Wai Keung *(Chairman and Managing Director)*
Edmund Cheng Wai Wing *(Deputy Chairman and Deputy Managing Director)*
Boey Tak Hap
Cheng Man Tak
Christopher Lau Loke Sam
Lee Kim Wah
Loh Soo Eng
Paul Hon To Tong
Tan Sri Dato' Paduka Dr. Mazlan bin Ahmad *(Appointed on 6 January 2016)*
Tan Hwee Bin

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in the "Share Options" and "Share Plans" sections of this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) The interests of the directors holding office at the end of the financial year in the shares, share options and share plans of the Company and related corporations according to the register of the directors' shareholdings were as follows:

	Holdings registered in the name of director			Holdings in which director is deemed to have interest		
Name of director	**As at 01.07.2015**	**As at 30.06.2016**	**As at 21.07.2016**	**As at 01.07.2015**	**As at 30.06.2016**	**As at 21.07.2016**
The Company						
Ordinary Shares						
Cheng Wai Keung	-	**-**	-	395,038,656	**395,038,656**	395,038,656
Edmund Cheng Wai Wing	-	**-**	-	318,021,664	**318,021,664**	318,021,664
Lee Kim Wah	849,760	**942,160**	873,160	-	**-**	-
Loh Soo Eng	412,800	**412,800**	412,800	-	**-**	-
Tan Hwee Bin	1,286,835	**1,477,235**	1,477,235	-	**-**	-
Share Options						
Lee Kim Wah	356,400	**264,000**	132,000	-	**-**	-
Tan Hwee Bin	203,500	**203,500**	203,500	-	**-**	-
Performance Share Plan *						
Tan Hwee Bin	181,000	**197,000**	197,000	-	**-**	-
Restricted Share Plan						
Tan Hwee Bin	222,600	**179,500**	179,500	-	**-**	-
Related Corporation						
Wing Tai Malaysia Berhad						
Ordinary shares						
Cheng Wai Keung	848,900	**1,311,650**	1,311,650	191,384,062	**314,559,561**	314,559,561
Edmund Cheng Wai Wing	848,900	**1,311,650**	1,311,650	191,384,062	**314,559,561**	314,559,561
Restricted Share Plan						
Cheng Wai Keung	61,100	**22,800**	22,800	-	**-**	-
Edmund Cheng Wai Wing	61,100	**22,800**	22,800	-	**-**	-

* Shares awarded are contingent upon achievement of threshold targets.

Except for the above, none of the directors of the Company at the end of the financial year had any interest in the shares or debentures of the Company or any other related corporations.

(b) By virtue of Section 7 of the Singapore Companies Act, Cheng Wai Keung and Edmund Cheng Wai Wing, who by virtue of their interest of not less than 20% in the issued capital of the Company, are also deemed to have an interest in the shares of the various subsidiary companies held by the Company.

SHARE OPTIONS

The Wing Tai Holdings Limited (2001) Share Option Scheme (the "Scheme")
The Scheme was approved and adopted by the members of the Company at an Extraordinary General Meeting ("EGM") held on 31 August 2001. The Scheme was terminated by the members of the Company at an EGM held on 30 October 2008 (without prejudice to the rights of holders of options thereunder in respect of options which have been granted). The Scheme is administered by a committee comprising two directors, namely Cheng Wai Keung and Tan Hwee Bin.

No option was granted under the Scheme during the financial year. No controlling shareholder of the Company or his associate participated in the Scheme.

The aggregate number of options granted since the commencement of the Scheme to the end of the financial year is as follows:

Name of participant	Aggregate options since commencement of the Scheme to 30.06.2016			Aggregate number of outstanding options as at 30.06.2016
	Number of options granted	Number of options exercised	Number of options forfeited	
Directors of the Company				
Lee Kim Wah	877,200	613,200	-	**264,000**
Tan Hwee Bin	645,500	442,000	-	**203,500**
	1,522,700	1,055,200	-	**467,500**
Group Executives	11,686,600	6,276,500	3,904,200	**1,505,900**
Total	**13,209,300**	**7,331,700**	**3,904,200**	**1,973,400**

Other than Lee Kim Wah, none of the participants of the Scheme received 5% or more of the total number of options granted under the Scheme.

Details of the movement in the options granted under the Scheme on the unissued ordinary shares of the Company during the year were as follows:

Date of grant	As at 01.07.2015	Number of options exercised	Number of options forfeited	As at 30.06.2016	Exercise price ($)	Expiry date
30.09.2005	230,000	223,300	6,700	**-**	1.300	29.09.2015
05.09.2006	702,200	20,200	61,600	**620,400**	1.645	04.09.2016
06.09.2007	1,529,000	-	176,000	**1,353,000**	3.136	05.09.2017
Total	**2,461,200**	**243,500**	**244,300**	**1,973,400**		

SHARE PLANS

(a) The Wing Tai Performance Share Plan ("Wing Tai PSP") and the Wing Tai Restricted Share Plan ("Wing Tai RSP")
The Wing Tai PSP and the Wing Tai RSP (collectively referred to as the "Wing Tai Share Plans") were adopted by the members of the Company at an EGM held on 30 October 2008. The Wing Tai Share Plans are administered by a committee (the "Committee") comprising two directors, namely Cheng Wai Keung and Tan Hwee Bin.

(i) Wing Tai PSP
One of the primary objectives of the Wing Tai PSP is to increase the Company's flexibility and effectiveness in its continuous efforts to reward, retain and motivate key management staff. The Wing Tai PSP is primarily targeted at executives in key positions who are able to drive the growth of the Company through innovation, creativity and superior performance.

Full-time executives (including executive directors) of the Company, its subsidiary companies or associated companies who hold such rank as may be designated by the Committee from time to time are eligible to participate in the Wing Tai PSP.

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	As at 01.07.2015	Number of shares granted	Additional shares awarded arising from targets achieved	Number of shares released	Number of shares forfeited	As at 30.06.2016
19.09.2012	147,000	-	41,600	188,600	-	**-**
25.09.2013	115,000	-	-	-	-	**115,000**
26.09.2014	210,000	-	-	-	28,000	**182,000**
14.09.2015	-	223,000	-	-	32,000	**191,000**
Total	**472,000**	**223,000**	**41,600**	**188,600**	**60,000**	**488,000**

(ii) Wing Tai RSP
The objective of the Wing Tai RSP is to serve as an additional motivational tool to recruit and retain employees.

Full-time executives (including executive directors) of the Company, its subsidiary companies or associated companies who hold such rank as may be designated by the Committee from time to time and non-executive directors are eligible to participate in the Wing Tai RSP.

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. These shares have a vesting schedule of three years. The participant will receive fully paid shares, without any cash consideration payable by the participant.

SHARE PLANS *(continued)*

(a) The Wing Tai Performance Share Plan ("Wing Tai PSP") and the Wing Tai Restricted Share Plan ("Wing Tai RSP") *(continued)*

(ii) Wing Tai RSP (continued)

Details of the movement in the awards of the Company during the year were as follows:

Date of grant	As at 01.07.2015	Number of shares granted	Number of shares released	Number of shares forfeited	As at 30.06.2016
19.09.2012	594,400	-	594,400	-	**-**
25.09.2013	887,600	-	380,400	46,800	**460,400**
26.09.2014	1,063,000	-	313,800	129,700	**619,500**
14.09.2015	-	970,000	-	133,000	**837,000**
Total	**2,545,000**	**970,000**	**1,288,600**	**309,500**	**1,916,900**

The information on a director of the Company participating in the Wing Tai PSP and Wing Tai RSP is as follows:

Name of director	Awards granted during the year	Aggregate awards granted since commencement of plans to the end of the year	Aggregate awards released since commencement of plans to the end of the year	Aggregate awards outstanding as at the end of the year
Tan Hwee Bin				
Wing Tai PSP	77,000	428,000	288,100	197,000
Wing Tai RSP	69,000	1,249,000	1,069,500	179,500

(b) The Wing Tai Malaysia Berhad ("WTM") Restricted Share Plan ("WTM RSP")

WTM implemented the WTM RSP approved by the shareholders of WTM at an EGM held on 29 November 2011. The WTM RSP is administered by a committee comprising two directors of WTM, namely Cheng Wai Keung and Tan Sri Dato' Paduka Dr. Mazlan bin Ahmad.

The employees and directors of WTM and its subsidiary companies but exclude subsidiary companies which are dormant (the "WTM Group") whose employment are confirmed in writing on or before the date of offer, are eligible to participate in the scheme.

Under the WTM RSP, the participant will receive fully paid shares on a vesting date, their equivalent value or combinations thereof, without any cash consideration payable by the participant, upon the participant achieving pre-determined performance conditions and/or otherwise having performed well and/or made a significant contribution to the WTM Group. The details of the WTM RSP have been disclosed in the Directors' Report of WTM.

Details of the movement in the awards of WTM during the year were as follows:

Date of grant	As at 01.07.2015	Number of shares granted	Number of shares released	Number of shares forfeited	As at 30.06.2016
01.03.2013	189,600	-	189,600	-	**-**
23.09.2013	359,800	-	154,200	4,800	**200,800**
18.09.2014	221,000	-	66,300	4,900	**149,800**
11.09.2015	-	284,000	-	13,000	**271,000**
Total	**770,400**	**284,000**	**410,100**	**22,700**	**621,600**

AUDIT & RISK COMMITTEE

The Audit & Risk Committee consists of four non-executive independent directors. The members of the Committee at the date of this report are as follows:

Christopher Lau Loke Sam *(Chairman)*
Boey Tak Hap
Loh Soo Eng
Paul Hon To Tong

The Audit and Risk Committee reviewed the Group's accounting policies and system of internal controls on behalf of the Board of Directors and performed the functions specified in Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

(a) the audit plans of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(b) the scope and results of internal audit procedures with the internal auditor;

(c) the assistance given by the Company's management to the independent auditor; and

(d) the quarterly results and the full year consolidated financial statements of the Group for the financial year ended 30 June 2016 before their submission to the Board of Directors for approval and the Independent Auditor's Report on these financial statements.

The Audit & Risk Committee also assists the Board of Directors with risk governance and overseeing the Company's risk management framework and policies.

The Audit & Risk Committee has nominated PricewaterhouseCoopers LLP for re-appointment as auditor of the Company at the forthcoming Annual General Meeting.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

CHENG WAI KEUNG
Director
15 September 2016

EDMUND CHENG WAI WING
Director

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Wing Tai Holdings Limited (the "Company") and its subsidiary companies (the "Group") set out on pages 34 to 109, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2016, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

PRICEWATERHOUSECOOPERS LLP
Public Accountants and Chartered Accountants

Singapore
15 September 2016

CONSOLIDATED INCOME STATEMENT
For the Financial Year Ended 30 June 2016

		Group	
		2016	**2015**
	Note	**$'000**	**$'000**
Revenue	3	**544,531**	676,715
Cost of sales		**(347,443)**	(417,348)
Gross profit		**197,088**	259,367
Other gains – net	4	**6,356**	41,884
Expenses			
– Distribution		**(88,457)**	(106,160)
– Administrative and other		**(87,471)**	(91,744)
Operating profit		**27,516**	103,347
Finance costs	7	**(45,542)**	(47,335)
Share of profits of associated and joint venture companies		**59,399**	119,283
Profit before income tax		**41,373**	175,295
Income tax expense	8(a)	**(25,712)**	(9,352)
Total profit		**15,661**	165,943
Attributable to:			
Equity holders of the Company		**7,079**	150,304
Non-controlling interests		**8,582**	15,639
		15,661	165,943
Earnings per share attributable to equity holders of the Company (cents):			
Basic	9(a)	**0.91**	19.16
Diluted	9(b)	**0.87**	19.03

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2016

		Group	
	Note	2016 $'000	2015 $'000
Total profit		**15,661**	165,943
Other comprehensive (expense)/income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges		**(2,217)**	11,743
Currency translation differences		**(43,623)**	86,534
Share of other comprehensive expense of associated and joint venture companies		**(978)**	(1,645)
		(46,818)	96,632
Item that will not be reclassified subsequently to profit or loss:			
Revaluation gains on property, plant and equipment		**6,347**	3,109
Other comprehensive (expense)/income, net of tax	8(a)	**(40,471)**	99,741
Total comprehensive (expense)/income		**(24,810)**	265,684
Attributable to:			
Equity holders of the Company		**(24,989)**	258,779
Non-controlling interests		**179**	6,905
		(24,810)	265,684

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

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2016

		Group		Company	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**722,883**	880,611	**335,091**	463,078
Trade and other receivables	12	**45,359**	28,637	**1,171,470**	361,997
Inventories	13	**21,568**	20,015	**-**	-
Development properties	14	**1,228,769**	1,265,103	**-**	-
Tax recoverable		**3,698**	6,482	**-**	-
Other current assets	15	**29,061**	40,477	**6,111**	7,266
Assets held for sale	16	**495,512**	-	**-**	-
		2,546,850	2,241,325	**1,512,672**	832,341
Non-current assets					
Available-for-sale financial assets	17	**6,276**	6,267	**3,189**	3,189
Trade and other receivables	18	**216,157**	400,111	**518,181**	1,060,578
Derivative financial instruments	11	**15,178**	4,769	**11,322**	3,231
Investments in associated and joint venture companies	19	**1,496,998**	1,530,251	**-**	-
Investments in subsidiary companies	20	**-**	-	**283,063**	252,392
Investment properties	21	**577,732**	585,527	**-**	-
Property, plant and equipment	22	**116,444**	119,310	**10,852**	9,576
		2,428,785	2,646,235	**826,607**	1,328,966
Total assets		**4,975,635**	4,887,560	**2,339,279**	2,161,307
LIABILITIES					
Current liabilities					
Trade and other payables	23	**133,056**	176,878	**93,924**	94,109
Current income tax liabilities		**38,905**	51,222	**1,043**	686
Borrowings	24	**87,348**	35,984	**-**	-
		259,309	264,084	**94,967**	94,795
Non-current liabilities					
Borrowings	24	**1,289,158**	1,155,375	**927,838**	737,796
Deferred income tax liabilities	8(b)	**65,167**	64,010	**-**	-
Other non-current liabilities	26	**29,475**	41,890	**-**	-
		1,383,800	1,261,275	**927,838**	737,796
Total liabilities		**1,643,109**	1,525,359	**1,022,805**	832,591
NET ASSETS		**3,332,526**	3,362,201	**1,316,474**	1,328,716
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27	**838,250**	838,250	**838,250**	838,250
Other reserves	28	**(33,657)**	76,717	**(21,133)**	(5,688)
Retained earnings	29	**2,318,116**	2,258,202	**499,357**	496,154
		3,122,709	3,173,169	**1,316,474**	1,328,716
Non-controlling interests		**209,817**	189,032	**-**	-
TOTAL EQUITY		**3,332,526**	3,362,201	**1,316,474**	1,328,716

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2016

	Note	Share capital $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		Attributable to equity holders of the Company					
2016							
Beginning of financial year		838,250	76,717	2,258,202	3,173,169	189,032	3,362,201
Total comprehensive (expense)/income		-	(32,068)	7,079	(24,989)	179	(24,810)
Realisation of reserves		-	(64,191)	64,191	-	-	-
Transfer to statutory reserve		-	12	(12)	-	-	-
Redemption of preference shares by a subsidiary company		-	(462)	462	-	-	-
Cost of share-based payment		-	1,845	-	1,845	59	1,904
Reissuance of treasury shares		-	323	-	323	-	323
Purchase of treasury shares		-	(15,441)	-	(15,441)	-	(15,441)
Ordinary dividends paid	25	-	-	(23,448)	(23,448)	-	(23,448)
Dividends paid by a subsidiary company to non-controlling interests		-	-	-	-	(1,628)	(1,628)
Issuance of ordinary shares by a subsidiary company to non-controlling interests		-	-	(232)	(232)	232	-
Issuance of rights shares by a subsidiary company to non-controlling interests		-	-	11,875	11,875	(829)	11,046
Acquisition of additional interest in a subsidiary company		-	-	(1)	(1)	-	(1)
Waiver of loan from non-controlling interests		-	-	-	-	23,262	23,262
Liquidation of subsidiary companies		-	(927)	-	(927)	(490)	(1,417)
Liquidation of joint venture companies		-	535	-	535	-	535
End of financial year		**838,250**	**(33,657)**	**2,318,116**	**3,122,709**	**209,817**	**3,332,526**
2015							
Beginning of financial year		838,250	56,985	2,074,420	2,969,655	173,159	3,142,814
Total comprehensive income		-	108,475	150,304	258,779	6,905	265,684
Realisation of reserves		-	(84,545)	84,545	-	-	-
Transfer to statutory reserve		-	2,310	(2,310)	-	-	-
Transfer from share-based payment reserve		-	(61)	61	-	-	-
Redemption of preference shares by a subsidiary company		-	462	(462)	-	-	-
Cost of share-based payment		-	2,148	-	2,148	119	2,267
Reissuance of treasury shares		-	264	-	264	-	264
Purchase of treasury shares		-	(12,550)	-	(12,550)	-	(12,550)
Ordinary and special dividends paid	25	-	-	(47,267)	(47,267)	-	(47,267)
Dividends paid by subsidiary companies to non-controlling interests		-	-	-	-	(4,145)	(4,145)
Issuance of ordinary shares by a subsidiary company to non-controlling interests		-	-	(1,087)	(1,087)	1,801	714
Acquisition of additional interest in a subsidiary company		-	-	(2)	(2)	(2)	(4)
Disposal of a subsidiary company		-	3,229	-	3,229	11,823	15,052
Liquidation of subsidiary companies		-	-	-	-	(628)	(628)
End of financial year		838,250	76,717	2,258,202	3,173,169	189,032	3,362,201

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2016

		Group	
		2016	**2015**
	Note	**$'000**	**$'000**
Cash flows from operating activities			
Total profit		**15,661**	165,943
Adjustments for:			
Income tax expense		**25,712**	9,352
Depreciation of property, plant and equipment		**10,511**	14,390
Write-off of property, plant and equipment		**1,152**	262
Impairment loss on property, plant and equipment		**1,429**	3,582
Dividend income		**(141)**	(95)
Fair value losses/(gains) on investment properties		**2,862**	(12,522)
Fair value losses/(gains) on derivative financial instruments		**589**	(121)
Write-back of allowance for stock obsolescence		**(529)**	(72)
Revaluation deficit on property, plant and equipment		**2,563**	-
Dilution loss on interest in an associated company		**2,431**	1,410
Write-back of allowance for foreseeable losses on development properties		**(424)**	-
Gain on disposal of a subsidiary company		**(3,215)**	(20,963)
Gain on disposal of property, plant and equipment		**(262)**	(72)
Loss on disposal of an investment property		**9**	-
Gain on liquidation of subsidiary companies		**(927)**	-
Loss on liquidation of joint venture companies		**542**	-
Interest income		**(8,022)**	(7,561)
Interest expense		**45,542**	47,335
Share of profits of associated and joint venture companies		**(59,399)**	(119,283)
Share-based payment		**1,904**	2,267
Currency translation differences		**(2,131)**	4,972
Operating cash flow before working capital changes		**35,857**	88,824
Changes in operating assets and liabilities:			
Balances with associated and joint venture companies		**2,726**	(310)
Development properties		**728**	211,794
Inventories		**(2,041)**	7,266
Trade and other receivables and other current assets		**(5,463)**	53,179
Trade and other payables and other non-current liabilities		**(29,898)**	(68,978)
Cash generated from operations		**1,909**	291,775
Income tax paid		**(31,718)**	(25,203)
Net cash (used in)/generated from operating activities		**(29,809)**	266,572

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2016

		Group	
	Note	2016 $'000	2015 $'000
Cash flows from investing activities			
Purchase of available-for-sale financial assets		**-**	(2,985)
Acquisition of additional interest in a subsidiary company		**(1)**	(4)
Acquisition of additional interest in a joint venture company		**(133)**	(17,900)
Additions to investment properties		**-**	(649)
Additions to property, plant and equipment		**(4,642)**	(6,980)
Disposal of subsidiary companies, net of cash disposed of	10	**1,961**	27,133
Disposal of property, plant and equipment		**332**	156
Disposal of investment property		**140**	-
Liquidation of joint venture companies		**49**	18
Distribution to non-controlling interests upon liquidation of a subsidiary company		**(490)**	(628)
Advancement of the loans to joint venture companies		**(256,487)**	(17,186)
Dividends received		**19,998**	19,453
Interest received		**8,468**	7,803
Net cash (used in)/generated from investing activities		**(230,805)**	8,231
Cash flows from financing activities			
Issuance of ordinary shares by a subsidiary company to non-controlling interests		**-**	714
Issuance of rights shares by a subsidiary company to non-controlling interests		**14,198**	-
Reissuance of treasury shares		**323**	264
Purchase of treasury shares		**(15,441)**	(12,550)
Advancement of the loans to non-controlling interests		**(3,794)**	(3,232)
Proceeds from borrowings		**297,734**	292,794
Repayment of borrowings		**(103,132)**	(401,746)
Ordinary and special dividends paid		**(23,448)**	(47,267)
Dividends paid to non-controlling interests		**(1,628)**	(4,145)
Interest paid		**(50,576)**	(52,869)
Net cash generated from/(used in) financing activities		**114,236**	(228,037)
Net (decrease)/increase in cash and cash equivalents		**(146,378)**	46,766
Cash and cash equivalents at beginning of financial year		**880,611**	834,762
Effects of currency translation on cash and cash equivalents		**(11,350)**	(917)
Cash and cash equivalents at end of financial year	10	**722,883**	880,611

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

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

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Notes 8, 14, 19, 21 and 32(e).

Amendments and interpretations to published standards effective in 2016
On 1 July 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

2.2 Revenue recognition

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2016

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Revenue recognition *(continued)*

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

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

2.3 Group accounting

(a) Subsidiary companies

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

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

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Group accounting *(continued)*

(a) Subsidiary companies *(continued)*

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Group accounting *(continued)*

(c) Associated and joint venture companies *(continued)*

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

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

2.4 Goodwill on acquisitions

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

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

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

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

2.5 Investments in subsidiary, associated and joint venture companies

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Property, plant and equipment

(a) Measurement

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

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

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Property, plant and equipment *(continued)*

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

2.7 Investment properties

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

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

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

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

2.8 Development Properties

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

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

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

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

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

Significant estimates and assumptions are applied in assessing the stage of completion, total development costs, total contract costs and allowance for foreseeable losses on development properties. In making these estimates, management has relied on past experience and the work of specialists.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Development Properties *(continued)*

(a) Properties under development *(continued)*
The Group takes into account the estimated selling prices and estimated total development costs in assessing allowance for foreseeable losses. The estimated selling prices are based on the recent selling prices for the development properties or comparable properties and prevailing property market conditions. The estimated total development costs are based on the contracted amount and in respect of amounts not contracted for management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The allowance for foreseeable losses is included in other gains - net.

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

2.9 Impairment of non-financial assets

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

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

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Impairment of non-financial assets *(continued)*

(b) Property, plant and equipment
Investments in subsidiary, associated and joint venture companies *(continued)*
A reversal of impairment loss for an asset other than goodwill is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the income statement, a reversal of that impairment is also recognised in the income statement.

2.10 Financial assets

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Financial assets *(continued)*

(b) Recognition and derecognition

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

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

(c) Initial measurement

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

(d) Subsequent measurement

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

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

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

(e) Impairment

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

(i) Loans and receivables

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Financial assets *(continued)*

(e) Impairment *(continued)*

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

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

2.11 Financial guarantees

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

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

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

Intra-group transactions are eliminated on consolidation.

2.12 Inventories

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

2.13 Borrowings and borrowing costs

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.14 Derivative financial instruments and hedging activities

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

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

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

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

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

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

The Group has cross currency swaps that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The currency translation differences on the cross currency swaps relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to income statement as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in the income statement.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Fair value estimation of financial assets and liabilities

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

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

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

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

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

2.16 Offsetting financial instruments

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

2.17 Operating leases

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

Contingent rents are recognised in the income statement when incurred.

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

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

Contingent rents are recognised in the income statement when earned.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.18 Income taxes

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

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

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

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

Deferred income tax is measured:

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

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

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

2.19 Provisions

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

2.20 Trade and other payables

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.21 Employee compensation

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

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

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

2.22 Currency translation

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.22 Currency translation *(continued)*

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

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

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

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

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

2.23 Segment reporting

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

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

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

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

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

2.24 Cash and cash equivalents

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.25 Share capital and treasury shares

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

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

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

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

2.26 Dividends to the equity holders of the Company

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

2.27 Assets held for sale

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

3. REVENUE

	Group	
	2016	**2015**
	$'000	**$'000**
Revenue from sale of:		
– development properties	**329,818**	430,191
– goods	**171,688**	201,578
Rental income	**37,416**	37,529
Management fees	**5,468**	7,322
Dividend income	**141**	95
	544,531	676,715

Included in the Group's revenue from sale of development properties is revenue recognised on a percentage of completion basis amounting to $183.1 million (2015: $238.9 million).

4. OTHER GAINS – NET

	Group	
	2016	**2015**
	$'000	**$'000**
Other gains:		
– Interest income	**8,022**	7,561
– Gain on disposal of a subsidiary company	**3,215**	20,963
– Gain on disposal of property, plant and equipment	**262**	72
– Write-back of allowance for foreseeable losses on development properties	**424**	-
– Fair value gains on investment properties	**-**	12,522
– Fair value gains on derivative financial instruments	**-**	121
– Other miscellaneous gains	**5,845**	5,694
	17,768	46,933
Other losses:		
– Loss on disposal of an investment property	**(9)**	-
– Fair value losses on investment properties	**(2,862)**	-
– Fair value losses on derivative financial instruments	**(589)**	-
– Dilution loss on interest in an associated company	**(2,431)**	(1,410)
– Revaluation losses on property, plant and equipment	**(2,563)**	-
– Impairment loss on property, plant and equipment	**(1,429)**	(3,582)
– Other miscellaneous losses	**(1,529)**	(57)
	(11,412)	(5,049)
	6,356	41,884

5. EXPENSES BY NATURE

	Group	
	2016	**2015**
	$'000	**$'000**
Depreciation of property, plant and equipment	**10,511**	14,390
Employee compensation	**72,479**	74,939
Auditors' remuneration paid/payable to:		
– auditor of the Company	**410**	459
– other auditors	**240**	237
Other fees paid/payable to:		
– auditor of the Company	**19**	15
– other auditors	**301**	330
Write-back of allowance for stock obsolescence	**(529)**	(72)
Write-off of property, plant and equipment	**1,152**	262
Rental expense on operating leases	**52,339**	61,261
Foreign exchange (gain)/loss	**(1,409)**	3,279
Development cost included in cost of sales	**266,598**	315,630
Raw materials and finished goods included in cost of sales	**78,074**	89,952

Included in the Group's rental expense on operating leases is contingent rent amounting to $1.6 million (2015: $1.5 million). Contingent rent on certain leases is based on a percentage of monthly sales in excess of specified amounts. Other contingent rent is based entirely on a percentage of sales.

6. EMPLOYEE COMPENSATION

	Group 2016 $'000	Group 2015 $'000
Wages and salaries (including directors' remuneration)	**63,591**	65,989
Employer's contribution to defined contribution plans including Central Provident Fund	**6,984**	6,683
Share-based payment	**1,904**	2,267
	72,479	74,939

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

7. FINANCE COSTS

	Group 2016 $'000	Group 2015 $'000
Interest expense to banks	**45,542**	47,335

8. INCOME TAXES

(a) Income tax expense

	Group 2016 $'000	Group 2015 $'000
Tax expense attributable to profit is made up of:		
Current income tax		
– Singapore	**10,249**	16,181
– Foreign	**15,460**	12,562
	25,709	28,743
Deferred income tax	**1,441**	(9,490)
	27,150	19,253
(Over)/underprovision in preceding financial years		
– Current income tax	**(1,586)**	(9,423)
– Deferred income tax	**148**	(478)
	25,712	9,352

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

8. INCOME TAXES *(continued)*

(a) Income tax expense *(continued)*

The tax on Group's profit before income tax excluding share of profits of associated and joint venture companies differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2016 **$'000**	**2015** **$'000**
Tax calculated at Singapore standard rate of income tax	**(3,065)**	9,522
Different tax rates in other countries	**2,790**	4,337
Expenses not deductible for tax purposes	**28,334**	19,405
Income not subject to tax	**(4,006)**	(5,412)
Overprovision of tax	**(1,438)**	(9,901)
Unrecognised tax losses/(utilisation of previously unrecognised tax losses)	**3,097**	(8,599)
	25,712	9,352

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

		Group	
	Before tax **$'000**	**Tax charge** **$'000**	**After tax** **$'000**
2016			
Cash flow hedges	(2,217)	-	(2,217)
Currency translation differences	(43,623)	-	(43,623)
Share of other comprehensive expense of associated and joint venture companies	(978)	-	(978)
Revaluation gains on property, plant and equipment	7,569	(1,222)	6,347
	(39,249)	**(1,222)**	**(40,471)**
2015			
Cash flow hedges	11,743	-	11,743
Currency translation differences	86,534	-	86,534
Share of other comprehensive expense of associated and joint venture companies	(1,645)	-	(1,645)
Revaluation gains on property, plant and equipment	3,109	-	3,109
	99,741	-	99,741

(b) Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group	
	2016 **$'000**	**2015** **$'000**
Deferred income tax liabilities to be settled:		
– within one year	**54**	117
– after one year	**65,113**	63,893
	65,167	64,010

8. INCOME TAXES *(continued)*

(b) Deferred income taxes *(continued)*

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group had unrecognised tax losses of $167.5 million (2015: $161.0 million) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unutilised tax losses in their respective countries of incorporation. These tax losses have no expiry date.

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

Deferred income tax liabilities – Group

	Accelerated tax depreciation $'000	Revaluation gains $'000	Recognition of profits on percentage of completion $'000	Others* $'000	Total $'000
2016					
Beginning of financial year	3,909	27,873	14,138	18,724	64,644
Currency translation differences	(18)	(326)	-	(1,293)	(1,637)
(Credited)/charged to income statement	(585)	(1)	(4,379)	6,645	1,680
Charged to equity	449	773	-	-	1,222
Disposal of subsidiary company	(57)	-	-	-	(57)
End of financial year	**3,698**	**28,319**	**9,759**	**24,076**	**65,852**
2015					
Beginning of financial year	4,067	27,592	31,019	10,471	73,149
Currency translation differences	(30)	258	-	1,003	1,231
(Credited)/charged to income statement	(128)	23	(16,881)	7,250	(9,736)
End of financial year	3,909	27,873	14,138	18,724	64,644

* Includes deferred income tax liability of $23.9 million (2015: $18.6 million) relating to land appreciation tax of a development property in the People's Republic of China.

Deferred income tax assets – Group

	Provisions $'000	Tax losses $'000	Others $'000	Total $'000
2016				
Beginning of financial year	16	319	299	634
Currency translation differences	(1)	(20)	(19)	(40)
Credited to income statement	34	27	30	91
End of financial year	**49**	**326**	**310**	**685**
2015				
Beginning of financial year	19	343	93	455
Currency translation differences	(3)	(28)	(22)	(53)
Credited to income statement	-	4	228	232
End of financial year	16	319	299	634

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 30 June 2016

9. EARNINGS PER SHARE

(a) Basic earnings per share
Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2016	**2015**
Net profit attributable to equity holders of the Company ($'000)	**7,079**	150,304
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**777,271**	784,455
Basic earnings per share (cents)	**0.91**	19.16

(b) Diluted earnings per share
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume the effects of all dilutive potential ordinary shares from share plans and share options.

	Group	
	2016	**2015**
	$'000	**$'000**
Net profit attributable to equity holders of the Company	**7,079**	150,304
Adjustments for share options and share plans of:		
– a subsidiary company	**(9)**	(35)
– an associated company	**(268)**	(395)
Net profit used to determine diluted earnings per share	**6,802**	149,874

	2016	**2015**
	'000	**'000**
Weighted average number of ordinary shares in issue for basic earnings per share	**777,271**	784,455
Adjustments for:		
– share plans	**2,233**	2,805
– share options	**28**	138
Number of ordinary shares used to determine diluted earnings per share	**779,532**	787,398
Diluted earnings per share (cents)	**0.87**	19.03

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Fixed deposits with financial institutions	**433,443**	575,561	**147,500**	269,000
Cash and bank balances	**289,440**	305,050	**187,591**	194,078
	722,883	880,611	**335,091**	463,078

Included in cash and cash equivalents of the Group are amounts held under project accounts totalling $106.1 million (2015: $128.5 million), withdrawals of which are restricted to payments for expenditures incurred on projects.

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

10. CASH AND CASH EQUIVALENTS *(continued)*

Significant restrictions
Cash and short-term deposits of $123.0 million (2015: $110.1 million) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Disposal of subsidiary companies
On 30 June 2016, the Group disposed of its 100% interest in Yoshinoya (S) Pte Ltd for a cash consideration of $5.0 million.

In the previous financial year, the Group disposed of its effective interests of 70% in PT Windas Development for a cash consideration of $27.1 million (net of withholding tax).

The effects of the disposal on the cash flows of the Group were:

	Group	
	2016	**2015**
	$'000	**$'000**
Carrying amount of assets and liabilities disposed of:		
Cash and cash equivalents	**2,539**	-
Trade and other receivables	**147**	-
Inventories	**156**	-
Other current assets	**549**	73
Property, plant and equipment	**130**	-
Shareholders' loans	**-**	(39,450)
Trade and other payables	**(1,283)**	(34)
Current income tax liabilities	**(213)**	-
Deferred income tax liabilities	**(57)**	-
Other non-current liabilities	**(166)**	-
Net assets/(liabilities) derecognised	**1,802**	(39,411)
Non-controlling interests	**-**	11,823
Net assets/(liabilities) disposed of	**1,802**	(27,588)
Reclassification of currency translation reserve	**-**	3,229
Novation of shareholders' loans	**-**	30,529
Gain on disposal of a subsidiary company	**3,215**	20,963
Sale proceeds	**5,017**	27,133
Deferred sale proceeds	**(517)**	-
Cash and cash equivalents of subsidiary company disposed of	**(2,539)**	-
Net cash inflow on disposal	**1,961**	27,133

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	Contract notional amount	Fair value asset/ (liability)	Contract notional amount	Fair value asset
	$'000	$'000	$'000	$'000
2016				
Cash flow hedges				
– Interest rate and cross currency swaps	151,020	1,503	131,970	429
Net investment hedges				
– Cross currency swaps	305,049	15,125	-	-
Non-hedging instruments				
– Currency forwards	15,393	(1,450)	-	-
– Cross currency swaps	-	-	208,822	10,893
		15,178		**11,322**
2015				
Cash flow hedges				
– Interest rate and cross currency swaps	151,020	4,635	131,970	3,231
Non-hedging instruments				
– Currency forwards	10,684	134	-	-
		4,769		3,231

As at 30 June 2016, the fixed interest rate on SGD interest rate swap is 3.1% (2015: 3.1%) per annum and the fixed interest rates on HKD interest rate swaps ranges from 2.5% to 3.4% (2015: Nil) per annum. The main floating rates are Singapore Swap Offered Rate and London Interbank Offered Rate.

Interest rate swaps are transacted to hedge variable quarterly interest payments on borrowings and will mature by November 2019 (2015: November 2019).

Cross currency swaps that will mature by November 2019 (2015: November 2019) are transacted to hedge (i) variable quarterly interest payments on borrowings and (ii) currency translation differences from the Group's investment in its associated company.

Please refer to Note 2.14 for details of the financial instruments and hedging policies.

12. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	**30,760**	17,320	**-**	-
Allowance for impairment of receivables	**(143)**	(122)	**-**	-
	30,617	17,198	**-**	-
Due from subsidiary companies				
– non-trade [Note 12(i)]	**-**	-	**1,444,348**	605,977
Allowance for impairment of receivables	**-**	-	**(273,176)**	(244,207)
	-	-	**1,171,172**	361,770
Due from associated and joint venture companies				
– non-trade [Note 12(ii)]	**14,742**	11,439	**298**	227
Total current receivables	**45,359**	28,637	**1,171,470**	361,997

(i) Amounts due from subsidiary companies are unsecured and repayable on demand. Included in the amounts due from subsidiary companies are fixed-interest loan receivables of $335.9 million (2015: $304.3 million).

(ii) Amounts due from associated and joint venture companies are unsecured and repayable on demand. Included in the amounts due from associated and joint venture companies are fixed-interest loan receivables of $11.5 million (2015: $9.0 million).

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

13. INVENTORIES

	Group	
	2016	**2015**
	$'000	**$'000**
Raw materials	**118**	257
Work-in-progress	**54**	66
Finished goods	**21,396**	19,692
	21,568	20,015

The cost of inventories recognised as expense and included in "cost of sales" amounted to $78.1 million (2015: $90.0 million).

14. DEVELOPMENT PROPERTIES

	Group	
	2016	**2015**
	$'000	**$'000**
Properties under development		
– Land, at cost	**593,375**	818,500
– Development costs	**244,507**	543,514
– Overhead expenditure capitalised	**20,862**	29,563
	858,744	1,391,577
– Attributable profits	**141,012**	307,892
– Allowance for foreseeable losses	**(11,936)**	(13,213)
	987,820	1,686,256
– Progress billings	**(397,798)**	(852,061)
	590,022	834,195
Properties held for sale	**638,747**	430,908
	1,228,769	1,265,103
Value of development properties mortgaged to secure long term banking facilities granted (Note 24)	**270,950**	271,620
Total interest capitalised during the financial year	**4,953**	4,605

The following table provides information about agreements that are in progress at the end of the financial year whose revenue is recognised on a percentage of completion basis:

	Group	
	2016	**2015**
	$'000	**$'000**
Aggregate amount of costs incurred	**443,379**	731,593
Attributable profits	**141,012**	307,892
Progress billings	**(391,024)**	(821,694)
	193,367	217,791

Significant estimates and judgement are applied in assessing the valuation of development properties in accordance with Note 2.8. The write-back of allowance for foreseeable losses on development properties is disclosed in Note 4.

14. DEVELOPMENT PROPERTIES *(continued)*

The major development properties are as follows:

Location	Type of development	Tenure		% of completion at 30.06.2016	Expected completion date	Land area (Sq m)	Gross floor area (Sq m)	Group's interest in property (%)
Singapore								
Le Nouvel Ardmore at Ardmore Park	43 units of condominium housing	Freehold		100	n/a	5,624	15,746	100
The Tembusu at Tampines Road	337 units of condominium housing and 1 unit of shop	Freehold		95	2016	13,149	27,614	100
Malaysia								
Le Nouvel KLCC at Section 43, Town of Kuala Lumpur	195 units of condominium housing	Freehold		100	n/a	6,084	42,926	66.2
Nobleton Crest at Section 89, Town of Kuala Lumpur	25 units of condominium housing	Freehold		100	n/a	4,047	8,019	66.2
Verticas Residensi at Section 57, Town of Kuala Lumpur	423 units of condominium housing	Freehold	Towers A, B, C, D	100	n/a	9,764	5,058	66.2
Taman Bukit Minyak Utama at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	692 units of terrace and semi-detached houses and shop houses	Freehold	Phases 1-4 Phase 5	100 -	n/a 2018	41,856	34,402	66.2
Impiana Boulevard and Impiana Gallery at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	81 units of shop houses	Freehold		100	n/a	8,312	8,919	66.2
Jesselton Hills at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	950 units of terrace and semi-detached houses and vacant land	Freehold	Phases 1-2 Phases 3-5 Vacant land	100 - -	n/a - -	227,963	7,886	66.2

14. DEVELOPMENT PROPERTIES *(continued)*

Location	Type of development	Tenure		% of completion at 30.06.2016	Expected completion date	Land area (Sq m)	Gross floor area (Sq m)	Group's interest in property (%)
Malaysia *(continued)*								
Mahkota Impian at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	386 units of shop houses and service apartments	Freehold		50	2017	29,793	69,072	66.2
Vacant land at Mukim of Ulu Klang, Gombak, Selangor	-	Freehold		-	-	188,151	n/a	66.2
Vacant land at Pekan Penaga, District of Petaling, Selangor	-	99-year lease expiring 2093		-	-	38,155	n/a	66.2
Vacant land at Section 89A, Town of Kuala Lumpur	-	Freehold		-	-	8,645	n/a	66.2
Vacant land at Mukim 14-16, Daerah Seberang Perai Tengah, Pulau Pinang	-	Freehold		-	-	479,812	n/a	66.2
The People's Republic of China								
The Lakeside at No. 1 Xingzhou Street, Suzhou Industrial Park	-	70-year lease expiring 2066	Phase 2	-	-	19,518	n/a	75
Vacant land at 17/2 Huai Hai Middle Road, Precinct No. 45, Huangpu District, Shanghai	-	40 and 50-year leases expiring 2054 and 2064 respectively		-	-	8,594	n/a	100

n/a: not applicable

15. OTHER CURRENT ASSETS

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Deposits	**7,153**	10,552	**33**	218
Prepayments	**16,360**	24,345	**4,993**	5,807
Sundry receivables	**5,548**	5,580	**1,085**	1,241
	29,061	40,477	**6,111**	7,266

The carrying amounts of deposits and sundry receivables approximated their fair values.

16. ASSETS HELD FOR SALE

On 5 July 2016, the Group's wholly-owned subsidiary company, Wing Tai Land Pte. Ltd. disposed of its 50% interest in the issued share capital and shareholders' loans of Summervale Properties Pte Ltd ("Summervale") with net carrying amount of $411.0 million to Sunmaster Holdings Pte. Ltd. for a cash consideration of $411.0 million. Following the disposal of shares, Summervale ceased to be a joint venture company of the Group.

On 26 August 2016, the Group's wholly-owned subsidiary company, Wing Tai (China) Investment Pte. Ltd. disposed of its 40% interest in the issued share capital and shareholders' loans of Optima Investment & Development Pte. Ltd. ("Optima") with net carrying amount of $84.6 million to Singbridge Guangzhou Pte. Ltd. for a cash consideration of $89.3 million. Following the disposal of shares, Optima ceased to be a joint venture company of the Group.

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Beginning of financial year	**6,267**	3,189	**3,189**	3,189
Addition	**-**	3,078	**-**	-
Currency translation differences	**9**	-	**-**	-
End of financial year	**6,276**	6,267	**3,189**	3,189

The available for sale financial assets comprised unquoted equity shares in Singapore and Hong Kong SAR. There are no active markets and no recent transactions for these investments and the fair values cannot currently be estimated within a reasonable range using valuation techniques.

18. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Loans to subsidiary companies [Note 18(i)]	**-**	-	**518,181**	1,060,578
Loans to joint venture companies [Note 18(ii)]	**195,416**	383,103	**-**	-
Allowance for impairment of receivables	**(189)**	(199)	**-**	-
	195,227	382,904	**-**	-
Loans to non-controlling interests [Note 18(iii)]	**20,930**	17,207	**-**	-
Total non-current receivables	**216,157**	400,111	**518,181**	1,060,578

(i) Loans to subsidiary companies are unsecured, have no fixed terms of repayment and are not expected to be repayable within the next 12 months. Included in the loans to subsidiary companies are fixed-interest loan receivables of $146.0 million (2015: $364.3 million).

The interest-free loans to subsidiary companies are intended to be a long-term source of additional capital for the subsidiary companies. As a result, management considers such loans to be in substance part of the Company's net investment in these subsidiary companies and has accounted for these loans in accordance with Note 2.5.

(ii) Loans to joint venture companies are unsecured, have no fixed terms of repayment and are not expected to be repayable within the next 12 months. Included in the loans to joint venture companies are fixed-interest loan receivables of $129.8 million (2015: $317.0 million), which are subordinated to banking facilities of $420.0 million (2015: $967.8 million) granted by banks to the said joint venture companies.

(iii) Loans by a certain subsidiary company to non-controlling interests are made proportionate to the shareholders' equity stake in the subsidiary company on a pari passu basis. The loans are unsecured, interest-free, have no fixed terms of repayment and are not expected to be repayable within the next 12 months.

The carrying amounts of non-current trade and other receivables approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy.

19. INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES

The summarised financial information of the associated and joint venture companies, not adjusted for the proportionate ownership interest held by the Group, is as follows:

	Wing Tai Properties Limited		Uniqlo (Singapore) Pte. Ltd.		Uniqlo (Malaysia) Sdn. Bhd.	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Summarised statement of financial position						
Current assets	**741,570**	670,677	**112,725**	99,308	**52,410**	41,859
Non-current assets	**4,246,942**	4,095,476	**17,651**	18,332	**22,583**	25,677
Current liabilities	**(212,644)**	(107,577)	**(56,639)**	(44,866)	**(34,175)**	(30,898)
Non-current liabilities	**(689,395)**	(737,297)	**-**	-	**(1,046)**	(543)
Net assets	**4,086,473**	3,921,279	**73,737**	72,774	**39,772**	36,095
Summarised statement of comprehensive income						
Revenue	**173,254**	310,817	**242,947**	205,620	**168,777**	146,785
Expenses	**65,192**	36,970	**(223,743)**	(191,525)	**(156,487)**	(134,304)
Profit before income tax	**238,446**	347,787	**19,204**	14,095	**12,290**	12,481
Income tax expense	**(18,759)**	(15,777)	**(3,812)**	(2,525)	**(5,764)**	(3,996)
Total profit	**219,687**	332,010	**15,392**	11,570	**6,526**	8,485
Other comprehensive expense	**(27,172)**	(4,811)	**(1,429)**	-	**(539)**	-
Total comprehensive income	**192,515**	327,199	**13,963**	11,570	**5,987**	8,485

	Wing Tai Properties Limited	
	2016 $'000	2015 $'000
Net assets of an associated company attributable to:		
– Non-controlling interests	**174**	191
– Equity holders	**4,086,299**	3,921,088
Total comprehensive income of an associated company attributable to:		
– Non-controlling interests	**(17)**	(51)
– Equity holders	**192,532**	327,250

	Uniqlo (Singapore) Pte. Ltd.		Uniqlo (Malaysia) Sdn. Bhd.	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Included in net assets of the joint venture companies are:				
– Cash and cash equivalents	**65,529**	56,961	**14,426**	5,996
– Financial liabilities (excluding trade and other payables and provisions)				
– Current	**(2,393)**	-	**-**	(2,857)
– Non-current	**-**	-	**-**	-
Included in total comprehensive income of the joint venture companies are:				
– Interest income	**283**	191	**240**	155
– Depreciation and amortisation	**(6,675)**	(6,123)	**(7,298)**	(7,240)
– Interest expense	**(135)**	-	**(99)**	(247)

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

	Wing Tai Properties Limited $'000	Uniqlo (Singapore) Pte. Ltd. $'000	Uniqlo (Malaysia) Sdn. Bhd. $'000	Other individually immaterial joint venture companies $'000	Total for joint venture companies $'000	Total $'000
Reconciliation of carrying amounts of investments in associated and joint venture companies						
2016						
Beginning of financial year	1,353,952	35,659	16,243	124,397	176,299	1,530,251
Currency translation differences	1,628	-	(1,040)			
Dilution loss	(2,431)	-	-			
Dividends received	(12,428)	(6,370)	-	(1,200)	(7,570)	(19,998)
Group's share of:						
– Profit/(loss) for the year	77,190	7,542	2,937	(28,270)	(17,791)	59,399
– Other comprehensive (expense)/income	(9,364)	(700)	(243)	9,329	8,386	(978)
End of financial year	**1,408,547**	**36,131**	**17,897**	**34,423**	**88,451**	**1,496,998**
2015						
Beginning of financial year	1,162,428	29,990	13,773	107,322	151,085	1,313,513
Currency translation differences	90,435	-	(1,348)			
Dilution loss	(1,410)	-	-			
Dividends received	(10,508)	-	-	(8,850)	(8,850)	(19,358)
Group's share of:						
– Profit/(loss) for the year	114,652	5,669	3,818	(4,856)	4,631	119,283
– Other comprehensive expense	(1,645)	-	-	-	-	(1,645)
End of financial year	1,353,952	35,659	16,243	124,397	176,299	1,530,251

	Group 2016 $'000	Group 2015 $'000
Capital commitments in relation to interest in a joint venture company	**13,089**	16,603
Share of joint venture companies' capital commitments	**65,772**	70,440
Share of an associated company's contingent liabilities and financial guarantees incurred jointly with other investors	**152,109**	171,099
Market value of quoted equity shares of an associated company	**343,224**	404,987

The Group's associated company, Wing Tai Properties Limited ("WTP") is listed on the Hong Kong Exchanges and Clearing Limited and its financial year-end is 31 December. Due to the timing of availability of the financial information of WTP and as WTP is unable to provide financial information to the Group without providing equivalent information to all its other investors, the Group equity accounts for WTP for the period from 1 April 2015 to 31 March 2016 (2015: 1 April 2014 to 31 March 2015) and adjusts for any significant transactions and events that occur between 1 April and 30 June 2016 that become publicly available prior to the date of the Group's consolidated financial statements.

As at 30 June 2016, the carrying amount of quoted equity shares of the associated company is higher than the market value. The directors consider the carrying amount of the investment to be appropriate, after having evaluated various qualitative and quantitative factors including the historical financial performance of the associated company.

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

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

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

20. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2016	**2015**
	$'000	**$'000**
Equity investments, at cost	**283,063**	252,392

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

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

	Effective interest held by non-controlling interests	
	2016	**2015**
Name of company	**%**	**%**
Wing Tai Malaysia Berhad	**33.8**	39.6
Suzhou Property Development Pte Ltd	**25**	25

There were no significant transactions with non-controlling interests for the financial years ended 30 June 2016 and 2015.

20. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

The following table summarises the financial information of each of the Group's subsidiary companies with material non-controlling interests, based on their respective consolidated financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations with other companies in the Group.

	Wing Tai Malaysia Berhad $'000	Suzhou Property Development Pte Ltd $'000	Total $'000
2016			
Summarised statement of financial position			
Current assets	514,132	125,423	639,555
Non-current assets	110,909	21,255	132,164
Current liabilities	(51,032)	(5,827)	(56,859)
Non-current liabilities	(153,141)	(60,347)	(213,488)
Net assets	420,868	80,504	501,372
Net assets attributable to non-controlling interests	142,338	20,126	162,464
Add: Carrying amount of individually immaterial non-controlling interests of other subsidiary companies			47,353
Carrying amount of non-controlling interests			**209,817**
Summarised statement of comprehensive income			
Revenue	118,739	36,224	154,963
Total profit	10,228	8,392	18,620
Other comprehensive income/(expense)	4,913	(6,076)	(1,163)
Total comprehensive income	15,141	2,316	17,457
Total comprehensive income attributable to non-controlling interests	5,121	579	5,700
Dividends paid to non-controlling interests	1,628	-	1,628
Summarised cash flows			
Cash flows from:			
– Operating activities	(52,042)	17,621	(34,421)
– Investing activities	(210)	1,535	1,325
– Financing activities	52,531	-	52,531
Net increase in cash and cash equivalents	279	19,156	19,435

20. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

	Wing Tai Malaysia Berhad $'000	Suzhou Property Development Pte Ltd $'000	Total $'000
2015			
Summarised statement of financial position			
Current assets	465,565	124,693	590,258
Non-current assets	113,983	22,094	136,077
Current liabilities	(77,112)	(13,606)	(90,718)
Non-current liabilities	(129,596)	(54,994)	(184,590)
Net assets	372,840	78,187	451,027
Net assets attributable to non-controlling interests	147,496	19,547	167,043
Add: Carrying amount of individually immaterial non-controlling interests of other subsidiary companies			21,989
Carrying amount of non-controlling interests			189,032
Summarised statement of comprehensive income			
Revenue	103,624	49,630	153,254
Total profit	20,356	13,471	33,827
Other comprehensive (expense)/income	(623)	5,376	4,753
Total comprehensive income	19,733	18,847	38,580
Total comprehensive income attributable to non-controlling interests	7,806	4,712	12,518
Dividends paid to non-controlling interests	3,345	-	3,345
Summarised cash flows			
Cash flows from:			
– Operating activities	(26,389)	30,226	3,837
– Investing activities	6,960	1,561	8,521
– Financing activities	(11,127)	-	(11,127)
Net (decrease)/increase in cash and cash equivalents	(30,556)	31,787	1,231

21. INVESTMENT PROPERTIES

	Group 2016 $'000	Group 2015 $'000
Beginning of financial year	**585,527**	575,263
Fair value (losses)/gains recognised in income statement	**(2,862)**	12,522
Disposals	**(149)**	-
Additions	**-**	649
Transfer to property, plant and equipment	**(3,648)**	-
Transfer from development properties	**3,273**	-
Currency translation differences	**(4,409)**	(2,907)
End of financial year	**577,732**	585,527

The following amounts are recognised in the income statement:

	Group 2016 $'000	Group 2015 $'000
Rental income	**31,677**	30,928
Direct operating expenses arising from investment properties that generated rental income	**(10,030)**	(10,542)

The major investment properties are as follows:

Name of building/ location	Description	Tenure of land	Lettable area (Sq m)	Group's interest in property (%)
Singapore				
Winsland House I at 3 Killiney Road (1st to 9th floor)	10-storey commercial building	99-year lease expiring 2082	13,283	100
Winsland House II at 163 Penang Road	8-storey commercial building	99-year lease expiring 2093	7,311	100
Winsland House II at 165 Penang Road	Conservation house	99-year lease expiring 2093	584	100
Lanson Place Winsland Serviced Residences at 167 Penang Road	67 units of serviced apartments in a 9-storey building	99-year lease expiring 2093	6,030	100
Malaysia				
Kondominium No. 8 at Section 89A, Town of Kuala Lumpur	132 units of condominium housing	Freehold	22,702	66.2
Sering Ukay at Jalan SU1E, Ampang, Selangor	10 units of shop offices	Freehold	2,872	66.2

21. INVESTMENT PROPERTIES *(continued)*

Name of building/ location	Description	Tenure of land	Lettable area (Sq m)	Group's interest in property (%)
Malaysia *(continued)*				
Taman Bukit Minyak Utama at Lorong Bukit Minyak Utama 2, Daerah Seberang Perai Tengah, Pulau Pinang	8 units of shop offices	Freehold	3,265	66.2
The People's Republic of China				
Singa Plaza at No. 8 Jinji Hu Road, Suzhou Industrial Park	8-storey commercial building	50-year lease expiring 2046	8,255	75

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

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

Investment properties with a total valuation of $547.6 million (2015: $554.3 million) were mortgaged to banks to secure long term banking facilities granted to certain subsidiary companies (Note 24).

22. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Group						
2016						
Cost or valuation						
Beginning of financial year						
Cost	-	-	6,315	26,209	64,348	96,872
Valuation	33,692	58,177	-	-	-	91,869
	33,692	58,177	6,315	26,209	64,348	188,741
Additions	-	13	1,103	1,985	1,541	4,642
Disposals	-	-	(820)	(250)	(28)	(1,098)
Disposal of a subsidiary company	-	-	-	(1,156)	(2,342)	(3,498)
Write-off	-	-	-	(989)	(10,667)	(11,656)
Transfer from investment properties	-	3,648	-	-	-	3,648
Revaluation gains	1,876	96	-	-	-	1,972
Currency translation differences	(2,121)	(450)	(196)	(624)	(1,422)	(4,813)
End of financial year	33,447	61,484	6,402	25,175	51,430	177,938
Representing:						
Cost	-	-	6,402	25,175	51,430	83,007
Valuation	33,447	61,484	-	-	-	94,931
	33,447	61,484	6,402	25,175	51,430	177,938
Accumulated depreciation and impairment losses						
Beginning of financial year	1,130	851	4,982	14,452	48,016	69,431
Depreciation charge	287	1,170	613	1,841	6,600	10,511
Disposals	-	-	(820)	(180)	(28)	(1,028)
Disposal of a subsidiary company	-	-	-	(1,105)	(2,263)	(3,368)
Write-off	-	-	-	(919)	(9,585)	(10,504)
Impairment loss	-	-	-	104	1,325	1,429
Revaluation adjustments	(1,356)	(1,678)	-	-	-	(3,034)
Currency translation differences	(61)	(47)	(150)	(547)	(1,138)	(1,943)
End of financial year	-	296	4,625	13,646	42,927	61,494
Net book value						
End of financial year	**33,447**	**61,188**	**1,777**	**11,529**	**8,503**	**116,444**

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

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Group						
2015						
Cost or valuation						
Beginning of financial year						
Cost	-	-	6,314	24,941	64,573	95,828
Valuation	36,616	56,632	-	-	-	93,248
	36,616	56,632	6,314	24,941	64,573	189,076
Additions	-	27	568	2,525	3,860	6,980
Disposals	-	-	(347)	(147)	(28)	(522)
Write-off	-	-	-	(276)	(2,132)	(2,408)
Revaluation gains	-	2,143	-	-	-	2,143
Currency translation differences	(2,924)	(625)	(220)	(834)	(1,925)	(6,528)
End of financial year	33,692	58,177	6,315	26,209	64,348	188,741
Representing:						
Cost	-	-	6,315	26,209	64,348	96,872
Valuation	33,692	58,177	-	-	-	91,869
	33,692	58,177	6,315	26,209	64,348	188,741
Accumulated depreciation and impairment losses						
Beginning of financial year	898	724	4,662	12,960	38,341	57,585
Depreciation charge	324	1,163	763	2,325	9,815	14,390
Disposals	-	-	(278)	(135)	(25)	(438)
Write-off	-	-	-	(247)	(1,899)	(2,146)
Impairment loss	-	-	-	277	3,305	3,582
Revaluation adjustments	-	(966)	-	-	-	(966)
Currency translation differences	(92)	(70)	(165)	(728)	(1,521)	(2,576)
End of financial year	1,130	851	4,982	14,452	48,016	69,431
Net book value						
End of financial year	32,562	57,326	1,333	11,757	16,332	119,310

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

	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Company				
2016				
Cost				
Beginning of financial year	1,744	10,209	2,488	14,441
Additions	965	1,174	47	2,186
Disposals	(756)	(30)	(28)	(814)
Write-off	-	(1)	-	(1)
End of financial year	1,953	11,352	2,507	15,812
Accumulated depreciation				
Beginning of financial year	1,669	1,419	1,777	4,865
Depreciation charge	157	445	308	910
Disposals	(756)	(30)	(28)	(814)
Write-off	-	(1)	-	(1)
End of financial year	1,070	1,833	2,057	4,960
Net book value				
End of financial year	**883**	**9,519**	**450**	**10,852**
2015				
Cost				
Beginning of financial year	1,841	8,622	2,491	12,954
Additions	-	1,691	12	1,703
Disposals	(97)	(104)	(4)	(205)
Write-off	-	-	(11)	(11)
End of financial year	1,744	10,209	2,488	14,441
Accumulated depreciation				
Beginning of financial year	1,615	1,083	1,469	4,167
Depreciation charge	151	433	319	903
Disposals	(97)	(97)	(1)	(195)
Write-off	-	-	(10)	(10)
End of financial year	1,669	1,419	1,777	4,865
Net book value				
End of financial year	75	8,790	711	9,576

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

The freehold and leasehold land and buildings are valued by independent professional valuers based on the properties' highest and best use using the Direct Comparison Approach and/or the Capitalisation Approach. A description of the valuation techniques and the valuation processes of the Group are provided in Note 32(e).

If the freehold and leasehold land and buildings stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would be as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Freehold land and buildings	**29,854**	28,385
Leasehold land and buildings	**42,404**	39,025

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

Name of building/ location	**Description**	**Tenure of land**	**Lettable area (Sq m)**
Singapore			
Winsland House I at 3 Killiney Road (Basement 1 and 10th floor)	10-storey commercial building	99-year lease expiring 2082	2,858
Malaysia			
166-A, Rifle Range Road, Pulau Pinang	5-storey commercial building	99-year lease expiring 2109	11,136
Ambassador Row Serviced Suites at 1 Jalan Ampang Hilir, Kuala Lumpur	221 units of serviced apartments in a 20-storey building	Freehold	17,452

Property, plant and equipment with net book values amounting to $85.5 million (2015: $83.0 million) were mortgaged to banks to secure long term banking facilities granted to subsidiary companies (Note 24).

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Due to subsidiary companies – non-trade [Note 23(i)]	**-**	-	**84,220**	83,333
Due to associated and joint venture companies – non-trade [Note 23(ii)]	**16,914**	15,709	**-**	-
Due to non-controlling interests – non-trade [Note 23(iii)]	**-**	23,262	**-**	-
Accrued project costs	**57,508**	75,263	**-**	-
Accrued operating expenses	**26,297**	26,663	**9,534**	9,029
Trade creditors	**25,416**	20,232	**-**	-
Other creditors	**3,597**	13,099	**170**	1,747
Tenancy deposits	**3,324**	2,650	**-**	-
	116,142	137,907	**9,704**	10,776
Total trade and other payables	**133,056**	176,878	**93,924**	94,109

(i) Non-trade amounts due to subsidiary companies are unsecured and repayable on demand. Included in the amounts due to subsidiary companies are floating-interest payables of $40.7 million (2015: $40.7 million).

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

(iii) Non-trade amounts due to non-controlling interests are unsecured, interest-free and repayable on demand.

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

24. BORROWINGS

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Current				
– Secured bank loans	**5,859**	30,628	**-**	-
– Unsecured bank loans	**81,489**	5,356	**-**	-
	87,348	35,984	**-**	-
Non-current				
– Secured bank loans	**341,087**	315,951	**-**	-
– Unsecured bank loans	**528,071**	359,424	**507,838**	257,796
– Unsecured medium term notes due in 2018	**-**	60,000	**-**	60,000
– Unsecured medium term notes due in 2021	**120,000**	120,000	**120,000**	120,000
– Unsecured medium term notes due in 2022	**100,000**	100,000	**100,000**	100,000
– Unsecured medium term notes due in 2023	**100,000**	100,000	**100,000**	100,000
– Unsecured medium term notes due in 2024	**100,000**	100,000	**100,000**	100,000
	1,289,158	1,155,375	**927,838**	737,796
Total borrowings	**1,376,506**	1,191,359	**927,838**	737,796

The carrying amounts of borrowings approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy.

(a) Interest rate risks

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

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Less than one year	**716,435**	558,386	**288,000**	125,000
Between one and two years	**87,000**	-	**87,000**	-
Between two and five years	**153,071**	212,973	**132,838**	192,796
Over five years	**420,000**	420,000	**420,000**	420,000
	1,376,506	1,191,359	**927,838**	737,796

(b) Security granted

The Group's secured borrowings are generally secured by mortgages on certain development properties (Note 14), investment properties (Note 21) and property, plant and equipment (Note 22) and assignment of all rights, titles and benefits with respect to the properties.

25. DIVIDENDS

	Group and Company	
	2016	**2015**
	$'000	**$'000**
Dividends paid in respect of the preceding financial year		
First and final dividend of 3 cents per share (2015: 3 cents per share)	**23,448**	23,634
Special dividend of nil (2015: 3 cents per share)	-	23,633
	23,448	47,267

The directors have recommended a first and final dividend in respect of the financial year ended 30 June 2016 of 3 cents per share and a special dividend of 3 cents per share. These financial statements do not reflect these proposed dividends, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 June 2017.

The proposed first and final dividend in respect of the financial year ended 30 June 2015 have been accounted for in the shareholders' equity as an appropriation of retained earnings in the current financial year.

26. OTHER NON-CURRENT LIABILITIES

	Group	
	2016	**2015**
	$'000	**$'000**
Tenancy deposits	**4,808**	5,572
Loans from non-controlling interests	**7,903**	7,894
Retention payable	**14,592**	25,345
Others	**2,172**	3,079
	29,475	41,890

Loans from non-controlling interests are unsecured, interest-free, have no fixed terms of repayment and are not expected to be repayable within the next 12 months.

The carrying amounts of other non-current liabilities approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy.

27. SHARE CAPITAL

	Group and Company *Issued share capital*	
	Number of ordinary shares	**Amount**
	'000	**$'000**
2016		
Beginning and end of financial year	**793,927**	**838,250**
2015		
Beginning and end of financial year	793,927	838,250

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

27. SHARE CAPITAL *(continued)*

(a) The Wing Tai Holdings Limited (2001) Share Option Scheme (the "Scheme")

The Scheme was approved and adopted by the members of the Company at an Extraordinary General Meeting ("EGM") held on 31 August 2001. The Scheme was terminated by the members of the Company at an EGM held on 30 October 2008 (without prejudice to the rights of holders of options thereunder in respect of options which have been granted).

Details of the movement in the options granted under the Scheme on the unissued ordinary shares of the Company during the year were as follows:

Date of grant	Beginning of financial year	Number of options exercised	Number of options forfeited	End of financial year	Exercise price ($)	Expiry date
2016						
30.09.2005	230,000	223,300	6,700	**-**	1.300	29.09.2015
05.09.2006	702,200	20,200	61,600	**620,400**	1.645	04.09.2016
06.09.2007	1,529,000	-	176,000	**1,353,000**	3.136	05.09.2017
Total	**2,461,200**	**243,500**	**244,300**	**1,973,400**		
2015						
19.11.2004	103,400	103,400	-	-	0.849	18.11.2014
30.09.2005	315,800	48,400	37,400	230,000	1.300	29.09.2015
05.09.2006	825,400	46,200	77,000	702,200	1.645	04.09.2016
06.09.2007	1,688,500	-	159,500	1,529,000	3.136	05.09.2017
Total	2,933,100	198,000	273,900	2,461,200		

All the outstanding share options are exercisable.

The Company reissued 243,500 (2015: 222,200) treasury shares at an average price of $1.33 (2015: $1.19) per share during the financial year for the fulfilment of share options exercised during the financial year. The weighted average share price at the time of exercise was $1.66 (2015: $1.89) per share.

27. SHARE CAPITAL *(continued)*

(b) Share Plans

The Wing Tai Performance Share Plan ("Wing Tai PSP") and the Wing Tai Restricted Share Plan ("Wing Tai RSP") (collectively referred to as the "Share Plans") were adopted by the members of the Company at an EGM held on 30 October 2008.

Wing Tai PSP

On 14 September 2015 (2015: 26 September 2014), awards were granted by the Company to qualifying employees pursuant to the Wing Tai PSP in respect of 223,000 (2015: 210,000) shares of the Company. Under the Wing Tai PSP, performance conditions are set over a three-year performance period. A specified number of shares will be released by the Committee to the participants at the end of the performance period, provided the threshold targets are achieved. The total number of shares released varies depending on the achievement of pre-set performance targets over the performance period. The achievement factor ranges from 0% to 200%.

Details of the movement in the awards of the Company during the year were as follows:

Date of grant	Beginning of financial year	Number of shares granted	Additional shares awarded arising from targets achieved	Number of shares released	Number of shares forfeited	End of financial year
2016						
19.09.2012	147,000	-	41,600	188,600	-	**-**
25.09.2013	115,000	-	-	-	-	**115,000**
26.09.2014	210,000	-	-	-	28,000	**182,000**
14.09.2015	-	223,000	-	-	32,000	**191,000**
Total	**472,000**	**223,000**	**41,600**	**188,600**	**60,000**	**488,000**
2015						
08.09.2011	183,000	-	11,200	194,200	-	-
19.09.2012	147,000	-	-	-	-	147,000
25.09.2013	115,000	-	-	-	-	115,000
26.09.2014	-	210,000	-	-	-	210,000
Total	445,000	210,000	11,200	194,200	-	472,000

27. SHARE CAPITAL *(continued)*

(b) Share Plans *(continued)*

Wing Tai RSP
On 14 September 2015 (2015: 26 September 2014), awards were granted by the Company to qualifying employees pursuant to the Wing Tai RSP in respect of 970,000 (2015: 1,089,000) shares of the Company. Under the Wing Tai RSP, performance conditions are set over a one-year performance period. A specified number of shares will be awarded to eligible participants at the end of the performance period depending on the extent of achievement of the performance conditions established. The shares have a vesting schedule of three years. The participant will receive fully paid shares, without any cash consideration payable by the participant.

Details of the movement in the awards of the Company during the year were as follows:

Date of grant	Beginning of financial year	Number of shares granted	Number of shares released	Number of shares forfeited	End of financial year
2016					
19.09.2012	594,400	-	594,400	-	**-**
25.09.2013	887,600	-	380,400	46,800	**460,400**
26.09.2014	1,063,000	-	313,800	129,700	**619,500**
14.09.2015	-	970,000	-	133,000	**837,000**
Total	**2,545,000**	**970,000**	**1,288,600**	**309,500**	**1,916,900**
2015					
08.09.2011	744,800	-	738,000	6,800	-
19.09.2012	1,139,500	-	523,600	21,500	594,400
25.09.2013	1,336,500	-	420,000	28,900	887,600
26.09.2014	-	1,089,000	-	26,000	1,063,000
Total	3,220,800	1,089,000	1,681,600	83,200	2,545,000

The fair values of the awards granted pursuant to the Wing Tai PSP and the Wing Tai RSP on 14 September 2015 (2015: 26 September 2014) determined using the Monte Carlo simulation model was $0.2 million (2015: $0.2 million) and $1.6 million (2015: $1.9 million) respectively. The significant inputs into the model were share price at grant date of $1.64 (2015: $1.77) per share, standard deviation of expected share price returns of 20.9% (2015: 28.4%), dividend yield of 0.2% (2015: 1.5%) and annual risk-free one-year, two-year and three-year interest rates of 1.1%, 1.2% and 1.5% respectively (2015: 0.4%, 0.6% and 0.9% respectively). The volatility measured at the standard deviation of expected share price returns is based on the statistical analysis of monthly share prices over the past three years.

28. OTHER RESERVES

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Share-based payment reserve	**11,996**	12,360	**10,889**	11,368
Cash flow hedge reserve	**1,220**	3,437	**471**	2,528
Asset revaluation reserve	**22,595**	82,224	**-**	-
Share of capital reserves of associated and joint venture companies	**62,284**	61,043	**-**	-
Currency translation reserve	**(102,553)**	(66,507)	**-**	-
Treasury shares reserve	**(32,493)**	(19,584)	**(32,493)**	(19,584)
Statutory reserve	**3,294**	3,282	**-**	-
Capital redemption reserve	**-**	462	**-**	-
	(33,657)	76,717	**(21,133)**	(5,688)

(a) **Share-based payment reserve**

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Beginning of financial year	**12,360**	12,420	**11,368**	11,549
Employee share plans and share option schemes:				
– Value of employee services (Notes 6 and 27)	**1,904**	2,267	**1,730**	1,966
– Reissuance of treasury shares	**(2,209)**	(2,147)	**(2,209)**	(2,147)
Transfer to retained earnings upon expiry of share options	**-**	(101)	**-**	-
Attributable to non-controlling interests	**(59)**	(79)	**-**	-
End of financial year	**11,996**	12,360	**10,889**	11,368

(b) **Cash flow hedge reserve**

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Beginning of financial year	**3,437**	(8,306)	**2,528**	-
Fair value (losses)/gains	**(4,054)**	8,625	**(2,197)**	1,695
Reclassify to income statement as finance costs	**1,837**	3,118	**140**	833
End of financial year	**1,220**	3,437	**471**	2,528

(c) **Asset revaluation reserve**

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Beginning of financial year	**82,224**	163,660	**-**	-
Revaluation gains on property, plant and equipment	**7,569**	3,109	**-**	-
Deferred income tax charged to other comprehensive income	**(1,222)**	-	**-**	-
Transfer to retained earnings upon realisation	**(64,191)**	(84,545)	**-**	-
Attributable to non-controlling interests	**(1,785)**	-	**-**	-
End of financial year	**22,595**	82,224	**-**	-

(d) **Share of capital reserves of associated and joint venture companies**

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Beginning of financial year	**61,043**	62,634	**-**	-
Share of capital reserves of associated and joint venture companies	**(978)**	(1,645)	**-**	-
Liquidation of joint venture companies	**1,833**	-	**-**	-
Attributable to non-controlling interests	**386**	54	**-**	-
End of financial year	**62,284**	61,043	**-**	-

28. OTHER RESERVES *(continued)*

		Group		Company	
		2016	**2015**	**2016**	**2015**
		$'000	**$'000**	**$'000**	**$'000**
(e)	**Currency translation reserve**				
	Beginning of financial year	**(66,507)**	(164,950)	**-**	-
	Translation of financial statements of foreign subsidiary, associated and joint venture companies	**(40,248)**	76,358	**-**	-
	Translation of foreign currency denominated loans which form part of net investment in subsidiary companies	**(3,375)**	10,176	**-**	-
	Disposal of a subsidiary company	**-**	3,229	**-**	-
	Liquidation of joint venture companies	**(1,298)**	-	**-**	-
	Liquidation of subsidiary companies	**(927)**	-	**-**	-
	Attributable to non-controlling interests	**9,802**	8,680	**-**	-
	End of financial year	**(102,553)**	(66,507)	**-**	-
(f)	**Treasury shares reserve**				
	Beginning of financial year	**(19,584)**	(9,445)	**(19,584)**	(9,445)
	Purchase of treasury shares	**(15,441)**	(12,550)	**(15,441)**	(12,550)
	Reissuance of treasury shares	**2,532**	2,411	**2,532**	2,411
	End of financial year	**(32,493)**	(19,584)	**(32,493)**	(19,584)
(g)	**Statutory reserve**				
	Beginning of financial year	**3,282**	972	**-**	-
	Transfer to revenue reserves	**16**	3,080	**-**	-
	Attributable to non-controlling interests	**(4)**	(770)	**-**	-
	End of financial year	**3,294**	3,282	**-**	-
(h)	**Capital redemption reserve**				
	Beginning of financial year	**462**	-	**-**	-
	Redemption of preference shares by a subsidiary company	**(720)**	764	**-**	-
	Attributable to non-controlling interests	**258**	(302)	**-**	-
	End of financial year	**-**	462	**-**	-
	Total	**(33,657)**	76,717	**(21,133)**	(5,688)

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

The total number of treasury shares held by the Company as at 30 June 2016 was 21,418,100 (2015: 13,379,900). The Company reissued 1,720,700 (2015: 2,098,000) treasury shares during the financial year pursuant to the Wing Tai PSP, Wing Tai RSP and share options. The purchase cost of the treasury shares reissued amounted to $2.5 million (2015: $2.4 million). The total consideration for the treasury shares reissued which comprised the value of employee services amounted to $2.2 million (2015: $2.1 million).

29. RETAINED EARNINGS

(a) Retained earnings of the Group are distributable except for accumulated retained earnings of associated and joint venture companies amounting to $1,013.1 million (2015: $947.7 million) and the amount of $32.5 million (2015: $19.6 million) utilised to purchase treasury shares. Retained earnings of the Company are distributable except for the amount of $32.5 million (2015: $19.6 million) utilised to purchase treasury shares.

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

	Company	
	2016	**2015**
	$'000	**$'000**
Beginning of financial year	**496,154**	472,161
Net profit	**26,651**	71,260
Dividends paid (Note 25)	**(23,448)**	(47,267)
End of financial year	**499,357**	496,154

30. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements, excluding those relating to investments in associated and joint venture companies (Note 19), are as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Commitments in respect of contracts placed	**39,509**	55,851

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

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

	Group	
	2016	**2015**
	$'000	**$'000**
Not later than one year	**28,518**	49,506
Between one and five years	**20,390**	46,281
	48,908	95,787

30. COMMITMENTS *(continued)*

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

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

	Group	
	2016	**2015**
	$'000	**$'000**
Not later than one year	**24,535**	22,398
Between one and five years	**27,352**	23,889
Later than five years	**-**	88
	51,887	46,375

31. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

The details and estimates of the maximum amounts of contingent liabilities and financial guarantees, excluding those relating to investments in associated and joint venture companies (Note 19), are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Financial guarantees issued to banks for credit facilities granted to:				
– subsidiary companies	**-**	-	**106,723**	109,228
– joint venture companies	**19,691**	19,935	**8,280**	8,280
	19,691	19,935	**115,003**	117,508

The Company has given financial guarantees for all liabilities incurred under a tender bond facility of a subsidiary company amounting to $15.0 million (2015: $15.0 million) granted by a bank to the subsidiary company.

32. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. After identifying and evaluating its exposure to the financial risks, the Group establishes policies to monitor and manage these risks in accordance with its risk management philosophy. The Group uses financial instruments such as currency forwards, cross currency swaps, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore, Malaysia, the People's Republic of China and Hong Kong SAR. Entities in the Group may transact in currencies other than their respective functional currencies. Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. To manage the currency exposure, the Group enters into currency forwards and cross currency swaps with banks.

The Group also holds long-term overseas investments and its net assets are exposed to currency translation risk. The Group enters into cross currency swaps and uses natural hedging opportunities, like borrowing in the currency of the country in which these investments are located whenever practicable. The exchange differences arising from such translations are captured under the currency translation reserve. These currency translation differences are reviewed and monitored on a regular basis.

The Group's and the Company's currency exposure are as follows:

	SGD $'000	RM $'000	USD $'000	HKD $'000	RMB $'000	Other $'000	Total $'000
Group							
2016							
Financial assets							
Cash and cash equivalents	542,318	48,286	21,235	169	110,875	-	722,883
Available-for-sale financial assets	3,189	-	3,087	-	-	-	6,276
Trade and other receivables (current and non-current)	220,860	19,052	644	20,938	22	-	261,516
Other financial assets	8,081	2,825	9	6	1,780	-	12,701
	774,448	70,163	24,975	21,113	112,677	-	1,003,376
Financial liabilities							
Trade and other payables	(81,789)	(42,078)	(2,022)	(460)	(3,466)	(3,241)	(133,056)
Borrowings	(1,180,000)	(147,946)	(48,560)	-	-	-	(1,376,506)
Other financial liabilities	(16,168)	(10,002)	(3,305)	-	-	-	(29,475)
	(1,277,957)	(200,026)	(53,887)	(460)	(3,466)	(3,241)	(1,539,037)
Net financial (liabilities)/assets	(503,509)	(129,863)	(28,912)	20,653	109,211	(3,241)	(535,661)
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	435,504	129,923	30,677	(20,975)	(109,209)	-	465,920
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	(1,572)	(857)	-	(8,472)	(10,901)
Currency forwards and cross currency swaps	68,005	-	16,687	(304,803)	-	11,688	(208,423)
Currency exposure	**-**	**60**	**16,880**	**(305,982)***	**2**	**(25)**	**(289,065)**

* The HKD net currency exposure of $306.0 million mainly relates to cross currency swaps entered into as net investment hedges.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

	SGD $'000	RM $'000	USD $'000	HKD $'000	RMB $'000	Other $'000	Total $'000
Group							
2015							
Financial assets							
Cash and cash equivalents	667,566	92,362	13,714	8,042	98,300	627	880,611
Available-for-sale financial assets	3,189	-	3,078	-	-	-	6,267
Trade and other receivables (current and non-current)	389,552	21,064	636	17,211	285	-	428,748
Other financial assets	11,257	2,976	194	4	1,701	-	16,132
	1,071,564	116,402	17,622	25,257	100,286	627	1,331,758
Financial liabilities							
Trade and other payables	(124,196)	(39,238)	(1,657)	(459)	(8,327)	(3,001)	(176,878)
Borrowings	(990,000)	(152,935)	(48,424)	-	-	-	(1,191,359)
Other financial liabilities	(26,579)	(12,016)	(3,295)	-	-	-	(41,890)
	(1,140,775)	(204,189)	(53,376)	(459)	(8,327)	(3,001)	(1,410,127)
Net financial (liabilities)/assets	(69,211)	(87,787)	(35,754)	24,798	91,959	(2,374)	(78,369)
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	1,487	128,602	30,583	(17,261)	(91,957)	-	51,454
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	(2,817)	(155)	-	(6,477)	(9,449)
Currency forwards and cross currency swaps	(19,138)	-	17,714	-	-	7,871	6,447
Currency exposure	(86,862)	40,815	9,726	7,382	2	(980)	(29,917)

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

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

	SGD $'000	RM $'000	HKD $'000	Other $'000	Total $'000
Company					
2016					
Financial assets					
Cash and cash equivalents	335,031	41	-	19	335,091
Available-for-sale financial assets	3,189	-	-	-	3,189
Trade and other receivables (current and non-current)	1,210,898	-	106,541	-	1,317,439
Other financial assets	1,105	-	2	11	1,118
	1,550,223	41	106,543	30	1,656,837
Financial liabilities					
Trade and other payables	(92,794)	-	(773)	(357)	(93,924)
Borrowings	(913,000)	-	-	(14,838)	(927,838)
	(1,005,794)	-	(773)	(15,195)	(1,021,762)
Net financial assets/(liabilities)	544,429	41	105,770	(15,165)	635,075
Net financial assets denominated in the Company's functional currency	(544,429)	-	-	-	(544,429)
Cross currency swaps	-	-	(209,307)	14,885	(194,422)
Currency exposure	**-**	**41**	**(103,537)***	**(280)**	**(103,776)**
2015					
Financial assets					
Cash and cash equivalents	414,483	40,798	7,771	26	463,078
Available-for-sale financial assets	3,189	-	-	-	3,189
Trade and other receivables (current and non-current)	618,031	-	108,239	-	726,270
Other financial assets	1,263	-	-	196	1,459
	1,036,966	40,798	116,010	222	1,193,996
Financial liabilities					
Trade and other payables	(92,866)	-	(760)	(483)	(94,109)
Borrowings	(723,000)	-	-	(14,796)	(737,796)
	(815,866)	-	(760)	(15,279)	(831,905)
Net financial assets/(liabilities)	221,100	40,798	115,250	(15,057)	362,091
Net financial assets denominated in the Company's functional currency	(221,100)	-	-	-	(221,100)
Cross currency swaps	-	-	-	14,836	14,836
Currency exposure	-	40,798	115,250	(221)	155,827

* The HKD net currency exposure of $103.5 million mainly relates to cross currency swaps which are non-hedging instruments.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

If the RM, USD, HKD and RMB change against the SGD by 1% (2015: 1%) each with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit before income tax		(Decrease)/increase Other comprehensive income	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Group				
RM against SGD				
– strengthened	**1**	408	**-**	-
– weakened	**(1)**	(408)	**-**	-
USD against SGD				
– strengthened	**185**	997	**-**	(191)
– weakened	**(185)**	(997)	**-**	191
HKD against SGD				
– strengthened	**(3,051)**	75	**-**	-
– weakened	**3,051**	(75)	**-**	-
RMB against SGD				
– strengthened	**-**	(2)	**-**	-
– weakened	**-**	2	**-**	-
Company				
RM against SGD				
– strengthened	**-**	408	**-**	-
– weakened	**-**	(408)	**-**	-
HKD against SGD				
– strengthened	**(1,035)**	1,153	**-**	-
– weakened	**1,035**	(1,153)	**-**	-

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's and the Company's exposure to cash flow interest rate risks arises mainly from floating rate borrowings. The Group manages these cash flow interest rate risks by maintaining a prudent mix of fixed and floating rate borrowings and using floating-to-fixed interest rate swaps.

The Group's borrowings at floating rates on which effective hedges have not been entered into are denominated mainly in SGD and RM. If the SGD and RM interest rates increase/decrease by 1% (2015: 1%) with all other variables being held constant, the profit before income tax would have been lower/higher by $5.5 million (2015: $5.5 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $1.5 million (2015: $6.2 million) as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of floating rate borrowings.

The Company's borrowings at floating rates on which effective hedges have not been entered into are denominated in SGD. If the SGD interest rate increases/decreases by 1% (2015: 1%) with all other variables being held constant, the profit before income tax would have been lower/higher by $1.8 million (2015: $1.3 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $1.1 million (2015: $5.3 million) as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of floating rate borrowings.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. The Group has no significant concentration of credit risk with any single entity. The Group has policies in place to ensure that the sale of goods and the rendering of services are to customers with acceptable credit standing. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position and disclosed in Note 31.

The credit risk for trade receivables is as follows:

	Group	
	2016 $'000	**2015 $'000**
By business segments		
Development properties	**26,306**	12,739
Investment properties	**368**	718
Retail	**2,930**	2,234
Others	**1,013**	1,507
	30,617	17,198

32. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Credit risk *(continued)*

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

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

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Past due less than 3 months	**493**	2,026
Past due 3 to 6 months	**19**	257
Past due over 6 months	**313**	551
	825	2,834

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Gross amount	**332**	321	**508,877**	467,343
Less: Allowance for impairment	**(332)**	(321)	**(273,176)**	(244,207)
	-	-	**235,701**	223,136
Beginning of financial year	**321**	410	**244,207**	229,219
Allowance made	**31**	23	**28,969**	28,893
Allowance utilised	**-**	(84)	**-**	(13,905)
Currency translation differences	**(20)**	(28)	**-**	-
End of financial year	**332**	321	**273,176**	244,207

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

32. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all refinancing, repayment and funding needs are met. The Group adopts prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with short term funding so as to achieve overall cost effectiveness.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Group				
2016				
Net-settled interest rate swaps	640	640	868	-
Gross-settled cross currency swaps				
– Receipts	(90,435)	(93,784)	(158,996)	-
– Payments	86,901	89,829	148,518	-
Gross-settled currency forwards				
– Receipts	(14,290)	-	-	-
– Payments	15,393	-	-	-
Trade and other payables	133,056	-	-	-
Borrowings	129,969	277,260	571,770	579,105
Other financial liabilities	-	26,535	2,940	-
	261,234	**300,480**	**565,100**	**579,105**
2015				
Net-settled interest rate swaps	658	656	1,546	-
Gross-settled cross currency swaps				
– Receipts	(631)	(629)	(36,455)	-
– Payments	1,073	1,070	35,541	-
Gross-settled currency forwards				
– Receipts	(10,749)	-	-	-
– Payments	10,684	-	-	-
Trade and other payables	176,878	-	-	-
Borrowings	78,344	264,901	520,638	535,914
Other financial liabilities	-	37,791	3,835	264
	256,257	303,789	525,105	536,178

32. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity risk *(continued)*

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Company				
2016				
Net-settled interest rate swaps	640	640	868	-
Gross-settled cross currency swaps				
– Receipts	(6,360)	(93,347)	(138,170)	-
– Payments	6,024	89,369	129,783	-
Trade and other payables	95,036	-	-	-
Borrowings	25,299	125,148	467,366	446,670
	120,639	**121,810**	**459,847**	**446,670**
2015				
Net-settled interest rate swaps	658	656	1,546	-
Gross-settled cross currency swaps				
– Receipts	(267)	(266)	(15,423)	-
– Payments	454	453	15,037	-
Trade and other payables	95,135	-	-	-
Borrowings	27,583	27,507	386,619	464,920
	123,563	28,350	387,779	464,920

In addition to the above, the Group and the Company issued financial guarantees of $19.7 million (2015: $19.9 million) and $115.0 million (2015: $117.5 million) respectively (Note 31).

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce borrowings.

Management monitors capital based on debt-equity ratio. The debt-equity ratio is calculated as net debt divided by shareholders' equity. Net debt is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Borrowings	**1,376,506**	1,191,359	**927,838**	737,796
Less: Cash and cash equivalents	**(722,883)**	(880,611)	**(335,091)**	(463,078)
Net debt	**653,623**	310,748	**592,747**	274,718
Shareholders' equity	**3,122,709**	3,173,169	**1,316,474**	1,328,716
Debt-equity ratio	**21%**	10%	**45%**	21%

The Group and the Company are required by the banks to maintain a certain level of the debt-equity ratio. The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2016 and 2015.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements

(i) Fair value measurement hierarchy

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

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Group				
2016				
Assets				
Derivative financial instruments	-	15,178	-	15,178
Investment properties	-	-	577,732	577,732
Property, plant and equipment	-	-	94,931	94,931
Total	**-**	**15,178**	**672,663**	**687,841**
2015				
Assets				
Derivative financial instruments	-	4,769	-	4,769
Investment properties	-	-	585,527	585,527
Property, plant and equipment	-	-	91,869	91,869
Total	-	4,769	677,396	682,165
Company				
2016				
Assets				
Derivative financial instruments	-	11,322	-	11,322
2015				
Assets				
Derivative financial instruments	-	3,231	-	3,231

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

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

(iii) Level 3 fair value measurements
(a) Valuation techniques and inputs used in Level 3 fair value measurements
The following table presents the valuation techniques and key inputs used to determine the fair values of investment properties and freehold and leasehold land and buildings classified as property, plant and equipment that are categorised under Level 3 of the fair value measurement hierarchy which involves significant unobservable inputs.

Type	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Commercial buildings, serviced apartments, condominium housing and shop offices in Singapore, Malaysia and the People's Republic of China	Direct Comparison Approach	Market value per square metre	$377 - $20,939	The higher the adjusted valuation, the higher the fair value
	Capitalisation Approach	Estimated rental rate per square metre per month	$95 - $108	The higher the rental rate, the higher the fair value
		Capitalisation rate	4.25% - 4.35%	The higher the capitalisation rate, the lower the fair value

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

(b) Valuation processes of the Group
The Group engages external, independent and qualified valuers to determine the fair values of the Group's investment properties and freehold and leasehold land and buildings classified as property, plant and equipment based on the properties' highest and best use using the Direct Comparison Approach and/or the Capitalisation Approach.

The Direct Comparison Approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the properties. The Capitalisation Approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and in Notes 11 and 17 to the financial statements, except for the following:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Loans and receivables	**997,100**	1,325,491	**1,653,648**	1,190,807
Financial liabilities at amortised cost	**1,539,037**	1,410,127	**1,021,762**	831,905

33. RELATED PARTY TRANSACTIONS

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

(a) Sale of goods and rendering of services

	Group	
	2016	**2015**
	$'000	**$'000**
Commission income received from a joint venture company	**861**	1,418
Management and service fees received from joint venture companies	**4,186**	4,838
Management fees paid to an associated company	**702**	414
Payments on behalf of joint venture companies	**5,443**	5,845

(b) Key management personnel compensation

	Group	
	2016	**2015**
	$'000	**$'000**
Salaries and other short term employee benefits	**8,516**	9,435
Share-based payment	**707**	951
	9,223	10,386

Included in the above is compensation to directors of the Company which amounted to $5.5 million (2015: $5.6 million).

34. SEGMENT INFORMATION

The Group is organised into three main business segments - development properties, investment properties and retail. Other operations of the Group comprise mainly garment manufacturing and investment holding, neither of which constitutes a separately reportable segment. The segment information for the reportable segments is as follows:

2016	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Group $'000
Revenue	329,818	37,416	169,640	7,657	**544,531**
EBIT*	22,858	98,412	4,169	(46,546)	**78,893**
Interest income					**8,022**
Finance costs					**(45,542)**
Profit before income tax					**41,373**
Income tax expense					**(25,712)**
Total profit					**15,661**
Segment assets	1,927,550	665,785	54,638	121,485	**2,769,458**
Assets held for sale	495,512	-	-	-	**495,512**
Investment in an associated company	253,690	1,246,542	-	(91,685)	**1,408,547**
Investments in joint venture companies	22,174	-	63,135	3,142	**88,451**
Due from associated and joint venture companies	197,252	11,558	922	237	**209,969**
	2,896,178	1,923,885	118,695	33,179	**4,971,937**
Tax recoverable					**3,698**
Consolidated total assets					**4,975,635**
Segment liabilities	102,673	9,762	14,447	35,649	**162,531**
Borrowings	147,946	199,000	-	1,029,560	**1,376,506**
	250,619	208,762	14,447	1,065,209	**1,539,037**
Current income tax liabilities					**38,905**
Deferred income tax liabilities					**65,167**
Consolidated total liabilities					**1,643,109**
Capital expenditure	17	38	1,463	3,124	**4,642**
Depreciation	225	1,101	5,593	3,592	**10,511**

34. SEGMENT INFORMATION *(continued)*

2015	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Group $'000
Revenue	430,191	37,529	199,012	9,983	676,715
EBIT*	96,392	145,776	1,801	(28,900)	215,069
Interest income					7,561
Finance costs					(47,335)
Profit before income tax					175,295
Income tax expense					(9,352)
Total profit					165,943
Segment assets	2,134,168	666,092	68,872	87,352	2,956,484
Investment in an associated company	208,359	1,206,278	-	(60,685)	1,353,952
Investments in joint venture companies	95,862	-	60,117	20,320	176,299
Due from associated and joint venture companies	384,071	9,087	568	617	394,343
	2,822,460	1,881,457	129,557	47,604	4,881,078
Tax recoverable					6,482
Consolidated total assets					4,887,560
Segment liabilities	131,512	11,320	17,819	58,117	218,768
Borrowings	138,142	213,793	-	839,424	1,191,359
	269,654	225,113	17,819	897,541	1,410,127
Current income tax liabilities					51,222
Deferred income tax liabilities					64,010
Consolidated total liabilities					1,525,359
Capital expenditure	208	1,147	3,785	2,489	7,629
Depreciation	289	1,566	8,974	3,561	14,390

* EBIT includes share of profits of associated and joint venture companies which are disclosed in Note 19.

34. SEGMENT INFORMATION *(continued)*

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

	Revenue		Non-current assets	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**389,394**	522,637	**786,728**	972,023
Malaysia	**118,739**	103,624	**111,450**	114,475
PRC	**36,398**	50,454	**92,718**	183,998
Hong Kong SAR	**-**	-	**1,437,889**	1,375,739
	544,531	676,715	**2,428,785**	2,646,235

35. COMPANIES IN THE GROUP

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

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2016 %	2015 %
(a) Wing Tai Holdings Limited		Singapore-Quoted on Singapore Exchange Securities Trading Limited	Investment holding	**n/a**	n/a
(b) Subsidiary companies					
Wing Tai Malaysia Berhad	!	Malaysia-Quoted on Bursa Malaysia Securities Berhad	Investment holding	**66.2**	60.4
Angel Wing (M) Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Angkasa Indah Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Bergendale Investments Limited	*,#	British Virgin Islands (“BVI”)	Investment holding	**100**	100
Brave Dragon Ltd	*, #	BVI/Hong Kong SAR	Investment holding	**89.4**	89.4
Chanlai Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Crossbrook Group Ltd	#	BVI/Hong Kong SAR	Investment holding	**100**	100
DNP Hartajaya Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
DNP Jaya Sdn. Bhd.	*, !	Malaysia	Property investment	**66.2**	60.4
DNP Land Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
DNP Property Management Sdn. Bhd.	*, !	Malaysia	Project management and maintenance of properties	**66.2**	60.4
D & P-Ejenawa Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Grand Eastern Realty & Development Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4

n/a: not applicable

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2016 %	2015 %
(b) Subsidiary companies *(continued)*					
Harta-Aman Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Hartamaju Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Jiaxin (Suzhou) Property Development Co., Ltd	*, >	The People's Republic of China ("PRC")	Property development, investment and management	**75**	75
Quality Frontier Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Seniharta Sdn. Bhd.	*, !	Malaysia	Property investment	**66.2**	60.4
Sri Rampaian Sdn. Bhd.	*, !	Malaysia	Manufacture of textile garments	**66.2**	60.4
Starpuri Development Sdn. Bhd.	*, !	Malaysia	Property development	**66.2**	60.4
Suzhou Property Development Pte Ltd	*	Singapore	Property development and investment holding	**75**	75
Wincheer Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Wingold Investment Pte Ltd	*	Singapore	Investment holding	**100**	100
Wingstar Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Winmax Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winnervest Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winnorth Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winquest Investment Pte Ltd	*	Singapore	Property investment and development	**60**	60
Winrose Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winshine Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winsland Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winsmart Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2016 %	2015 %
(b) Subsidiary companies *(continued)*					
Wing Mei (M) Sdn. Bhd.	*, !	Malaysia	Property investment	**66.2**	60.4
Wing Tai China Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wing Tai (China) Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wing Tai Clothing Pte Ltd	*	Singapore	Retailing of garments	**100**	100
Wing Tai Clothing Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**66.2**	60.4
Wing Tai Fashion Apparel Pte. Ltd.	*	Singapore	Retailing of garments	**100**	100
Wing Tai Fashion Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**66.2**	60.4
Wing Tai Investment & Development Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Investment Management Pte Ltd	*	Singapore	Management of investment properties	**100**	100
Wing Tai Land Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Property Management Pte Ltd	*	Singapore	Project management and maintenance of properties	**100**	100
Wing Tai Retail Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Retail Management Pte. Ltd.	*	Singapore	Management of retail operations	**100**	100
Wing Tai (Shanghai) Management Co., Ltd	*, @	PRC	Provision of consultancy and advisory services	**100**	100
WT Fund Management Pte. Ltd.	*	Singapore	Fund management	**100**	-
Yong Yue (Shanghai) Property Development Co., Ltd	*, @	PRC	Property development	**100**	100
(c) Associated company					
Wing Tai Properties Limited	*, %	Bermuda-Quoted on The Hong Kong Exchanges and Clearing Limited/ Hong Kong SAR	Property development, property investment and management and hospitality investment and management	**33.4**	33.4

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2016 %	2015 %
(d) Joint venture companies					
G2000 Apparel (S) Pte Ltd	*	Singapore	Retailing of garments	**45**	45
Kualiti Gold Sdn. Bhd.	*, !	Malaysia	Property investment	**33.1**	30.2
Optima Investment & Development Pte. Ltd.	*, ~	Singapore/PRC	Property development and investment holding	**40**	40
Summervale Properties Pte Ltd	*, &	Singapore	Property investment and development	**50**	50
Uniqlo (Malaysia) Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**29.8**	27.2
Uniqlo (Singapore) Pte. Ltd.	*, ~	Singapore	Retailing of garments	**49**	49
Wingcrown Investment Pte. Ltd.	*	Singapore	Property investment and development	**40**	40
Winnoma Investment Pte. Ltd.	*	Singapore/PRC	Property investment and development and investment holding	**50**	50

* Held by Group companies.

! Audited by Ernst and Young, Malaysia.

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

% Audited by PricewaterhouseCoopers, Hong Kong SAR.

& Audited by KPMG LLP, Singapore.

~ Audited by Ernst and Young LLP, Singapore.

> Audited by RSM, PRC.

@ Audited by PricewaterhouseCoopers, PRC.

In accordance to Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit and Risk Committee and the Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its significant subsidiary and associated companies would not compromise the standard and effectiveness of the audit of the Company.

36. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2016 or later periods and which the Group has not early adopted:

(a) FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associated and Joint Venture Companies* (effective for annual periods beginning on or after 1 January 2016)
These amendments address an inconsistency between FRS 110 and FRS 28 in the sale or contribution of assets between an investor and its associated or joint venture company. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary company. The Group is in the process of assessing the potential impact of FRS 110 and 28 on the financial statements.

(b) FRS 1 *Presentation of Financial Statements* (effective for annual periods beginning on or after 1 January 2016)
This amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. This amendment is not expected to have any significant impact on the financial statements of the Group.

(c) FRS 115 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)
This is the converged standard on revenue recognition. It replaces FRS 11 *Construction Contracts*, FRS 18 *Revenue*, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Group is in the process of assessing the potential impact of FRS 115 on the financial statements.

(d) FRS 109 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018)
The complete version of FRS 109 replaces most of the guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI and for liabilities designated at fair value through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and the hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 39. The Group is in the process of assessing the potential impact of FRS 109 on the financial statements.

36. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS *(continued)*

(e) FRS 116 *Leases* (effective for annual periods beginning on or after 1 January 2019)

FRS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The income statement will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBIT will change.

Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under FRS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

37. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 15 September 2016.

SHAREHOLDING STATISTICS
As at 6 September 2016

SHARE CAPITAL

No. of Issued Shares:	793,927,260
No. of Issued Shares (excluding Treasury Shares):	772,787,360
No./percentage of Treasury Shares:	21,139,900 (2.74%)
Class of Shares:	Ordinary Shares
Voting Rights (excluding Treasury Shares):	1 vote per share

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 to 99	153	1.18	3,542	0.00
100 to 1,000	1,492	11.47	1,203,909	0.16
1,001 to 10,000	8,721	67.02	40,534,489	5.24
10,001 to 1,000,000	2,616	20.10	101,198,864	13.10
1,000,001 and above	30	0.23	629,846,556	81.50
Total	**13,012**	**100.00**	**772,787,360**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	Name	No. of Shares	%
1	Wing Sun Development Private Limited	222,235,490	28.76
2	DBS Vickers Securities (S) Pte Ltd	73,999,505	9.58
3	Winlyn Investment Pte Ltd	72,717,436	9.41
4	Citibank Nominees Singapore Pte Ltd	61,538,162	7.96
5	DBS Nominees Pte Ltd	40,332,565	5.22
6	UOB Kay Hian Pte Ltd	32,427,209	4.20
7	HSBC (Singapore) Nominees Pte Ltd	26,052,195	3.37
8	Empire Gate Holdings Limited	19,539,572	2.53
9	Raffles Nominees (Pte) Ltd	18,667,477	2.42
10	United Overseas Bank Nominees Pte Ltd	11,847,028	1.53
11	DBSN Services Pte Ltd	7,820,764	1.01
12	OCBC Nominees Singapore Pte Ltd	4,758,733	0.62
13	DB Nominees (S) Pte Ltd	4,579,487	0.59
14	Merrill Lynch (Singapore) Pte Ltd	3,712,753	0.48
15	OCBC Securities Private Ltd	3,560,860	0.46
16	Winway Investment Pte Ltd	3,529,166	0.46
17	Morgan Stanley Asia (S) Securities Pte Ltd	2,593,847	0.34
18	Liu Hing Yuen Patricia @ Liu Pui Yuk	2,072,409	0.27
19	ABN Amro Nominees Singapore Pte Ltd	1,988,500	0.26
20	Maybank Kim Eng Securities Pte Ltd	1,922,729	0.25
	Total	**615,895,887**	**79.72**

PERCENTAGE OF SHAREHOLDING HELD IN THE HANDS OF PUBLIC

As at 6 September 2016, approximately 48.29% of the issued ordinary shares of the Company are held by the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

SHAREHOLDING STATISTICS

As at 6 September 2016

SUBSTANTIAL SHAREHOLDERS AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Interest (No. of Ordinary Shares)
Cheng Wai Keung	395,038,656[1]
Edmund Cheng Wai Wing	318,021,664[2]
Christopher Cheng Wai Chee	314,627,248[3]
Edward Cheng Wai Sun	314,492,498[3]
Deutsche Bank International Trust Co. (Cayman) Limited	314,492,498[3]
Deutsche Bank International Trust Co. Limited	314,492,498[3]
Wing Sun Development Private Limited	222,235,490
Wing Tai Asia Holdings Limited	241,775,062[4]
Winlyn Investment Pte Ltd	72,717,436
Terebene Holdings Inc	72,717,436[5]
Metro Champion Limited	72,717,436[6]
Ascend Capital Limited	68,207,092

1 Includes 395,038,656 shares beneficially owned by Wing Sun Development Private Limited, Winlyn Investment Pte Ltd, Winway Investment Pte Ltd, Empire Gate Holdings Limited, Wilma Enterprises Limited and Ascend Capital Limited.

2 Includes 318,021,664 shares beneficially owned by Wing Sun Development Private Limited, Winlyn Investment Pte Ltd, Winway Investment Pte Ltd and Empire Gate Holdings Limited.

3 Includes 314,492,498 shares beneficially owned by Wing Sun Development Private Limited, Winlyn Investment Pte Ltd and Empire Gate Holdings Limited.

4 Includes 241,775,062 shares beneficially owned by Wing Sun Development Private Limited and Empire Gate Holdings Limited.

5 Shares beneficially owned by Winlyn Investment Pte Ltd in which Terebene Holdings Inc is deemed to have an interest.

6 Shares beneficially owned by Winlyn Investment Pte Ltd in which Metro Champion Limited is deemed to have an interest.

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A Winning Heritage

Story of Wing Tai Malaysia which began in a former rubber smokehouse in Green Lane, Penang.

During the 1960s, Singapore's textile and clothing export quota system drove Wing Tai's garment manufacturing expansion into Malaysia, to start Dragon and Phoenix Berhad on 8 July 1966.

From a modest garment factory in Penang, it grew rapidly to become ten factories in four other states within a decade, employing nearly 10,000 staff to produce 10 million pieces of garments each year. Known for its quality precision and standards, Wing Tai was producing high-end garments for leading global brands; at its peak it was the biggest producer of jeans in Asia, lauded the "King of Jeans".

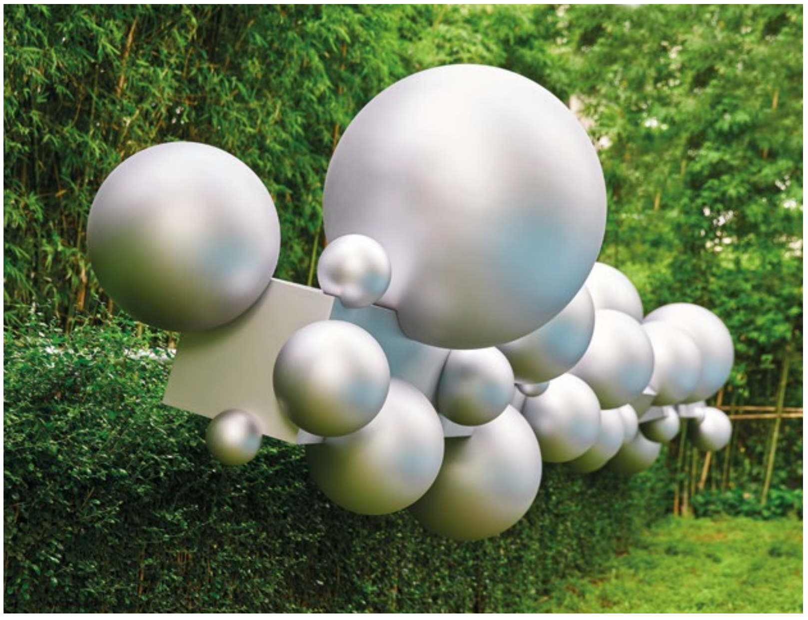
Wing Tai Malaysia Berhad began its garment manufacturing business in a former rubber smokehouse in Green Lane, Penang.

Understanding that success is sustainable because of the value it creates, the Malaysian business grew in tandem with the economy to introduce technology and create employment. In its growth path it mirrored the strategic transformation of its Singapore holding company and soon diversified into high value sectors of real estate development, hospitality management and fashion retail. A series of name changes reflected its evolving business and strengthened its alignment with the Wing Tai Asia group of companies.

The company today has strong financial standing, with assets exceeding RM 1.9 billion. It has an extensive portfolio of landmark projects in Kuala Lumpur and Penang, and one of the top brand portfolios in the apparel industry in Malaysia.

The immense value that it brings to its property and retail projects ensues from its foundational ethos, driving an enduring commitment to upholding its core values and a time honoured heritage.

Wing Tai Malaysia Berhad marked its Golden Jubilee in July, to celebrate its persistent quest for value creation that has kept the enterprise growing.



Rhythm by Kohei Nawa. This work by Japan's foremost young artist was crafted of urethane coated aluminium. Drawing from Nawa's original Pixcell interpretation, this work creates the sensation of matter coming to life in the universe. The rectangular solid that serves as the axis rotates slightly, changing the angle of each cell and casting shadows. Cells of various sizes float in mid air, imparting order and rhythm to the space and expressing the universal flow of nature, life and time.

The **front cover** shows a façade design of the Le Nouvel Ardmore by Jean Nouvel, elevation illustration by Francis Theo of Urban Sketchers Singapore. Meticulous grid and vegetation patterns play on levels of transparency to create a symphony of infinite variations and sensations, presenting timeless artistry in architecture. The textural strokes of the Le Nouvel Ardmore are cohesively articulated by a resonant narrative of the special art commissions for the spaces within.

The art collection of the Le Nouvel Ardmore adds to the living experience in the development. The interplay of original touches reserves a specific, unique and rare quality to the development, emblematic of art within art.