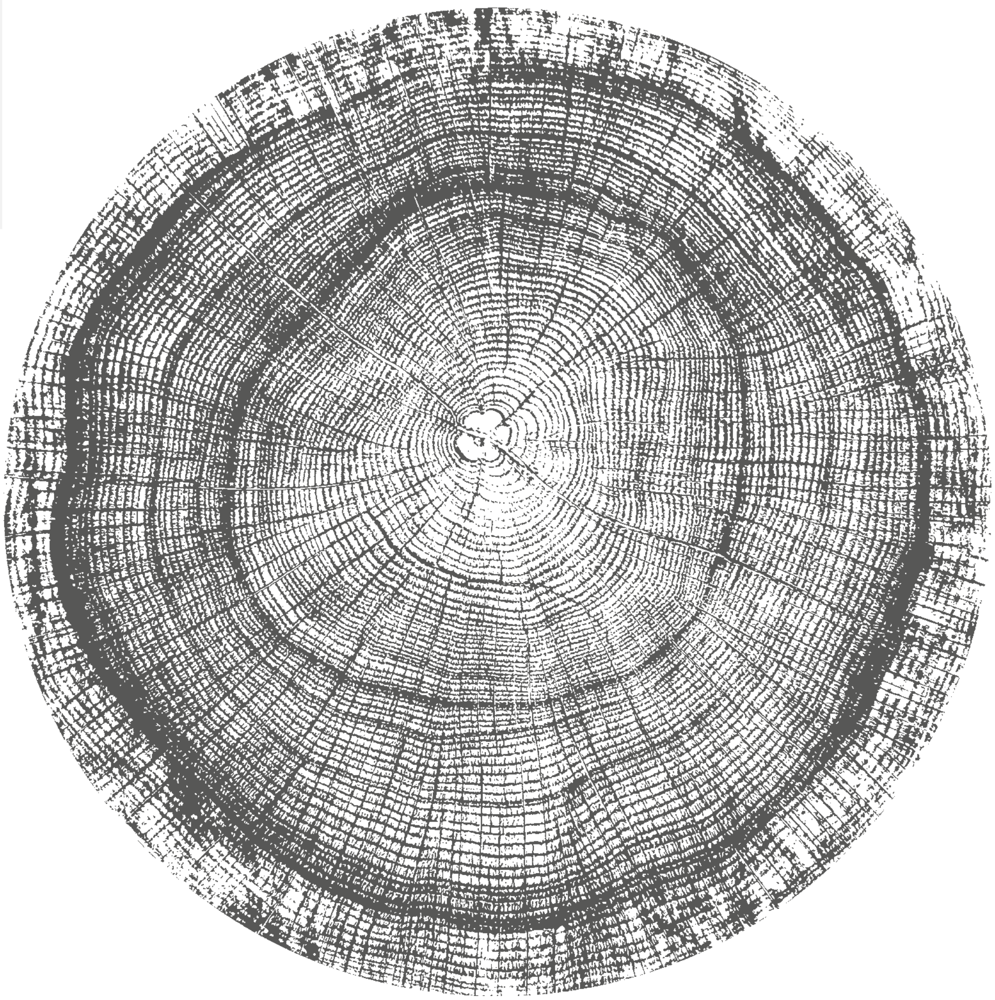
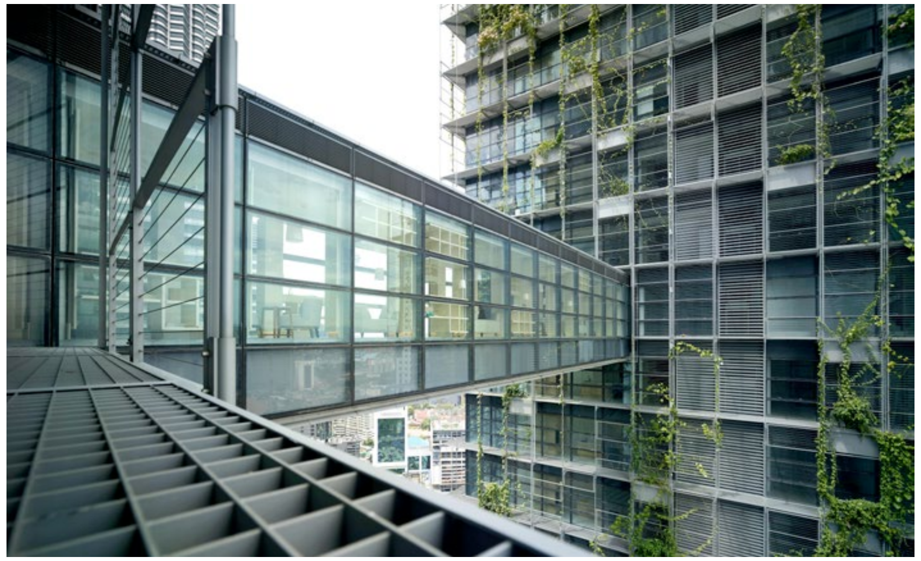


Striding Forward, Navigating Complexity

WingTai Asia

Wing Tai Holdings Limited
Annual Report 2022



Le Nouvel KLCC, Malaysia

Uniqlo

On the front cover

Wing Tai strides forward amid a complex and volatile global landscape, while staying focused on business growth and seizing opportunities to create shareholder value.

G2000

Contents

The M at Middle Road, Singapore

Chairman's Message

Overview

With the reopening of economies and gradual recovery from the pandemic, the Singapore economy expanded by 7.6% in 2021, rebounding from a 4.1% contraction in 2020. However, outlook for the global economy in 2022 is clouded by several global developments including heightened political tensions, supply chain disruptions, spiking inflation and rising interest rates. In the second quarter of 2022, according to the Ministry of Trade and Industry, Singapore's economy grew by 4.4% on a year-on-year basis, higher than the 3.8% expansion in the previous quarter; full-year growth forecast for 2022 was narrowed to 3% to 4%, from 3% to 5%.

The Property Price Index ("PPI") increased by 1.1% in the third Quarter of 2021, followed by a 5% increase to 173.6 in the fourth quarter of 2021. The upward trend slowed in first quarter of 2022, with PPI rising by 0.7% to 174.8. PPI rebounded by 3.5% in the second quarter to 180.9. According to statistics by the Urban Redevelopment Authority, sales of new residential units in 2021 increased by 30% to 13,027 units, compared to 9,982 units sold in 2020. In the first half of 2022, developers sold 4,222 new homes, 34.6% lower than the first half of 2021.

Group Performance

For the financial year ended 30 June 2022, the Group recorded a total revenue of S$514.6 million. This represents a 12% increase from the S$461.4 million revenue recorded in the previous year. This increase is mainly due to the higher contribution from development properties. The current year revenue from development properties was largely attributable to the progressive sales recognised from The M at Middle Road and the additional units sold in Le Nouvel Ardmore in Singapore.

The Group's share of profits of associated and joint venture companies increased to S$112.2 million in the current year as compared to S$36.3 million in the previous year. This increase is primarily due to the higher contributions from Wing Tai Properties Limited in Hong Kong as well as Uniqlo in Singapore and Malaysia.

In the current year, the Group's net profit attributable to shareholders was S$140.2 million as compared to S$43.6 million in the previous year. This increase is largely attributable to the higher contributions from the associated and joint venture companies.

The Group's net asset value per share as at 30 June 2022 was S$4.32 as compared to S$4.14 as at 30 June 2021. The Group's net gearing ratio was 0.02 times as at 30 June 2022.

Dividend

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.

Striding Forward, Navigating Complexity

2022 will be remembered as the year the world learnt to coexist with COVID-19. After two and a half years of disruption, world economies were poised to reopen and resume business. Social restrictions were gradually eased and international travel for business and leisure progressively resumed. But while the worst of the pandemic appears to be over, the global landscape continued to evolve, throwing curve balls into the path of recovery. The war in Ukraine exacerbated the oil crisis and further disrupted global supply chains which were just recovering from the impact of the pandemic. Mounting stagflationary pressures continue to trigger fears of a global recession. As we chart our path ahead to seek growth opportunities at Wing Tai, we are keenly aware of the uncertainties on the horizon.

In the year under review, the Group made property acquisitions in Singapore and Australia. In Singapore, we acquired a leasehold residential site in the Jurong Lake district through a collective sales tender. Located in western Singapore which has been earmarked as the country's second Central Business District ("CBD") by the government, we will redevelop the site into an iconic residential development with over 300 units with unobstructed waterfront and greenery views. In Australia, Wing Tai acquired the remaining 50% stake in a freehold office building in the St Kilda precinct in Melbourne from our joint venture partner. We have commenced preliminary planning works to redevelop the property.

Our retail business in Singapore and Malaysia picked up in tandem with economic reopening. The Group continues to leverage digital platforms to actively engage our customers. Uniqlo, our joint venture with Fast Retailing, continues to experience steady sales with the resumption of international travel.

Our continued investment in people development and digitalisation have positioned us well to navigate the road ahead. We introduced relevant learning and development opportunities to empower our employees to be more agile and adaptable. The Group is in the final phase of its digital transformation roadmap which will see all remaining corporate systems and infrastructure migrated to the cloud.

> **We will stride forward with our usual discipline and rigour to grow the business and create value for our shareholders in a sustainable manner.**

Supporting Our Communities

Through Wing Tai Foundation's corporate social responsibility initiatives, the Group continues to give back to the community during these challenging times. We supported the needy elderly and underprivileged young through financial aid as well as food donation drives which involved our employees and tenants. With the easing of pandemic restrictions, we are looking forward to engaging our beneficiaries in person.

Board Movement

Mr Paul Hon To Tong retired as an Independent Non-Executive Director on 31 December 2021 after serving on the Board for 14 years. He was the Lead Independent Director, as well as the Chairman of the Audit & Risk Committee and a member of the Nominating Committee. On behalf of the Board, I wish to thank Mr Tong for his invaluable contribution, guidance and support to Wing Tai over the years. I also take this opportunity to welcome Ms Kwa Kim Li who joined the Board as Independent Non-Executive Director on 1 May 2022, adding to the gender diversity of the Board.

Appreciation

To our shareholders, customers, bankers and business associates, thank you for your steadfast support and confidence in Wing Tai. I am grateful to our Board of Directors for their strategic guidance and counsel. On behalf of the Board, I wish to commend our management and staff for their dedication and resilience in the past year.

As a Group, we face an increasingly complex, fast moving and often uncertain macro environment. Our strong balance sheet positions us to take advantage of value-accretive opportunities in the region. We will stride forward with our usual discipline and rigour to grow the business and create value for our shareholders in a sustainable manner.

Cheng Wai Keung
Chairman
Wing Tai Holdings Limited
29 September 2022

Board of Directors

Cheng Wai Keung, 72
Chairman and Managing Director

Date of first appointment as director
17 April 1973

Date of last re-appointment as director
26 October 2021

Board committee(s) served on
- Nominating Committee (Member)

Academic and professional qualification(s)
- Bachelor of Science, Indiana University, USA
- Master of Business Administration, University of Chicago, USA

Current directorships in other listed companies and other principal commitments
Other listed companies
Nil

Other principal commitments
- Temasek Holdings (Private) Limited (Deputy Chairman)
- Singapore Health Services Pte Ltd (Chairman)
- Singapore-Suzhou Township Development Pte Ltd (Vice Chairman)
- MOH Holdings Pte Ltd (Director)
- Kidney Dialysis Foundation Limited (Director)

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

Edmund Cheng Wai Wing, 70
Deputy Chairman and Deputy Managing Director

Date of first appointment as director
11 May 1981

Date of last re-appointment as director
23 October 2019

Board committee(s) served on
Nil

Academic and professional qualification(s)
- Bachelor of Engineering (Civil Engineering), Northwestern University, USA
- Master of Architecture, Carnegie Mellon University, USA

Current directorships in other listed companies and other principal commitments
Other listed companies
Nil

Other principal commitments
- Mapletree Investments Pte Ltd (Chairman)
- Civil Aviation Authority of Singapore (Chairman)
- Singapore Art Museum (Chairman)
- Yellow Ribbon Fund Main Committee (Chairman)

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

Cheng Man Tak, 62
Non-Executive Director

Date of first appointment as director
11 May 1981

Date of last re-appointment as director
28 October 2020

Board committee(s) served on
Nil

Academic and professional qualification(s)
- Bachelor of Science, University of Southern California, USA
- Master of Business Administration, Pepperdine University, USA
- Master of Law, Central Party School Correspondence Course Institute (Sichuan Branch), China

Current directorships in other listed companies and other principal commitments
Other listed companies
- Kato (Hong Kong) Holdings Limited *(Listed on the Stock Exchange of Hong Kong)*

Other principal commitments
- Clothing Industry Training Authority (Chairman)
- Federation of Hong Kong Industries – Group 24 (Woven Garments and other Woven Made-Up Goods) (Chairman)
- Hong Kong General Chamber of Textiles (Honorary Chairman)
- Friends of The Community Chest Wan Chai District (Vice Chairman)
- Hong Kong Asia Youth Association (Honorary President)
- Federation of Hong Kong Garment Manufacturers (President)
- 12th National Committee of Yunnan Province (Member of National Committee of the Chinese People's Political Consultative Conference)
- Hong Kong 2021 Election Committee – Textiles and Garment Subsector (Member)
- Hong Kong Trade Development Council – Garment Advisory Committee (Member)
- Employees Retraining Board – Wearing Apparel and Textile Industry Consultative Network (Member)

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

Eric Ang Teik Lim, 69
Lead Independent Director

Date of first appointment as director
1 July 2020

Date of last re-appointment as director
28 October 2020

Board committee(s) served on
- Audit & Risk Committee (Chairman)
- Nominating Committee (Member)

Academic and professional qualification(s)
- Bachelor of Business Administration (Honours), National University of Singapore

Current directorships in other listed companies and other principal commitments
Other listed companies
- Raffles Medical Group Ltd

Other principal commitments
- Surbana Jurong Private Limited (Director)
- NetLink NBN Management Pte Ltd (Trustee of NetLink NBN Trust) (Director)

Past directorships in other listed companies held over preceding three years
- Sembcorp Marine Ltd

Christopher Lau Loke Sam, 75
Independent Non-Executive Director

Date of first appointment as director
28 October 2013

Date of last re-appointment as director
26 October 2021

Board committee(s) served on
- Remuneration Committee (Chairman)
- Audit & Risk Committee (Member)

Academic and professional qualification(s)
- Barrister-at-Law, Gray's Inn, England

Current directorships in other listed companies and other principal commitments
Other listed companies
Nil

Other principal commitments
- Independent Arbitrator
- Mediator
- Vice President, LCIA Court

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

Guy Daniel Harvey-Samuel, 65
Independent Non-Executive Director

Date of first appointment as director
2 January 2018

Date of last re-appointment as director
28 October 2020

Board committee(s) served on
- Nominating Committee (Chairman)
- Remuneration Committee (Member)

Academic and professional qualification(s)
- An associate of the Chartered Institute of Bankers (Accountancy Law Relating to Banking Services Monetary Economics Nature of Management)
- Qualified Marshall Goldsmith Leadership Coach
- Executive Diploma in Directorship, Singapore Management University
- Certificate in Sustainable Business Strategy, Harvard Business School Online

Current directorships in other listed companies and other principal commitments
Other listed companies
- Mapletree Industrial Trust Management Ltd

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

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

Tan Sri Zulkurnain Bin Awang, 72
Independent Non-Executive Director

Date of first appointment as director
2 January 2018

Date of last re-appointment as director
28 October 2020

Board committee(s) served on
Nil

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

Current directorships in other listed companies and other principal commitments
Other listed companies
Nil

Other principal commitments
- Wing Tai Malaysia Sdn. Bhd. (Chairman)

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

Sim Beng Mei Mildred (Mildred Tan), 64
Independent Non-Executive Director

Date of first appointment as director
2 January 2019

Date of last re-appointment as director
23 October 2019

Board committee(s) served on
- Audit & Risk Committee (Member)
- Remuneration Committee (Member)

Academic and professional qualification(s)
- Bachelor of Arts (Honours), Middlesex University, UK
- Master in Education, University of Sheffield, UK
- HR Executive Program, Cornell University, USA
- Harvard Executive Leadership Program, Harvard Business School, Boston, USA

Current directorships in other listed companies and other principal commitments
Other listed companies
Nil

Other principal commitments
- Singapore Totalisator Board (Chairman)
- Singapore University of Social Sciences Board of Trustee (Chairman)
- Council for Board Diversity (Co-Chair)
- Council of Presidential Advisers (Member)
- AIA Singapore Pte Ltd (Director)
- National University Health System (Director)

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

Kwa Kim Li, 66
Independent Non-Executive Director

Date of first appointment as director
1 May 2022

Date of last re-appointment as director
N.A.

Board committee(s) served on
- Audit & Risk Committee (Member)
- Remuneration Committee (Member)

Academic and professional qualification(s)
- Bachelor of Laws (Honours), National University of Singapore

Current directorships in other listed companies and other principal commitments
Other listed companies
Nil

Other principal commitments
- Lee & Lee, Advocates and Solicitors (Managing Partner)
- Jurong Town Corporation (Director)
- Changi Airport Group (Singapore) Pte. Ltd. (Director)

Past directorships in other listed companies held over preceding three years
- Mapletree Commercial Trust Management Ltd.

Tan Hwee Bin, 59
Executive Director

Date of first appointment as director
5 December 2008

Date of last re-appointment as director
26 October 2021

Board committee(s) served on
Nil

Academic and professional qualification(s)
- Bachelor of Accountancy, National University of Singapore
- Chartered Accountant of Singapore
- Harvard Advanced Management Program, Harvard Business School, Boston, USA

Current directorships in other listed companies and other principal commitments
Other listed companies
Nil

Other principal commitments
- Singapore Labour Foundation (Director)
- NTUC Enterprise Co-operative Limited (Director)
- NTUC FairPrice Co-operative Limited (Director)
- Centre For Seniors (Chairman)
- Singapore National Employers Federation (Honorary Treasurer)

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

Key Management

Wing Tai Holdings Limited

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

Karine Lim
Group Chief Human Resource Officer
- More than 30 years' human resource management experience in retail, property and public transport industries
- Bachelor of Arts (Honours), National University of Singapore
- Diploma in Human Resource Management, Singapore Human Resource Institute

Wing Tai Property Management Pte Ltd

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

Joseph Quek
Head, Property Management & Customer Service
- Responsible for property management & customer service, facility management, quality control & quality assurance and costs & contracts of Company's portfolio of residential and commercial properties in Singapore, Malaysia and China
- Over 30 years' experience in property & customer service, facility management and quality assurance in Asia and Middle East
- Master of Science in Real Estate, National University of Singapore

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

Jim Lau
Head, Project Management
- Responsible for project management of Company's portfolio of residential and commercial properties in Singapore, Malaysia, China and Australia
- 25 years of project management experience in Singapore, Malaysia, China, Cambodia, Australia and USA
- Bachelor of Design Studies & Bachelor of Architecture (Honours), University of Queensland, Australia
- Registered APEC Architect and Registered Architect, Australia

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

Cheng Man Tak

Eric Ang Teik Lim
Lead Independent Director

Christopher Lau Loke Sam
Independent Director

Guy Daniel Harvey-Samuel
Independent Director

Tan Sri Zulkurnain Bin Awang
Independent Director

Sim Beng Mei Mildred (Mildred Tan)
Independent Director

Kwa Kim Li
Independent Director

Audit & Risk Committee

Eric Ang Teik Lim
Chairman

Christopher Lau Loke Sam

Sim Beng Mei Mildred (Mildred Tan)

Kwa Kim Li

Nominating Committee

Guy Daniel Harvey-Samuel
Chairman

Eric Ang Teik Lim

Cheng Wai Keung

Remuneration Committee

Christopher Lau Loke Sam
Chairman

Guy Daniel Harvey-Samuel

Sim Beng Mei Mildred (Mildred Tan)

Kwa Kim Li

Company Secretary

Gabrielle Tan

Registered Office

3 Killiney Road
#10-01 Winsland House I
Singapore 239519
Tel: 6280 9111
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
7 Straits View
Marina One East Tower
Level 12
Singapore 018936
Audit Partner: Choo Eng Beng
(Year of Appointment: 2021)

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
10 Marina Boulevard #48-01
Marina Bay Financial Centre
Tower 2
Singapore 018983

Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

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

Sumitomo Mitsui Banking Corporation
3 Temasek Avenue
#06-01 Centennial Tower
Singapore 039190

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Property

Singapore

In May 2022, Wing Tai successfully tendered for the collective purchase of the leasehold Lakeside Apartments site at 9E & 9F Yuan Ching Road. Located on the edge of Jurong Lake Gardens within the Jurong Lake District, Wing Tai plans to redevelop the site into a residential development of more than 300 units with unobstructed waterfront and lush greenery views.

The site is set within the lush greenery and tranquility of the Jurong Lake, Chinese and Japanese Gardens, as well as the vibrancy of the Jurong Lake District touted as the second CBD of Singapore.

Located in the heart of city, The M at Middle Road seamlessly integrates the 'work-live-play' concept that caters to the modern lifestyle of residents.

The Group's 522-unit leasehold development, The M at Middle Road, was over 90% sold as at 30 June 2022. Construction is progressing on schedule, and the development is expected to be completed by second half of 2023. Le Nouvel Ardmore, a 43-unit freehold development designed by Pritzker Prize laureate Jean Nouvel was fully sold as at 30 June 2022.

In May 2022, Wing Tai successfully tendered for the collective purchase of the leasehold Lakeside Apartments site at 9E & 9F Yuan Ching Road.

The Group's investment properties Winsland House I and Winsland House II achieved over 95% average occupancy rate as at 30 June 2022.

With increased business and leisure travel, Lanson Place Winsland Serviced Suites in Singapore was around 90% occupied as at 30 June 2022.

The well-designed suites in Lanson Place Winsland feature a signature palette inspired by the cityscape such as the calm, inviting blues of a tranquil waterfront.

Malaysia

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

In Kuala Lumpur, the twin-tower Le Nouvel KLCC also designed by Jean Nouvel, is a 195-unit freehold development at Jalan Ampang, facing the Petronas Twin Towers and Suria KLCC. As at 30 June 2022, approximately 45% of the units have been leased.

Nobleton Crest, a 25-unit freehold development with three blocks of 5-storey residential units in the prestigious Jalan U-Thant neighbourhood was close to 90% sold as at 30 June 2022.

In Penang, Phase 4A of Taman Bukit Minyak Utama, comprising 66 units of 3-storey semi-detached houses, was completed and fully sold as at 30 June 2022.

Phase 2 of Jesselton Hills comprising 2-storey terrace houses, was completed and almost fully sold as at 30 June 2022. Phase 4A and 4B of Jesselton Hills, also known as Garden Villas was launched in November 2019 and May 2021, respectively. Phase 4A comprising 58 units of double-storey semi-detached houses and one bungalow unit was more than 95% sold as at 30 June 2022. Phase 4B comprising 64 units of double-storey semi-detached houses and two bungalows was over 90% sold as at 30 June 2022.

Phase 5A and 5B of Jesselton Hills, also known as Garden Superlink was launched in August 2020 and August 2021, respectively. Phase 5A comprising 70 units of double-storey terrace houses was over 95% sold as at 30 June 2022. Phase 5B comprising 75 units of double-storey terrace houses was over 65% sold as at 30 June 2022.

Impiana Commercial Hub, comprising 2 and 3-storey shop offices along Jalan Rozhan, was completed and close to 95% sold. All balance units were leased out as at 30 June 2022.

Mahkota Impian, located at Bukit Mertajam, is a mixed development comprising three high-rise blocks of 360 serviced suites, 23 units of 3½-storey shop offices and a 5-storey shop office. As at 30 June 2022, all apartment units and 70% of the 3½-storey shop offices were sold. The balance 30%, as well as 60% of the 5-storey shop offices, remained rented out.

Garden Terraces is a low-density residential development which sprawls across 7.2 acres of land in Machang Bubok. It comprises 84 units of double-storey terrace houses, nestled in a well-established neighbourhood. The project was 100% sold as at 30 June 2022.

The occupancy rate for Lanson Place Bukit Ceylon Serviced Residences in Kuala Lumpur remains affected by the nationwide lockdown, although the reopening of borders has provided positive momentum.

Garden Superlink in Penang comprises 145 units of double-storey terrace houses offering extended features for the whole family, including generous green spaces for gardening.

China

The Group's property business activities in China are conducted through its subsidiary companies, Wing Tai China Pte. Ltd. and Suzhou Property Development Pte Ltd. In Suzhou, work for Phase 2 of The Lakeside comprising 24 units of terraced houses is in progress, and the project is expected to be completed in 2023.

Red Planet Hotel Asakusa is a modern and comfortable hotel that caters to middle-class travellers.

Japan

The Group's property business activities in Japan are conducted through its special purpose vehicle, Tokutei Mokuteki Kaisha, Winrise (Japan) TMK.

The Group's 134-room hotel located in Tokyo's Asakusa district, close to the Sensōji-Temple is currently undergoing refurbishment and is expected to be completed by second half of 2022.

464 St Kilda Road is a freehold 8-storey office building with striking views over Albert Park Lake in Melbourne, Australia.

Wing Tai acquired the remaining 50% stake in the freehold 8-storey office building within the St Kilda office precinct in Melbourne.

Australia

The Group's property business activities in Australia are conducted through its investment arm.

In March 2022, Wing Tai acquired the remaining 50% stake in the freehold 8-storey office building within the St Kilda office precinct in Melbourne from the joint venture partner.

Preliminary planning works to redevelop the property have commenced.

The Group's Australia portfolio also includes a freehold commercial building on Flinders Street, a data centre in Sydney and two data centres in Melbourne, which continued to achieve 100% occupancy as at 30 June 2022.

Hong Kong

The Group's property interest in Hong Kong is represented by its associated company, Wing Tai Properties Limited.

In July 2021, the Group gained possession of the newly acquired medium-density residential site near Sheung Shui MTR. Master planning and design work have commenced, and the project is scheduled for completion in 2027.

In the Tuen Mun area, OMA OMA, a medium-density residential project located at So Kwun Wat Road received its certificate of compliance in October 2021. As at 30 June 2022, more than 90% of units have been sold. OMA by the Sea, a medium-density residential development located at Castle Peak Road in Tai Lam received its occupation permit in May 2022. As at 30 June 2022, around 90% of units have been pre-sold.

In Kau To Shan, Shatin, where two low-density, high-end residential projects Le Cap and La Vetta are located, the Group holds 16 residential units and 34 residential units for lease, respectively. As at 30 June 2022, around 80% of units in Le Cap and 75% of La Vetta's units have been leased.

In the central business district, the mixed-use commercial complex comprising a Grade A office tower, hotel, retail shops and public open space will form an integral part of a mega redevelopment of the area under the Urban Renewal Authority's masterplan for the Revitalisation of Central. This project is scheduled for completion in 2025. The commercial investment property, Landmark East in Kowloon East, has an occupancy rate of around 85% as at 30 June 2022. Shui Hing Centre, an industrial building in Kowloon Bay, was about 80% occupied as at 30 June 2022. It has obtained redevelopment approval to be converted into a commercial building.

The 9-storey commercial property located at 30 Gresham Street, London acquired through a joint venture with an independent third party, continued to achieve full occupancy as at 30 June 2022. The property comprises Grade A office and retail space and ancillary accommodation.

The occupancy rates of Lanson Place Hotel and Two MacDonnell Road in Hong Kong continued to be affected by the pandemic. However, the hotel's revenue received a boost after it was designated as a quarantine hotel to accommodate returning locals and visitors arriving in Hong Kong since December 2021. Meanwhile, Waterfront Suites, the wholly owned prime harbourfront project managed by Lanson Place, was over 65% occupied by mainly long-term business guests. Also targeting long-term accommodation, the serviced apartments in Shanghai maintained average occupancy rates of around 90% as at 30 June 2022.

The management contracts of Lanson Place Tianfu Square, Chengdu and Lanson Place One Sunland, Shanghai ended in August 2021 and February 2022, respectively.

Lanson Place currently has nine management contracts across Hong Kong, China, Singapore, Malaysia, Philippines and Australia.

OMA by the Sea is a resort-inspired seaside residence nestled by the coastline of Castle Peak Bay, Hong Kong.

Retail

The Group's retail business in Singapore saw improvements with the easing of COVID-19 restrictions, in particular, during the festive periods of Christmas, Chinese New Year and Hari Raya. Following the announcement that all workers could return to the office, there was increased demand for formal wear and G2000 sales picked up.

The Group expanded the Adidas stores in Causeway Point and Tampines 1, offering a wider range of products to cater to consumer demand for athleisure products. A new store also opened in Waterway Point to serve the north-eastern region in Singapore.

In Malaysia, the Group completed the exit of affected brands under the Arcadia Group in February 2022. Meanwhile, Mango expanded its presence in Malaysia with the opening of four new stores, with plans to open more stores and launch an e-commerce site.

Mango, a Spanish high street brand inspired by the Mediterranean, joined the ranks of Wing Tai's retail portfolio of quality, fashion forward apparel in Malaysia.

Joint venture brand Uniqlo saw steady recovery following the economic reopening of Singapore and Malaysia. It continued to expand its footprint in both markets, operating a total of 28 stores in Singapore and 50 stores in Malaysia as at 30 June 2022. In March 2022, Uniqlo opened its first sustainable and inclusive store in Singapore at 51 @ Ang Mo Kio, designed to create an inclusive shopping environment for every shopper across generations and needs. Besides conducive in-store features to cater to shoppers with special needs, the store is also a pilot of community partnership projects and sustainability initiatives.

The Group continued to strengthen its omni-channel strategy and digital presence through online marketplaces including Lazada and Shopee. Initiatives such as "Click & Collect" and "Return in store" were introduced on G2000.com.sg and cathkidston.com.my to provide customers with an enhanced and seamless shopping experience.

The Group's retail business in Singapore saw improvements with the easing of COVID-19 restrictions.

Year in Brief

July 2021

Wing Tai Retail launched wt+ RPET tote bag, made from recycled plastics, Singapore

August 2021

Released full-year results for financial year ended 30 June 2021, Singapore

Launched Phase 5B of Jesselton Hills, also known as Garden Superlink in Penang, Malaysia

Launched Cath Kidston on Lazada, Singapore

Launched "Click & Collect" on G2000.com.sg

September 2021

Opened Mango stores in Midvalley Mall and Gurney Plaza, Malaysia

Donated pre-loved office furniture to SMK Subang Utama, a secondary school in Selangor, Malaysia

October 2021

Launched "Return in Store" on G2000.com.sg

November 2021

Opened Mango stores in Bangsar Village and Sunway Pyramid, Malaysia

December 2021

Wing Tai Retail collaborated with Arts@Metta to create daily essential items from past seasons denimwear with sales proceeds donated to Metta School, Singapore

Launched Cath Kidston and G2000 on Shopee, Singapore

Opened Mango stores in One Utama and Mitsui Outlet, Malaysia

Organised Wing Tai-Boy's Brigade's Share-a-Gift initiative to support needy families, Singapore

January 2022

Organised visit to Shelter Home (Children) and Rumah Orang Tua Seri Setia (Elderly), Malaysia

March 2022

Acquired the remaining 50% stake in a freehold 8-storey office building at St Kilda, Melbourne, Australia

Participated in Earth Hour to support environmental sustainability, Singapore, Malaysia, China and Australia

Opened Uniqlo Singapore's first sustainable and inclusive store at 51 @ Ang Mo Kio, Singapore

April 2022

The M at Middle Road awarded the ABC Waters Certification, Singapore

Uniqlo partnered Singapore Muslim Women's Association and distributed Ramadan care packages comprising Uniqlo essentials to the Malay-Muslim community, Singapore

May 2022

The Garden Residences, a joint venture development with Keppel Land, attained the Silver Award under the LEAF Certification with a Special Mention in Environmental Sustainability, Singapore

Wing Tai Holdings won the tender for the Lakeside Apartments collective sale site, Singapore

Launched "Click & Collect" on cathkidston.com.my

June 2022

Organised Food Drive to support needy elderly patients at Kwong Wai Shiu Hospital, Singapore

Wing Tai Retail contributed past seasons clothing for recycling by Metta School's appointed vendor, and donated all proceeds to Metta School, Singapore

Corporate Social Responsibility

Staff helping with the packing of food rations contributed by coworkers in support of Kwong Wai Shiu Hospital.

Wing Tai Foundation

The Group is committed to fulfilling its corporate social responsibility ("CSR") through Wing Tai Foundation which extends financial aid and donations in kind to the needy elderly and underprivileged young. Through these initiatives, Wing Tai recognises the contributions of the elderly in Singapore's nation-building and does its part to nurture the younger generation.

In the year under review, the Group supported the basic needs of disadvantaged children in their growing years through the KKH Health Fund, Bright Horizons Fund and Children's Aid Society. Contributions were also made to St John's Home for Elderly Persons and Stroke Support Station, in support of better healthcare for needy elderly patients.

In addition, we supported the development and rehabilitative services for inmates and ex-offenders through the Yellow Ribbon Fund. We also supported the arts scene in Singapore through contribution to The Esplanade.

The Group believes in giving back to the communities where we operate, and actively encourages our staff to give back. A dollar-for-dollar donation matching programme under the Foundation supplements employees' support of charities that cater to the needy young and elderly in Singapore.

Our staff play an active role in our CSR efforts. In a food drive to help the needy elderly patients at Kwong Wai Shiu Hospital, our staff responded enthusiastically and donated close to 1,000 food and household items. Despite COVID-19 restrictions, our staff contributed over 800 items in support of The Boy's Brigade's annual Share-a-Gift project – a community programme that collects and distributes basic food and daily necessities to the less fortunate.

Our colleagues in Malaysia visited homes for the elderly and children, bringing Chinese New Year festivities to the beneficiaries with "Lou Hei" and distribution of angpows. In addition, staff also contributed to the homes' operating expenses and donated daily household essentials as well as school essentials for the children.

The Group remains committed to its role as a corporate citizen, and together with our staff, we will continue to contribute to the community.

The Group believes in giving back to the communities where we operate, and actively encourages our staff to give back.

Corporate Governance Report

The Company is committed towards good corporate governance and it has adopted a comprehensive corporate governance framework that meets best practice principles. Outlined herein are the policies, processes and practices adopted by the Company in compliance with the principles and provisions of the Code of Corporate Governance 2018 (the "Code"). Where there is any deviation from the Code, appropriate explanations are provided in this report on each area of non-compliance and how the Company's practices are consistent with the intent and philosophy of the principle in question.

Board Matters

Principle 1: The Board's Conduct of its Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The board of directors (the "Board" or "Directors") is responsible for the overall management of the Company, and the Directors objectively make important decisions in the best interests of the Company.

The principal functions of the Board include:-

- providing overall strategy and direction for the Company and its subsidiaries (the "Group");
- reviewing the corporate policies and financial performance of the Group;
- reviewing Management's performance;
- establishing an enterprise risk management framework of prudent and effective controls to assess and manage risks;
- considering sustainability issues including environmental and social factors, as part of its strategic formulation;
- identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation; and
- setting the Company's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met.

Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflict of interests recuse themselves from discussions and decisions involving the issues of conflict *(Provision 1.1).*

The Board conducts meetings on a half-yearly basis in accordance with Rule 705 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and whenever necessary as circumstances arise. A total of four scheduled Board meetings were held in the financial year ended 30 June 2022 ("FY2022"). To assist the Board in discharging its duties and functions, the Board has delegated authorities to the Board Committees, namely the Audit & Risk Committee ("ARC"), Remuneration Committee ("RC") and Nominating Committee ("NC"). Each of the ARC, RC and NC has been constituted with terms of reference setting out their composition, authorities and duties approved by the Board and may recommend and/or decide on matters within its terms of reference. The Board reviews the composition of the membership of the Board Committees whenever there are changes to the Board membership. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of each committee's activities are disclosed in this Annual Report *(Provision 1.4).*

The details of the Directors' attendance at the Board and Board Committee meetings and Annual General Meeting ("AGM") in FY2022 are set out in the table below *(Provision 1.5).*

	Board	Audit & Risk Committee	Remuneration Committee	Nominating Committee	AGM
	Meetings Held: 4	Meetings Held: 3	Meetings Held: 2	Meeting Held: 1	Meeting Held: 1
Name	Meetings Attended	Meetings Attended	Meetings Attended	Meeting Attended	Meeting Attended
Cheng Wai Keung [(a)]	4	–	–	–	1
Edmund Cheng Wai Wing	4	–	–	–	1
Cheng Man Tak	4	–	–	–	1
Paul Hon To Tong [(b)]	2	1	–	1	1
Eric Ang Teik Lim [(c)]	4	2	1	1	1
Christopher Lau Loke Sam	4	3	2	–	1
Guy Daniel Harvey-Samuel	4	–	2	1	1
Tan Sri Zulkurnain Bin Awang	4	–	–	–	1
Mildred Tan	4	3	2	–	1
Kwa Kim Li [(d)]	1	1	–	–	–
Tan Hwee Bin	4	–	–	–	1

(a) Mr Cheng Wai Keung was appointed as a member of the NC on 31 December 2021.
(b) Mr Paul Hon To Tong retired from the Board and relinquished his role as Lead Independent Director and all Board Committee appointments on 31 December 2021.
(c) Mr Eric Ang Teik Lim was appointed Lead Independent Director and Chairman of the ARC on 31 December 2021. He stepped down as a member of the RC on 31 December 2021.
(d) Ms Kwa Kim Li was appointed as an independent non-executive Director and a member of the ARC and RC on 1 May 2022.

When a Director serves on multiple boards of different companies, that Director ensures that sufficient time and attention are allocated to the affairs of each company with assistance from the Management, which provides relevant and complete information to that Director 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 directorships. The NC is satisfied that for FY2022, each of the Directors has given sufficient time and attention in discharging his/her responsibilities as Director by providing invaluable guidance, advice and support to the Group *(Provision 1.5).*

The Constitution of the Company ("Constitution") allows the Directors to participate in Board and Board Committee meetings by way of telephone, video conference or other similar means of communication equipment whereby all persons participating in the meetings are able to hear each other, without requiring their physical presence at the meetings. In this regard, alternative means of participation by way of telephone and video conference have been adopted in the Board and Board Committee meetings, whenever necessary.

As the Chairman has a deciding vote in any matter, there is no presence of board interlock within the Company.

Matters which require the Board's approval include, *inter alia*, those involving material acquisition and disposal of assets of the Company, annual budget, financial results announcements, annual report and financial statements, distribution of dividends and other returns to shareholders, fund raising exercises, corporate and financial restructuring, and interested person transactions of a material nature *(Provision 1.3)*.

Upon appointment of each Director, the Company will provide a formal letter to the Director, setting out clearly the Director's duties and obligations. Newly appointed Directors are given orientation briefings by the Management including site visits to the Company's assets to ensure that they are familiar with the Group's businesses, directions and policies. The Board is regularly updated on the latest amendments to the law as well as changes to regulations and accounting standards. Every Director will receive from time to time further relevant training or briefings by professionals, particularly on the enactment of relevant new laws and regulations as well as on new and evolving or emerging commercial risks. The Company Secretary readily keeps the Directors informed as and when there are appropriate courses, conferences and seminars such as those conducted by the Singapore Institute of Directors ("SID") and external counsels *(Provision 1.2)*.

The Directors are encouraged to regularly attend training which are funded by the Company. During FY2022, the Directors attended a number of courses and webinars/ seminars, namely, "Remuneration Committee Essentials", "Driving Climate Change through Executive Compensation", "Establishing Trust in the Digital Economy", "SID Directors Conference", "Executive and Director Remuneration", "ACRA-SGX-SID Audit Committee Seminar 2022", "Temasek Roundtable on Achieving Normalcy – Transiting towards Endemic COVID-19 and Corporate Sustainability – Investor Expectations & Engagement", "Leveraging Board Diversity for Performance", "Update on SGX Listing Rules & Corporate Governance" and "Environmental, Social and Governance Essentials (Core)", conducted by external counsels and professional bodies to update the Board on, *inter alia*, changes to the SGX-ST Listing Manual and regulatory developments. In 2022, nine Directors have attended and one Director has registered for the required training prescribed by SGX-ST on sustainability matters pursuant to Rule 720(7) of the SGX-ST Listing Manual.

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.

Prior to each meeting and whenever 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 fulfil its responsibilities, the Management readily provides the Board with board papers and related materials, background or explanatory information and copies of disclosure documents, management reports, forecasts, budgets, financial statements and other relevant information of the Group on a half-yearly basis prior to meetings, and on an on-going basis whenever necessary *(Provision 1.6)*.

The Board has separate and independent access to the Management and the Company Secretary 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 Secretary attends all Board meetings and ensures that Board procedures are strictly adhered to. The Company Secretary, together with the Management, also ensure that the Company complies with all applicable statutory and regulatory rules. In addition, the Company Secretary ensures that there is good information flow within the Board and the Board Committees, and between Management and non-executive Directors. The Company Secretary facilitates orientation and assists with professional development of the Directors as may be required. The appointment and removal of the Company Secretary is subject to the approval of the Board *(Provision 1.7)*.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board currently comprises a majority of non-executive Directors, with more than one-half of the Board being made up of independent Directors as the Chairman of the Board is also the Managing Director *(Provisions 2.2 & 2.3)*.

The NC reviews the independence of each Director annually based on the definition of "independence" as prescribed in the SGX-ST Listing Manual and also 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 is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company *(Provision 2.1)*. There is no existence of a relationship as stated in the Code that would otherwise deem any independent Director to be non-independent.

Mr Eric Ang Teik Lim was appointed Lead Independent Director on 31 December 2021 after Mr Paul Hon To Tong retired from the Board. Ms Kwa Kim Li was appointed on 1 May 2022 as an independent non-executive Director. There are currently ten members on the Board, three of whom are executive Directors and six of whom are independent non-executive Directors *(Provisions 2.2 & 2.3)*. To further enhance the independence of the Board and the Board Committees, it is the Company's policy that no Director or independent Director sits on all three Committees, the ARC, RC and NC. Non-executive independent Directors, led by the Lead Independent Director, will meet periodically without the presence of Management and will provide feedback to the Board and/or its Chairman, as appropriate *(Provision 2.5)*.

Mr Christopher Lau Loke Sam was appointed as an independent Director on 28 October 2013 and he would have served nine years on the Board by 27 October 2022. In consideration of Rule 210(5)(d)(iii) of the SGX-ST Listing Manual, Mr Lau will retire from the Board upon the conclusion of the AGM on 26 October 2022 and relinquish all his Board Committee appointments.

Board Diversity

The Company has a board diversity policy ("Board Diversity Policy") to give due consideration to the benefits of diversity when appointing members to the Board. The Board Diversity Policy recognises that a diverse Board will better support the Company in attaining its strategic objectives and sustainable development. In reviewing the Board's composition and recommending the appointment of directors to the Board, the NC will consider candidates on merit and with due regard for the benefits of all aspects of diversity, including but not limited to industry knowledge, skills, experience, professional qualification, gender and age.

As recommended by the NC, the Board recognises that gender is an important aspect of diversity and will strive to ensure appropriate female representation on the Board based on the Board's objectives. In FY2022, the Board's gender diversity was enhanced with the appointment of Ms Kwa Kim Li to the Board on 1 May 2022, achieving a level of 30% female representation on the Board. This is higher than the 19.7% women on board reported by the Council for Board Diversity for the Top 100 primary-listed companies on the Singapore Exchange as at 1 January 2022.

The Company has ensured that there is at least one independent Director on the Board who has experience in the industry in which the Company operates. The Board will examine its size and composition whenever circumstances require *(Provision 2.4)*. The Company adopts the principle of collective decision process and hence, no individual or smaller group of individuals will dominate the Board's decision-making process.

The Board comprises Directors who have diverse qualifications and backgrounds in areas such as banking, finance, business and law. The non-executive independent Directors have exposure to the industry in which the Group operates. 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 NC will review and make recommendations to the Board to revise the Board Diversity Policy from time to time to ensure effectiveness and relevance of the policy.

The profiles of the Directors are set out on pages 4 to 6 of this Annual Report.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman of the Board, Mr Cheng Wai Keung, is also the Managing Director ("MD") of the Group and has overall responsibility for the management and operations of the Group.

In order to address the issue of independence given that the Chairman and the MD are the same person, the Board has formally appointed Mr Eric Ang Teik Lim 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 to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. In addition, Mr Eric Ang Teik Lim 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 MD or the Group Chief Financial Officer ("Group CFO") *(Provisions 3.1 & 3.3)*.

Mr Cheng Wai Keung's primary role as Chairman of the Board is to lead the Board in developing sound policies and strategies for the Company and ensuring that they are implemented effectively, as well as to promote high standards of corporate governance. Mr Cheng Wai Keung also provides leadership to the Board, and ensures that Board meetings are held whenever necessary to promote a culture of openness and debate at the Board and that Board members are provided with complete, adequate and timely information. As the MD, Mr Cheng Wai Keung 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 key management. The continued growth of the Company under Mr Cheng Wai Keung's leadership over the years clearly demonstrates his ability to discharge the responsibilities of both his roles as Chairman and MD effectively *(Provision 3.2)*.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

To assist the Board in the discharge of its responsibilities and to enhance the Company's corporate governance framework, the Board, without abdicating its responsibility, delegates specific functions to the various Board Committees, namely, the ARC, the RC and the NC. Each of these Board Committees has its own terms of reference and reports its activities regularly to the Board.

The NC comprises three members, the majority of whom, including the Chairman of the NC, are independent non-executive Directors. The NC members are Mr Guy Daniel Harvey-Samuel – Chairman of the NC, Mr Eric Ang Teik Lim, Lead Independent Director and Mr Cheng Wai Keung, who was appointed as member of the NC on 31 December 2021 *(Provision 4.2)*.

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 succession plans for Directors, 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 also recommends to the Board the process and criteria for evaluation of the performance of the Board, the Board Committees and the individual Directors. In addition, the NC reviews the training and professional development programmes for the Board and its Directors *(Provision 4.1)*.

Pursuant to the Company's Constitution and in compliance with Rule 720(5) of the SGX-ST Listing Manual, one-third of the Directors are required to submit themselves for re-nomination and re-election at least once every three years. The Directors to retire every year at the AGM shall be those who have been longest in office since their last re-election, and as between persons who became Directors on the same day, those to retire shall be determined by lot. A newly appointed Director will hold office until the next AGM following his/her appointment and he/she will be eligible for re-election. The Company has no alternate Directors.

Pursuant to Rule 720(6) of the SGX-ST Listing Manual, additional information on the Directors seeking re-election has been set out in the section titled "Additional Information on Directors Seeking Re-Election at the Annual General Meeting" which is appended to the Notice of AGM.

The NC will review and make recommendations on board succession plans for Directors and the composition of the Board from time to time, and 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/her ability to enhance the Board's capabilities through his/her contributions in his/her area of expertise and to improve the Group's business strategies, controls and/or corporate governance *(Provision 4.3)*.

All Directors and members of the Board are appointed following a comprehensive and extensive external search based on their credentials and qualities.

When considering the independence of 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 *(Provision 4.4)*.

For first-time directors, the Company provides training in areas such as accounting, legal or such other industry-specific knowledge, where appropriate. As mentioned before, upon appointment of each Director, the Company will provide a formal letter to the Director, setting out clearly the Director's duties and obligations to ensure that the new Director is aware of his/her duties and obligations *(Provision 4.5)*.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

With the assistance of KPMG Services Pte Ltd ("KPMG"), the Company's objective performance criteria and process for the evaluation of the effectiveness of the Board was developed, established and approved for use to ascertain the effectiveness of the Board as a whole, its Board Committees and each Director. This framework is reviewed and refined annually or when required, to incorporate better practices to enable an effective and relevant assessment process *(Provision 5.1)*.

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 the evaluation form for Board and Board Committees amongst the Directors) taking into account the level of participation and contribution of each individual Director towards the Board's effectiveness and competencies, as well as the strategic insight, financial literacy, business judgement, integrity and relevant industry knowledge rendered for the benefit of the Group. The aim of the assessment is to evaluate whether each Director is able to and continues to contribute effectively and demonstrate commitment to his/her role. Individual evaluation and self-assessment of each Director are also conducted on an annual basis. Additional performance criteria based on the Code has also been incorporated. These performance criteria allow for comparison with industry peers and go towards enhancing long-term shareholder value. Based on the results of the evaluation, the Board has met its performance objectives *(Provision 5.2)*.

The Chairman of the Board will act on the results of the evaluation and, in consultation with the NC, may propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors.

Remuneration Matters

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises four members, all of whom, including the Chairman of the RC, are independent non-executive Directors. The RC members are Mr Christopher Lau Loke Sam – Chairman of the RC, Mr Guy Daniel Harvey-Samuel, Mrs Mildred Tan and Ms Kwa Kim Li (who was appointed as a RC member on 1 May 2022) *(Provision 6.2)*. Mr Eric Ang Teik Lim stepped down as a RC member on 31 December 2021.

The RC has adopted its own specific written terms of reference. The principal functions of the RC are to review and recommend to the Board a general framework for remuneration within the Company and the specific remuneration packages for each Director as well as for the key management personnel of the Group *(Provision 6.1)*. As and when required, the RC obtains independent and professional advice on remuneration matters (including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards, and benefits-in-kind) from human resource advisers and an external management consultancy firm specialising in people-pay-performance management strategies, Carrots Consulting Pte Ltd ("Carrots"). Other than its professional appointment, Carrots has no affiliation or relationship with the Company or any of its Directors that will affect the independence and objectivity of its performance *(Provision 6.4)*. The RC reviews the structure of the remuneration packages for the Directors and key management personnel to ensure that they are competitive and sufficient to attract, retain and motivate key executives. No Director is involved in deciding his/her own remuneration.

The RC reviews the Company's obligations arising in relation to 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 industry norm and not overly generous, onerous or adverse to the Company. There are no termination, retirement or post-employment benefits granted to the executive Directors and key management personnel *(Provision 6.3)*.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

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 prevailing human resource policies), and a variable component in the form of variable bonuses, as well as share plans, where applicable. 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. Such performance-related remuneration takes into account the risk policies of the Company, is symmetric to risk outcomes and is sensitive to the time horizon of risks. In assessing the performance of the executive Directors and key management personnel, the RC takes into account the financial and operational performance of the Group. Carrots undertakes a benchmarking exercise on the remuneration packages of the executive Directors and key management personnel of the Group on an annual basis.

The Company seeks to remunerate all employees based on their individual performances and contributions towards the Company. To this end, the Company has in place a robust performance management system with which to appraise employees' performance against a set of key performance indicators on an annual basis *(Provision 7.1)*.

Non-executive Directors are paid a fixed fee appropriate to their level of contribution, taking into account factors such as effort, time spent, and responsibilities. Directors who participate in Board Committees receive higher fees for the additional responsibilities they take on. The Company recognises that non-executive Directors should not be over-compensated to the extent that their independence may be compromised. All Directors' fees are approved by shareholders at the AGM of the Company before they are paid *(Provision 7.2)*.

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 broader targets aimed at sustaining more extensive and 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 (collectively "Share Plan Shares") granted to the Executive Director, Ms Tan Hwee Bin, no Share Plan Shares was granted to the other Directors during FY2022 *(Provision 7.3)*.

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 misconduct resulting in financial loss to the Company. The Company currently has contractual provisions to allow the Company to reclaim incentive components of remuneration from executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company.

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The remuneration packages of Directors and key management personnel are a competitive advantage of the Group. The Company uses both short-term and long-term incentives such as variable bonus and share plans, to motivate its executive Directors and employees to deliver greater performance for the Company. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus and share plans that are linked to the performance of the Group and each individual's performance, which is based on the criteria of the respective key performance indicators allocated to the individual. The key performance indicators include the Company's profitability and other financial and operational indicators as determined by the Board. Staff appraisals are conducted once a year. The executive Directors do not receive Directors' fees.

Provision 8.1 of the Code recommends that companies fully disclose the remuneration of each individual director and their CEO, and that they should name and disclose the remuneration of at least their top five key management personnel (who are not directors or the CEO) in bands no wider than $250,000, including the aggregate remuneration paid to these top five key management personnel. Provision 8.3 of the Code also recommends that companies disclose all forms of remuneration and other payments and benefits as well as details of employee share schemes. The Company has chosen to make disclosures in bands of $250,000 with a breakdown in percentage terms of fees, base salary, bonus, share awards and other benefits for all the Directors, including the MD, executive Directors, and key management personnel. The Company is of the view that Principle 8 of the Code was met, as the remuneration policies, the procedure for setting remuneration for the MD, executive Directors and key management personnel as well as the level and mix of remuneration are disclosed on page 25 and taking into account the confidential and sensitive nature of such information, specific disclosure would otherwise place the Group in a competitively disadvantageous position.

The breakdown (in percentage terms) of the Directors' remuneration paid in FY2022 is as follows *(Provisions 8.1(a) & 8.3)*:-

Remuneration Bands	Fees (%)	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)	Shares granted during the year
$2,750,001 to $3,000,000						
Cheng Wai Keung	–	48	42	10	100	–
$2,500,001 to $2,750,000						
Edmund Cheng Wai Wing	–	48	42	10	100	–
$1,500,001 to $1,750,000						
Tan Hwee Bin	–	37	41	22^	100	172,000
Below $250,000						
Cheng Man Tak	100	–	–	–	100	–
Paul Hon To Tong	100	–	–	–	100	–
Eric Ang Teik Lim	100	–	–	–	100	–
Christopher Lau Loke Sam	100	–	–	–	100	–
Guy Daniel Harvey-Samuel	100	–	–	–	100	–
Tan Sri Zulkurnain Bin Awang	100	–	–	–	100	–
Mildred Tan	100	–	–	–	100	–
Kwa Kim Li	100	–	–	–	100	–

^ Includes the fair value of restricted shares and performance shares

The breakdown (in percentage terms) of the remuneration of the top six key management personnel in bands of $250,000 paid in FY2022 is set out below. The total remuneration paid to the six key management personnel for FY2022 amounted to $5.179 million *(Provisions 8.1(b) & 8.3)*.

Remuneration Bands	Salary (%)	Bonus (%)	Other Benefits (%)	Share Awards^ (%)	Total (%)
$1,250,001 to $1,500,000					
Helen Chow	57	31	12	0	100
$750,001 to $1,000,000					
Ng Kim Huat	46	35	5	14	100
Karine Lim	44	36	5	15	100
$500,001 to $750,000					
Stacey Ow Yeong	44	37	7	12	100
Joseph Quek	52	29	7	12	100
Jim Lau	57	22	7	14	100

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

Ms Helen Chow is the spouse of the MD, Mr Cheng Wai Keung and also one of the six key management personnel whose remuneration is disclosed in bands of $250,000. Mrs Kit Cheng, who is the spouse of the Deputy Managing Director, Mr Edmund Cheng Wai Wing, received remuneration that is between $200,000 and $300,000 during FY2022 *(Provision 8.2)*.

Provision 8.2 of the Code provides, *inter alia*, that the company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds $100,000 during the year, in bands no wider than $100,000. The Company has disclosed the remuneration of Ms Helen Chow in bands of $250,000. The Company is of the view that the intent of Principle 8 of the Code was met, as the remuneration policies, the procedure for setting remuneration applicable to the key management personnel of the Company, and the level and mix of remuneration are disclosed on page 25. Moreover, Ms Helen Chow is in a senior position and is considered as key management personnel, hence the disclosure made in bands of $250,000 would be meaningful to investors as to the level of remuneration paid to these employees as well as serving the Company's purpose in retaining and nurturing the Group's talent pool across all key management personnel, regardless of their relationship with the controlling shareholder or director.

Having consulted Carrots as well as the Company's Human Resource department, there is assurance from the Board and the RC that the level and structure of remuneration are aligned with the long-term interests and risk management policies of the Company. The Company is of the view that the disclosures herein would provide adequate information on the remuneration policies and practices for Directors and key management personnel.

Accountability and Audit

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board places great importance in having adequate and effective internal controls and risk management practices within the Company in order to achieve good corporate governance. The Group's internal controls provide reasonable assurance that the Group's assets are safeguarded, proper accounting records are well-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 those posed in financial, operational, compliance and information technology domains. The Board requires the ARC to fully 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. It also sets out the risk tolerance and describes the tolerance for various classes of risk by the Board based on the percentage of the Company's net tangible asset (NTA). 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 of its key material risks, and to consider the adequacy and 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, especially financial, operational, compliance and information technology risks.

As part of its continuing efforts to improve the risk management policies and systems, the Board, with the assistance of KPMG, reviews the Group's existing internal controls and the risk registers 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 *(Provision 9.1)*.

The Board has received assurance from the MD and the Group 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 *(Provision 9.2)*.

Based on the internal controls established, the assurance received from the MD and the Group CFO regarding financial records, risk management and internal controls established and maintained by the Group, the work performed 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 2022.

The system of risk management and internal controls which has been established by the Group provides reasonable assurance that the Group will not be adversely affected by events that can be reasonably foreseen as it strives to achieve its business objectives. The Board, however, notes that no system of risk management and 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. The Board, together with the ARC and the Management, will continue to enhance and improve the existing risk management and internal controls framework to identify and mitigate these risks.

Principle 10: Audit & Risk Committee

The Board has an ARC which discharges its duties objectively.

The ARC comprises four members, all of whom are independent non-executive Directors. The ARC members are Mr Eric Ang Teik Lim, Lead Independent Director – Chairman of the ARC (who was appointed on 31 December 2021), Mr Christopher Lau Loke Sam, Mrs Mildred Tan and Ms Kwa Kim Li (who was appointed as an ARC member on 1 May 2022).

The Board considers the members of the ARC appropriately qualified to discharge the roles and responsibilities of the ARC. The Chairman of the ARC has sufficient financial management expertise and experience *(Provision 10.2)*. The ARC held three meetings in FY2022. The ARC met with the internal and external auditors without the presence of the Management during FY2022 *(Provision 10.5)*.

The ARC is guided by its own 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, complete discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions effectively and properly. The ARC maintains a high standard of corporate governance by reviewing, *inter alia*, the significant financial reporting issues and judgements, annual audit plan, internal audit processes and the adequacy and effectiveness of risk management and internal controls, including financial, operational, compliance and information technology controls within the Company as well as any interested person transactions which may arise during the course of the Company's businesses. During the financial year, the ARC reviewed the half-year and full-year financial statements of the Group. In addition, the ARC has received and reviewed the formal assurance from the MD and the Group CFO on the financial records and financial statements before submitting the same to the Board for its approval. Any changes to existing accounting standards and issues which have a direct impact on financial statements are raised and discussed at the ARC meetings *(Provision 10.1)*. The ARC also reviews the procedures for detecting fraud and whistle-blowing, and ensures that arrangements are in place by which staff of the Company and any other persons may, in confidence raise concerns about possible improprieties in matters of financial reporting, financial control, or any other matters.

In presenting the annual financial statements and announcement of financial results to the shareholders, the Board aims to provide shareholders with a fair, balanced and complete assessment of the Company's performance, financial position and prospects on a half-yearly basis, as well as other price-sensitive public reports, and reports to regulators, where required. The Management furnishes the Board with the half-year and full-year management reports which present an independent 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, as the Board may require from time to time. The Board has also put in place adequate steps to ensure compliance with legislative and regulatory requirements.

In the review of the financial statements for FY2022, the ARC has discussed with the Management and the external auditors on the accounting principles that were applied and their judgement of issues that might affect the integrity of the financial statements. The following are key audit matters reported by the external auditors for FY2022:-

Key audit matters	How these issues were addressed by the ARC
Valuation of development properties	The ARC has considered the approach and methodology applied to the valuation of development properties, focusing on development properties with slower-than-expected sales, low or negative margins. The ARC was periodically briefed by the Management on the development of key projects, the market trends and the strategies to sell the development properties. The ARC also considered the work performed by the external auditors on their assessment of the reasonableness of the assumptions used in the valuation of development properties. The ARC was satisfied with the valuation process, the methodologies used and the basis of the valuation for the development properties as adopted and disclosed in the financial statements.
Valuation of investment properties	The ARC considered and discussed with Management on the approach and methodology applied to the valuation of investment properties. The ARC also considered the work performed by the external auditors on their assessment of the appropriateness of the valuation techniques, the reasonableness of the critical assumptions made for the key inputs used in the valuation techniques and how the impact of the COVID-19 pandemic and market uncertainty has been considered by the independent property valuers in determining the valuation of investment properties. The ARC was satisfied with the valuation process, the methodologies used and the basis of the valuation for the investment properties as adopted and disclosed in the financial statements. The ARC noted certain reports from the independent property valuers have highlighted the heightened uncertainty of the COVID-19 outbreak, and Management will monitor the situation and will perform periodic review of the property values as and when deemed necessary.

The ARC also takes steps to keep itself 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:-

- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's performance;
- review and report to the Board at least annually the adequacy and effectiveness of the Company's risk management and internal controls, including financial, operational, compliance and information technology controls;
- recommend the appointment, re-appointment and removal of the external auditors;
- review the scope, results and cost effectiveness of the audit exercise;
- evaluate the independence and objectivity of the external auditors; and
- review the adequacy and effectiveness of the internal audit function *(Provisions 10.1(a)-(e))*.

The ARC makes recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement 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 do not prejudice the independence and objectivity of the external auditors when carrying out its audit function of the Company. The external auditors have also provided confirmation of their independence to the ARC. The aggregate amount of fees paid by the Company, broken down into audit and non-audit services rendered to the Company for FY2022 is disclosed on page 69 of this Annual Report.

The ARC is primarily responsible for proposing to the Board, the appointment and removal of the external auditors. The ARC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation *(Provision 10.3)*. The external auditors are a completely independent function. No Director or senior managers have an employment relationship with the current external auditors. The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the appointment of its external auditors.

The ARC is the body which approves the appointment, removal, evaluation and compensation of the internal audit function in the Group. The ARC ensures that the internal audit function is independent, effective, adequately resourced and has appropriate standing within the Company. The internal audit function is outsourced to KPMG, which is a reputable accounting and auditing firm staffed by qualified professionals with the relevant qualifications and experience. The audit methodology is in conformance with the *International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.* These standards cover attributes as well as performance and implementation principles. KPMG reports to the Chairman of the ARC and has unfettered access to all of the Group's documents, records, properties and personnel, including unrestricted access to the ARC. On an annual basis, the ARC reviews the adequacy and effectiveness of the internal audit function. For the financial year, the ARC concludes that the internal audit function is adequate (including adequately resourced), effective and independent *(Provision 10.4/ SGX Listing Rule 1207(10C)).*

The Company also adopts a set of internal controls which sets out approval limits for expenditure, monetary withdrawals, 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 the senior management. The scope of KPMG's role is to perform detailed work to assist the ARC and the Board in their evaluation of internal controls and risk management in the Company's day-to-day operations. Wherever required, KPMG submits its plans and recommendations to the ARC for approval.

Whistle-blowing Policy

The Company 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. Key details are published on the Company's website and anonymous reporting is allowed. The Group encourages employees or any other parties to report unlawful, unethical or fraudulent activities or practices in strict confidence. All whistle-blowing reports are submitted either to the internal auditors ("IA") or the Chairman of the ARC so that independent investigation and appropriate follow-up action can be carried out under strict confidentiality. 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 and the whistle-blowing hotline is disclosed to all other persons on the Company's website. The Company assures that the whistle-blower's identity will be kept confidential, subject to prevailing laws and regulations, and any form of retaliation by anyone against the whistle-blower will not be tolerated and disciplinary action will be taken against those who victimise the whistle-blower. 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 *(Provision 10.1(f))*. There were no whistle-blowing reports received by the ARC in FY2022.

Interested Person Transactions

The Company has an established internal policy when dealing with interested person transactions ("IPT") which sets out clear procedures for their review and approval. The Company did not have to obtain any shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual.

The Company has established clear policies that require Directors of the Board to refrain from participation in Board discussions and decision-making process on a particular agenda when they have conflict of interests. The Company also takes steps to ensure that IPTs are conducted fairly and on arm's length basis.

Particulars of IPT for FY2022 as required under Rule 907 of the SGX-ST Listing Manual are as follows:-

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) $'000	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than $100,000) $'000
Management and other related fees		
– Lanson Place Hospitality Management (Singapore) Pte Ltd #	441	N.A.
– Lanson Place Hospitality Management (Malaysia) Limited #	215	N.A.

The Group has a 33.00% interest in the company

Shareholder Rights and Engagement

Principle 11: Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

In line with the disclosure obligations under the SGX-ST Listing Manual and the Companies Act 1967, and to facilitate the exercise of ownership rights by the shareholders, the Company promptly informs its shareholders of all developments that materially impact the Group. Shareholders are updated on the businesses and affairs of the Company through the release of the Company's results on a half-yearly basis. Material and price-sensitive information is publicly released by the Company via the Singapore Exchange Network ("SGXNET") on an immediate basis where required by the 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.

Shareholders are given the opportunity to raise questions and communicate their views to the Company at general meetings and minutes of these general meetings (including questions raised by shareholders and answers thereto) will be posted on the Company's website *(Provision 11.5)*. Shareholders are also given the opportunity, presented through the general meeting agenda, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increase in remuneration for the non-executive Directors. The Board of Directors are required to be present at all general meetings of shareholders to address shareholders' queries at these meetings, except in the case of exigencies. The external auditors of the Company would also be present to assist the Board in addressing any queries posed by the shareholders about the conduct of audit and the preparation and content of the auditors' report *(Provision 11.3)*.

The Company passes separate resolutions at general meetings on each distinct issue placed before it *(Provision 11.2)*. A shareholder can vote in person or by way of proxy at general meetings. All resolutions at the 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 SGXNET and the Company's website. The Company's Constitution provides that a registered shareholder who is not a relevant intermediary (as defined in the Companies Act 1967) and who is unable to attend may choose to appoint up to two proxies to attend and vote on his/her behalf, while relevant intermediaries may appoint more than two proxies to attend and participate in general meetings. Voting in absentia by mail, facsimile or email is currently not permitted so as to ensure proper authentication of the identity of shareholders and their voting intent *(Provision 11.4)*. Voting and vote tabulation procedures used are disclosed before the general meetings proceed with appointed independent scrutineer to validate the voting process and procedures *(Provision 11.1)*.

In view of the COVID-19 situation, the 2021 AGM was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). Alternative arrangements relating to attendance at the AGM (via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the meeting in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the meeting as proxy at the AGM, were put in place. The Chairman, Board of Directors and external auditors of the Company attended the 2021 AGM (either in person or via electronic means).

The forthcoming 2022 AGM will be held physically subject to prevailing COVID-19 safe management measures. Shareholders are reminded to check SGXNET and the Company's website regularly for updates on the AGM arrangements which may change on short notice in view of the evolving COVID-19 situation.

The Company has a dividend policy of around 30% payout ratio based on underlying net profits, taking into consideration the Company's financial position, capital needs, plans for expansion and other factors as the Board may deem appropriate. Currently, the Company pays dividend(s) to all its shareholders within 30 days after the shareholders' approval of the dividend(s) at the shareholders general meetings *(Provision 11.6)*.

Principle 12: Engagement with Shareholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

In line with the Company's sustainability practices and efforts, the Company has discontinued the CD-ROM version of the annual report to shareholders since 2018. Shareholders can access the annual reports and circulars of the Company from the Company's website. The notices of the Company's AGMs and the Company's results are published via SGXNET and on the Company's website. To facilitate the participation of shareholders at the AGMs, the notices of the Company's AGMs contain details and, where necessary, explanatory notes, of each agenda item for the AGM. In order to address its shareholders' concerns, the Company shares on SGXNET as well as the Company's website, a set of corporate presentation slides on its full-year results and updates on the Group's businesses.

A Corporate Finance team carries out established investor relations policies in order to ensure regular and effective conveyance of pertinent information to shareholders. The Company makes timely disclosure of material and price-sensitive information to help investors make informed decisions. Shareholders, investors and analysts are kept informed with updated information, including financial statements and presentation slides via announcements, press releases, annual general meetings and briefing sessions, where appropriate *(Provision 12.2)*.

If shareholders have any feedback or query, they may submit feedback and raise questions through the Company's website www.wingtaiasia.com.sg *(Provision 12.3)*.

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company's engagement with all stakeholders will be set out in detail in the Sustainability Report to be published annually via SGXNET and on the Company's website.

The Company takes its corporate social responsibility seriously and it is not involved in nor does it have any legal violation pertaining to labour, employment, consumer, insolvency, commercial, competition or environmental issues.

The Company's latest financial results, annual reports and Code of Conduct are available on the Company's website at www.wingtaiasia.com.sg *(Provision 13.3)*.

Dealings in Securities

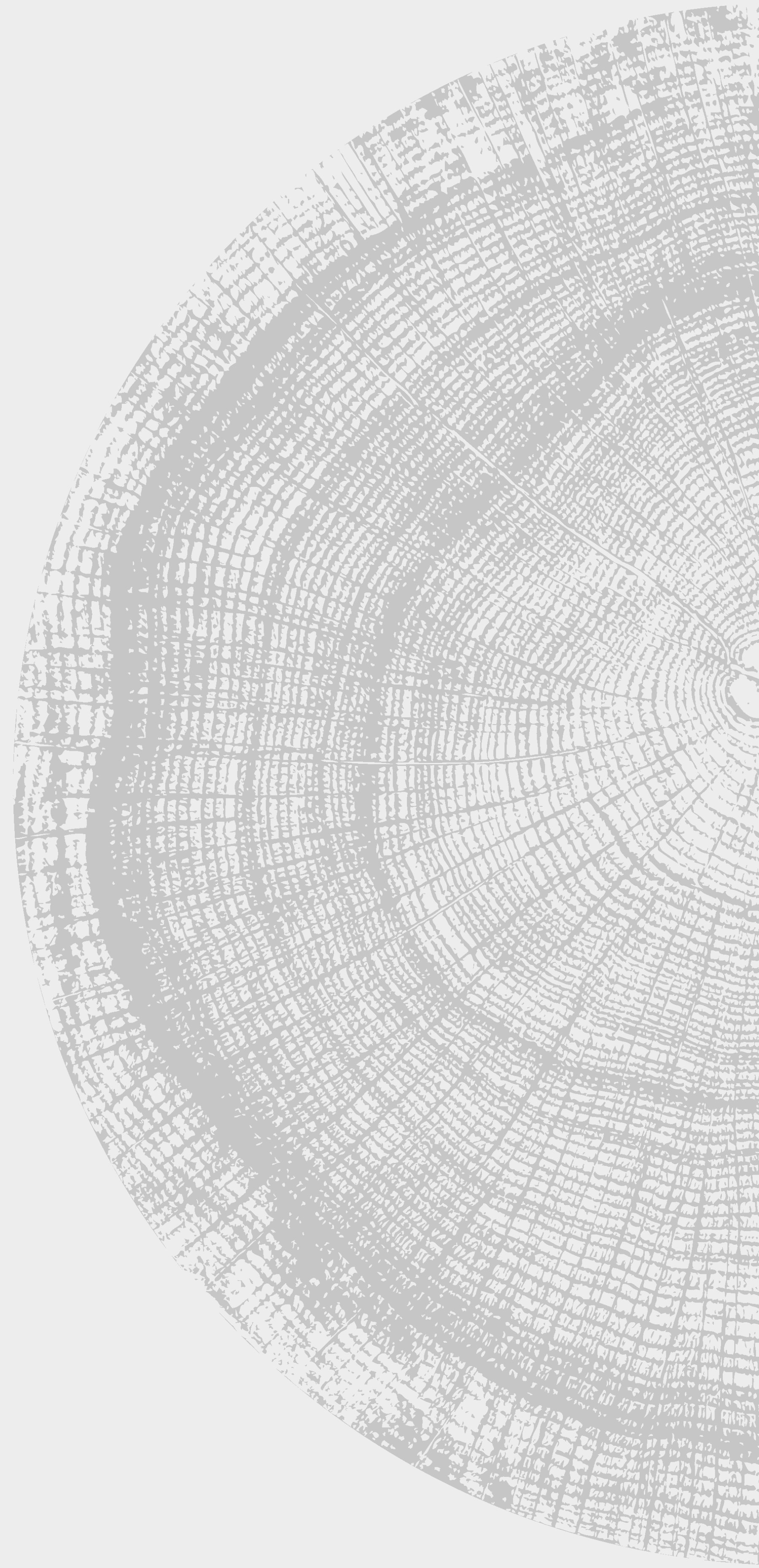
The Company has adopted and implemented an internal guideline on share dealings in the Company's securities in compliance with Rule 1207(19)(c) of the SGX-ST Listing Manual. All officers of the Company are prohibited from dealing in securities of the Company whilst in possession of price-sensitive information.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

Professional Conduct and Discipline

The Company has established various policies on employees' conduct, confidentiality, conflict of interests, intellectual property, software use, and internet usage. The Company continues to remind all employees that they are required to conduct and carry themselves in a professional manner while at work, and undertake to observe and adhere to all prevailing policies.

Financial Reports

for the Financial Year 2022



Five-Year Financial Summary

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Revenue	514,585	461,396	371,026	322,616	360,428
Property	459,392	398,061	272,067	177,502	215,262
Retail	42,806	53,359	91,509	134,465	136,126
Investment and others	12,387	9,976	7,450	10,649	9,040
Earnings before interest and tax	171,698	103,222	54,192	66,835	270,706
Profit before income tax	149,147	75,255	26,827	46,278	245,897
Total profit	143,682	41,952	15,708	48,757	227,317
Profit attributable to equity holders of the Company	140,165	43,568	15,972	46,771	225,166
Equity attributable to ordinary shareholders of the Company	3,286,313	3,186,714	3,214,039	3,213,041	3,289,130
Total assets	4,261,936	4,492,232	4,650,812	4,359,643	4,499,204
Total liabilities, perpetual securities and non-controlling interests	975,623	1,305,518	1,436,773	1,146,602	1,210,074
Earnings per share[1] (cents)	16.64	3.99	0.40	5.21	28.29
Net asset value per share ($)	4.32	4.14	4.18	4.19	4.26
Cash dividends per share (cents)	6.00	5.00	3.00	5.00	8.00

Note:
[1] The weighted average number of ordinary shares used for this purpose is as follows:

	'000
2022	**765,274**
2021	770,108
2020	768,792
2019	767,544
2018	774,165

Directors' Statement

For the Financial Year Ended 30 June 2022

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2022 and the statement of financial position of the Company as at 30 June 2022.

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 44 to 120 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 2022 and 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)*
Cheng Man Tak	
Eric Ang Teik Lim	
Christopher Lau Loke Sam	
Guy Daniel Harvey-Samuel	
Tan Sri Zulkurnain bin Awang	
Sim Beng Mei Mildred (Mildred Tan)	
Kwa Kim Li	*(Appointed on 1 May 2022)*
Tan Hwee Bin	

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in the "Share Plans" section of this statement, 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 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 01.07.2021**	**As at 30.06.2022**	**As at 01.07.2021**	**As at 30.06.2022**
The Company				
Ordinary Shares				
Cheng Wai Keung	214,400	**214,400**	423,828,656	**462,783,459**
Edmund Cheng Wai Wing	-	**-**	346,811,664	**385,766,467**
Tan Hwee Bin	2,273,935	**2,488,335**	-	**-**
Performance Share Plan *				
Tan Hwee Bin	331,500	**250,500**	-	**-**
Restricted Share Plan				
Tan Hwee Bin	73,000	**102,500**	-	**-**

Note:
* 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. There was no change in any of the above-mentioned directors' interests in the Company between the end of the financial year and 21 July 2022.

Directors' Statement

For the Financial Year Ended 30 June 2022

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES *(continued)*

(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 PLANS

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 New Share Plans") were adopted by the members of the Company at an AGM held on 26 October 2018. The Wing Tai New Share Plans are administered by a committee (the "Committee") comprising two directors, namely Cheng Wai Keung and Tan Hwee Bin.

(a) *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 01.07.2021	Number of shares granted	Adjustment of shares awarded arising from targets achieved	Number of shares released	Number of shares forfeited	As at 30.06.2022
26.09.2018	315,000	-	(20,200)	(294,800)	-	-
08.10.2019	285,000	-	-	-	(54,000)	**231,000**
09.10.2020	133,500	-	-	-	(25,000)	**108,500**
07.10.2021	-	109,000	-	-	-	**109,000**
	733,500	**109,000**	**(20,200)**	**(294,800)**	**(79,000)**	**448,500**

Directors' Statement

For the Financial Year Ended 30 June 2022

SHARE PLANS *(continued)*

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

(b) *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 tranches. 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	As at 01.07.2021	Number of shares granted	Number of shares released	Number of shares forfeited	As at 30.06.2022
08.10.2019	309,200	-	(308,400)	(800)	-
09.10.2020	504,650	-	(216,900)	(8,800)	**278,950**
07.10.2021	-	1,148,000	(344,500)	(22,400)	**781,100**
	813,850	**1,148,000**	**(869,800)**	**(32,000)**	**1,060,050**

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	61,000	1,136,500	702,200	250,500
Wing Tai RSP	111,000	1,769,000	1,666,500	102,500

Directors' Statement

For the Financial Year Ended 30 June 2022

AUDIT & RISK COMMITTEE

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

Eric Ang Teik Lim *(Chairman)*
Christopher Lau Loke Sam
Sim Beng Mei Mildred (Mildred Tan)
Kwa Kim Li

The Audit & 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 half yearly results and the full year consolidated financial statements of the Group for the financial year ended 30 June 2022 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
29 September 2022

EDMUND CHENG WAI WING
Director

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

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Wing Tai Holdings Limited ("the Company") and its subsidiary companies ("the Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the financial year ended 30 June 2022;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the statements of financial position of the Group and of the Company as at 30 June 2022;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 30 June 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of development properties	
As at 30 June 2022, the carrying amount of the Group's development properties of S$510.7 million accounted for 12% of the Group's total assets. The disclosures relating to these development properties are included in Note 14 to the financial statements. In addition, valuation of development properties held by the Group's associated and joint venture companies affects the carrying value of the Group's investments and the share of profits of associated and joint venture companies. The disclosures relating to investments in associated and joint venture companies are in Notes 12, 16 and 17 to the financial statements. The determination of valuation of development properties, and whether to recognise or write back any allowance for foreseeable losses on development properties, involves significant management judgement as this is highly dependent on the Group's estimated selling prices, taking into consideration market demand for private residential units, prevailing local government policies and regulatory restrictions.	In assessing the valuation of development properties held by the Group, we focused on development properties with slower-than-expected sales, low or negative margins. Our audit procedures to assess the adequacy of management's estimated development costs and the reasonableness of the assumptions used, where applicable, included the following: • compared actual costs incurred against underlying contracts with vendors and supporting documents; • assessed the reasonableness of costs-to-complete by substantiating costs that have been committed to quotations from and/or contracts with suppliers; • discussed with the project managers and management on the status of the development properties and the basis for the estimated costs to complete and challenged the underlying assumptions by benchmarking against the Group's past projects; and • assessed the competency, capabilities and objectivity of the quantity surveyors used by management for the certification of proportion of construction costs to date. We also evaluated management's key assumptions relating to estimated selling prices to, where available, recently transacted prices based on sales achieved to date and/or prices of comparable properties located in the same vicinity as the development projects, comparable market data and market price trends. For the Group's interest in associated and joint venture companies accounted for under the equity method of accounting, we have ensured that the work performed by the respective in-scope auditors on valuation of development properties with slower-than-expected sales, low or negative margins is in accordance with our instructions to them and consistent with the audit procedures as described above. The evidence we obtained from performing our procedures indicated that management's estimates and assumptions were reasonable.

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties	
As at 30 June 2022, the carrying amount of the Group's investment properties of S$837.6 million accounted for 20% of the Group's total assets. The Group recognised fair value gains on investment properties of S$3.9 million for the financial year ended 30 June 2022. The disclosures relating to these investment properties are included in Notes 19 and 33(e) to the financial statements. In addition, valuation of investment properties held by the Group's significant associated company, Wing Tai Properties Limited ("WTP") affects the carrying value of the Group's investment and the share of profits of the associated company. The disclosures relating to the investment in associated company are in Note 17 to the financial statements. Valuation by independent property valuers is used to support the determination of the fair value of the investment properties. The valuations of the investment properties are highly judgmental due to the use of estimates in the valuation techniques based on key assumptions. The key inputs include market values per square metre, estimated monthly rental rates per square metre/per room, capitalisation rates and discount rates. Furthermore, the valuation reports obtained from independent property valuers for certain investment properties have highlighted that, with the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") pandemic, a degree of caution should be attached to the valuations as they may be subjected to more fluctuation subsequent to 30 June 2022 than during normal market conditions.	Our audit procedures performed the following: • assessed the competence, capabilities and objectivity of the independent property valuers engaged by the Group; • obtained an understanding of the valuation techniques used by the independent property valuers in determining the valuation of individual investment properties to assess the applicability of the valuation techniques for the property type; • discussed with independent property valuers the critical assumptions made for the key inputs used in the valuation techniques and understood how they have considered the impact of the COVID-19 pandemic and market uncertainty in their valuations; • tested the integrity of key inputs, as well as underlying lease and financial information provided by management to the independent property valuers; and • assessed the reasonableness of market values per square metre, estimated monthly rental rates per square metre/per room, capitalisation rates and discount rates used, by benchmarking against those of comparable properties based on information available as at 30 June 2022 and/or prior year inputs. For the Group's interest in WTP, accounted for under the equity method of accounting, we have ensured that the work performed by the auditor of WTP on valuation of investment properties is in accordance with our instructions to them and consistent with the audit procedures as described above. We found the independent property valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the key inputs used were within the range of market data. We also assessed the adequacy of the disclosures relating to the significant judgement involved in the valuation of investment properties and found them to be appropriate.

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

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Choo Eng Beng.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 29 September 2022

Consolidated Income Statement

For the Financial Year Ended 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000
Revenue	3	**514,585**	461,396
Cost of sales	38	**(350,018)**	(278,329)
Gross profit		**164,567**	183,067
Other gains – net	4	**10,968**	11,767
Expenses			
– Distribution	38	**(29,320)**	(40,393)
– Administrative and other		**(83,952)**	(84,799)
Operating profit		**62,263**	69,642
Finance costs	7	**(25,296)**	(30,677)
Associated and joint venture companies			
– Share of profits	17	**108,453**	19,770
– Reversal of impairment loss		**3,727**	16,520
Profit before income tax		**149,147**	75,255
Income tax expense	8(a)	**(5,465)**	(33,303)
Total profit		**143,682**	41,952
Attributable to:			
Equity holders of the Company		**140,165**	43,568
Non-controlling interests		**3,517**	(1,616)
		143,682	41,952
Earnings per share attributable to ordinary shareholders of the Company (cents):			
Basic	9(a)	**16.64**	3.99
Diluted	9(b)	**16.62**	3.98

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

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000
Total profit		**143,682**	41,952
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges		**618**	391
Currency translation differences		**7,095**	(43,224)
Share of other comprehensive (expense)/income of associated and joint venture companies		**(2,421)**	5,351
		5,292	(37,482)
Items that will not be reclassified subsequently to profit or loss:			
Fair value gains on financial assets at fair value through other comprehensive income ("FVOCI")		**22,360**	1,551
Currency translation differences		**1,231**	(1,373)
Share of other comprehensive (expense)/income of associated and joint venture companies		**(120)**	112
		23,471	290
Other comprehensive income/(expense), net of tax	8(a)	**28,763**	(37,192)
Total comprehensive income		**172,445**	4,760
Attributable to:			
Equity holders of the Company		**167,817**	7,637
Non-controlling interests		**4,628**	(2,877)
		172,445	4,760

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

Statements of Financial Position

As at 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**513,817**	772,964	**286,430**	515,088
Trade and other receivables	12	**51,316**	169,954	**144,251**	268,501
Inventories	13	**7,341**	7,625	**-**	-
Development properties	14	**510,699**	778,167	**-**	-
Tax recoverable		**1,935**	4,631	**-**	-
Other assets	22	**232,437**	76,430	**1,458**	1,143
Assets held for sale	15	**1,197**	3,051	**-**	-
		1,318,742	1,812,822	**432,139**	784,732
Non-current assets					
Trade and other receivables	16	**6,283**	23,543	**1,031,119**	848,025
Investments in associated and joint venture companies	17	**1,796,273**	1,717,803	**-**	-
Investments in subsidiary companies	18	**-**	-	**282,063**	282,063
Investment properties	19	**837,629**	793,964	**-**	-
Property, plant and equipment	20	**74,573**	82,059	**16,999**	15,102
Deferred income tax assets	8(b)	**7,105**	8,718	**-**	-
Other assets	22	**221,331**	53,323	**17,472**	19,353
		2,943,194	2,679,410	**1,347,653**	1,164,543
Total assets		**4,261,936**	4,492,232	**1,779,792**	1,949,275
LIABILITIES					
Current liabilities					
Trade and other payables	23	**62,189**	66,566	**38,104**	16,789
Borrowings	24	**294,063**	150,864	**250,789**	85,979
Current income tax liabilities		**23,226**	47,255	**180**	3,281
Other liabilities	26	**17,427**	34,166	**4,256**	-
		396,905	298,851	**293,329**	106,049
Non-current liabilities					
Borrowings	24	**297,033**	575,224	**271,000**	421,582
Deferred income tax liabilities	8(b)	**33,611**	35,586	**-**	-
Other liabilities	26	**23,246**	27,428	**7,296**	12,993
		353,890	638,238	**278,296**	434,575
Total liabilities		**750,795**	937,089	**571,625**	540,624
NET ASSETS		**3,511,141**	3,555,143	**1,208,167**	1,408,651
EQUITY					
Capital and reserves attributable to ordinary shareholders of the Company					
Share capital	27	**838,250**	838,250	**838,250**	838,250
Other reserves	29	**(17,135)**	(28,766)	**(55,034)**	(39,013)
Retained earnings	30	**2,465,198**	2,377,230	**276,354**	313,039
		3,286,313	3,186,714	**1,059,570**	1,112,276
Perpetual securities	28	**148,597**	296,375	**148,597**	296,375
Non-controlling interests	18	**76,231**	72,054	**-**	-
TOTAL EQUITY		**3,511,141**	3,555,143	**1,208,167**	1,408,651

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2022

	Note	Attributable to ordinary shareholders of the Company: Share capital $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
2022								
Balance at 1 July 2021		838,250	(28,766)	2,377,230	3,186,714	296,375	72,054	3,555,143
Total comprehensive income		-	27,652	140,165	167,817	-	4,628	172,445
Cost of share-based payment		-	1,906	-	1,906	-	-	1,906
Reissuance of treasury shares		-	94	(94)	-	-	-	-
Purchase of treasury shares		-	(18,021)	-	(18,021)	-	-	(18,021)
Redemption of perpetual securities	28	-	-	(2,273)	(2,273)	(147,727)	-	(150,000)
Perpetual securities distribution paid		-	-	-	-	(12,840)	-	(12,840)
Accrued perpetual securities distribution	28	-	-	(12,789)	(12,789)	12,789	-	-
Tax credit arising from perpetual securities distribution		-	-	1,313	1,313	-	-	1,313
Liquidation of a subsidiary company		-	-	-	-	-	(451)	(451)
Ordinary and special dividends paid	25	-	-	(38,354)	(38,354)	-	-	(38,354)
Balance at 30 June 2022		**838,250**	**(17,135)**	**2,465,198**	**3,286,313**	**148,597**	**76,231**	**3,511,141**
2021								
Balance at 1 July 2020		838,250	7,904	2,367,885	3,214,039	296,375	74,931	3,585,345
Total comprehensive (expense)/income		-	(35,931)	43,568	7,637	-	(2,877)	4,760
Share of transfer of reserves of an associated company	29(c)	-	(437)	437	-	-	-	-
Cost of share-based payment		-	1,579	-	1,579	-	-	1,579
Reissuance of treasury shares		-	(39)	39	-	-	-	-
Purchase of treasury shares		-	(1,978)	-	(1,978)	-	-	(1,978)
Perpetual securities distribution paid		-	-	-	-	(12,840)	-	(12,840)
Accrued perpetual securities distribution	28	-	-	(12,840)	(12,840)	12,840	-	-
Tax credit arising from perpetual securities distribution		-	-	1,256	1,256	-	-	1,256
Liquidation of subsidiary companies		-	136	-	136	-	-	136
Ordinary dividend paid	25	-	-	(23,115)	(23,115)	-	-	(23,115)
Balance at 30 June 2021		838,250	(28,766)	2,377,230	3,186,714	296,375	72,054	3,555,143

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

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000
Cash flows from operating activities			
Total profit		**143,682**	41,952
Adjustments for:			
Income tax expense		**5,465**	33,303
Depreciation of property, plant and equipment		**13,291**	14,749
Dividend income		**(7,351)**	(1,529)
Fair value (gains)/losses on investment properties		**(3,918)**	3,687
Fair value losses on financial assets at fair value through profit or loss ("FVPL")		**2,088**	1,261
Fair value losses/(gains) on derivative financial instruments		**3**	(69)
Write-back for stock obsolescence		**(1,338)**	(1,717)
Reversal of impairment loss on investment in a joint venture company		**(17)**	-
Recovery of bad debts from a joint venture company		**(118)**	-
Write-back of allowance for foreseeable losses on development properties		**-**	(395)
Dilution loss on interest in an associated company		**1,394**	-
Impairment loss on property, plant and equipment		**71**	816
Gain on disposal of investment property		**-**	(5,078)
Gain on disposal of property, plant and equipment		**(1,538)**	(4,851)
Write-off of property, plant and equipment		**230**	410
Loss on liquidation of subsidiary companies		**-**	136
Interest income		**(2,745)**	(2,710)
Finance costs		**25,296**	30,677
Share of profits of associated and joint venture companies		**(108,453)**	(19,770)
Reversal of impairment loss of joint venture companies		**(3,727)**	(16,520)
Share-based payment		**1,906**	1,579
Currency translation differences		**(3,344)**	(61)
Operating cash flow before working capital changes		**60,877**	75,870
Changes in working capital:			
Balances with associated and joint venture companies		**599**	3,003
Development properties		**261,830**	197,287
Inventories		**1,586**	8,772
Trade and other receivables and other current assets		**(178,007)**	(49,714)
Trade and other payables and other current liabilities		**(24,117)**	(68,826)
Cash generated from operations		**122,768**	166,392
Income tax paid		**(25,233)**	(16,889)
Net cash generated from operating activities		**97,535**	149,503

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000
Cash flows from investing activities			
Additional interest in a joint venture company		**-**	(13,550)
Additions to financial assets at fair value through other comprehensive income ("FVOCI")		**(142,022)**	-
Additions to investment properties		**(53,069)**	(511)
Additions to property, plant and equipment		**(5,857)**	(3,790)
Disposal of investment property		**-**	45,237
Disposal of property, plant and equipment		**5,930**	32,756
Liquidation of a subsidiary company		**(451)**	-
Repayment of loans by associated and joint venture companies		**150,138**	120,000
Advancement of loans to associated and joint venture companies		**-**	(62,836)
Repayment of loans by non-controlling interests		**3,913**	-
Advancement of loans to non-controlling interests		**-**	(5,915)
Dividends received		**64,225**	40,402
Interest received		**3,052**	2,826
Net cash generated from investing activities		**25,859**	154,619
Cash flows from financing activities			
Redemption of perpetual securities		**(150,000)**	-
Purchase of treasury shares		**(18,021)**	(1,978)
Proceeds from borrowings		**100,000**	-
Repayment of borrowings		**(229,345)**	(62,352)
Principal payment of lease liabilities		**(8,123)**	(10,847)
Ordinary and special dividends paid		**(38,354)**	(23,115)
Perpetual securities distribution paid		**(12,840)**	(12,840)
Interest paid		**(23,485)**	(27,180)
Net cash used in financing activities		**(380,168)**	(138,312)
Net (decrease)/increase in cash and cash equivalents		**(256,774)**	165,810
Cash and cash equivalents at beginning of financial year		**772,964**	605,480
Effects of currency translation on cash and cash equivalents		**(2,373)**	1,674
Cash and cash equivalents at end of financial year	10	**513,817**	772,964

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

Reconciliation of liabilities arising from financing activities

	Beginning of financial year $'000	Proceeds from borrowings $'000	Principal and interest payments $'000	Non-cash changes: Interest expense $'000	Non-cash changes: Net additions $'000	Non-cash changes: Currency translation differences $'000	Non-cash changes: Others $'000	End of financial year $'000
Group								
2022								
Borrowings	726,088	100,000	(229,345)	873	-	(6,577)	57	**591,096**
Lease liabilities	8,264	-	(8,123)	-	8,787	(153)	-	**8,775**
Interest payable	5,648	-	(23,485)	24,423	-	(6)	(1,342)	**5,238**
2021								
Borrowings	787,740	-	(62,352)	3,106	-	(2,406)	-	726,088
Lease liabilities	17,486	-	(10,847)	-	1,659	(34)	-	8,264
Interest payable	6,412	-	(27,180)	27,571	-	4	(1,159)	5,648

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

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

1. GENERAL INFORMATION

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

The principal activity of the Company is that of an investment holding company. The principal activities of the Company's subsidiary companies are shown in Note 36.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Notes 8, 14, 17, 19 and 33(e).

2.2 Adoption of new and revised standards

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

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

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

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

2.3 Impact of Coronavirus Disease 2019 ("COVID-19")

The COVID-19 pandemic has affected almost all countries in the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore, Malaysia, Australia, Japan, China and Hong Kong, all of which have been affected by the spread of COVID-19 since 2020.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the financial year ended 30 June 2022:

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Impact of Coronavirus Disease 2019 ("COVID-19") *(continued)*

(d) The outbreak of COVID-19 pandemic has also impacted the real estate market in the countries that the Group operates in. The estimation uncertainty in relation to the valuation of investment properties are disclosed in Note 19.

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

As the COVID-19 pandemic continues to evolve, the Group continues to be impacted by the measures taken by governments to combat the spread of the pandemic. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial periods.

2.4 Revenue recognition

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

The Group recognises revenue as follows:

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

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

For development properties where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the stage of completion of the properties.

The stage of completion is measured by reference to the physical surveys of construction work completed as certified by the architects or quantity surveyors for the individual units sold. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Revenue recognition *(continued)*

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

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

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

(b) Revenue from sale of goods

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

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

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

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

(c) Rental income

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

(d) Management fee

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

(e) Dividend income

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

(f) Interest income

Interest income is recognised using the effective interest method.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Group accounting

(a) Subsidiary companies

(i) Consolidation

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

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

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

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired, is recorded as goodwill. Please refer to Note 2.6 for the accounting policy on goodwill on acquisitions.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Group accounting *(continued)*

(a) Subsidiary companies *(continued)*

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

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.7 for the accounting policy on investments in subsidiary companies in the separate financial statements of the Company.

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

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

(i) Acquisitions
Investments in associated and joint venture companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued, or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated and joint venture companies represents the excess of the cost of acquisition of the associated or joint venture companies over the Group's share of the fair value of the identifiable net assets of the associated or joint venture companies and is included in the carrying amount of the investments. Please refer to Note 2.6 for the accounting policy on goodwill on acquisitions.

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Group accounting *(continued)*

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

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

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

2.6 Goodwill on acquisitions

Goodwill on acquisition of subsidiary companies and businesses, represents the excess of: (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over; (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary companies is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill on acquisition of associated and joint venture companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated and joint venture companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiary, associated and joint venture companies include the carrying amount of goodwill relating to the entity sold.

2.7 Investments in subsidiary, associated and joint venture companies

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

2.8 Property, plant and equipment

(a) Measurement

(i) Land and buildings
Land and buildings are initially recognised at cost. Freehold and 999-year leasehold land are subsequently carried at cost less accumulated impairment losses. Buildings and leasehold land are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Property, plant and equipment *(continued)*

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

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

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

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

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

(d) Disposal
On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains – net".

2.9 Investment properties

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

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

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

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

2.10 Development properties

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

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

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

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Development properties *(continued)*

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

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

2.11 Impairment of non-financial assets

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

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

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

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

An impairment loss on goodwill is recognised in profit or loss and is not reversed in a subsequent period.

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

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

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

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

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

A reversal of impairment loss on an asset other than goodwill is recognised in profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets

(a) Classification and measurement
The Group classifies its financial assets in the following measurement categories:

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

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

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

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

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

<u>At subsequent measurement</u>
(i) Debt instruments
Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and unlisted debt securities.

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(a) Classification and measurement *(continued)*

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

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

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

(c) Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

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

2.13 Financial guarantees

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

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

Financial guarantees are subsequently measured at the higher of:

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

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

Intra-group transactions are eliminated on consolidation.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.15 Borrowings and borrowing costs

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

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

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

2.16 Derivative financial instruments and hedging activities

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

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

The Group documents at the inception of the transaction the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking the hedge transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

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

The Group entered into an interest rate swap that is a cash flow hedge for the Group's exposure to interest rate risk on its borrowings. This contract entitled the Group to receive interest at a floating rate on the notional principal amount and obliged the Group to pay interest at a fixed rate on the same notional principal amount, thus allowing the Group to raise borrowings at floating rate and swap them into fixed rate.

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

The Group entered into a cross currency swap and currency forwards that qualify as net investment hedges for the Group's exposure to currency risk on its net investment in foreign operations. The fair value changes on the cross currency swap and currency forwards relating to the effective portion of the hedges are recognised in other comprehensive income in the consolidated financial statements, accumulated in currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The fair value changes relating to the ineffective portion of the hedges are recognised immediately in profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Fair value estimation of financial assets and liabilities

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets is the current bid price; the appropriate quoted market price used for financial liabilities is the current asking price.

The fair value of financial instruments that are not traded in an active market is 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 value of the financial instruments.

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 exchange rates (forward and spot rates). The fair value of currency forwards is determined using actively quoted forward exchange rates at the end of the reporting period.

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

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

2.18 Offsetting financial instruments

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

2.19 Leases

(a) When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.19 Leases *(continued)*

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

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

Lease payments include the following:

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

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

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when there is:

- a change in future lease payments arising from changes in an index or rate;
- a change in the Group's assessment of whether it will exercise an extension option; or
- modification in the scope or the consideration of the lease that was not part of the original term.

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.19 Leases *(continued)*

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

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

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

2.20 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

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

Deferred income tax is measured:

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

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

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

2.21 Provisions

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.22 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid. They are classified as current liabilities if payment is due within 12 months or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

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

2.23 Employee compensation

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

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

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

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

2.24 Currency translation

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

(b) Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment in the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.24 Currency translation *(continued)*

(c) Translation of Group entities' financial statements
The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in currency translation reserve. The currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

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

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to management, who are responsible for allocating resources and assessing the performance of the operating segments. Sales between segments are carried out at market terms. The revenue from external parties reported to management is measured in a manner consistent with that of the financial statements.

Management measures the performance of the operating segments based on earnings before interest and tax ("EBIT") for continuing operations. Interest income is not allocated to the segments.

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

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

2.26 Cash and cash equivalents

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

2.27 Government grants

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.28 Share capital, treasury shares and perpetual securities

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction costs 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 the treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

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

2.29 Dividends to the equity holders of the Company

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

2.30 Assets held for sale

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

3. REVENUE

	Group 2022 $'000	Group 2021 $'000
Revenue from contracts with customers		
Revenue from development properties:		
– recognised at a point in time	**89,412**	185,863
– recognised over time	**329,811**	171,577
Revenue from sale of goods:		
– recognised at a point in time	**42,806**	53,359
Management fees:		
– recognised over time	**5,036**	8,447
Other revenue		
Rental income	**40,169**	40,621
Dividend income		
– financial assets at FVOCI	**6,465**	689
– financial assets at FVPL	**886**	840
	514,585	461,396

(a) Contract assets and liabilities

	Group 30 June 2022 $'000	Group 30 June 2021 $'000	Group 1 July 2020 $'000
Contract assets: Unbilled revenue (Note 22)	**185,938**	19,896	1,555
Contract liabilities for development properties (Note 26)	**(2,474)**	(24,834)	(98,367)

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

Contract liabilities for development properties primarily relates to advance consideration received from customers for sale of development properties. Contract liabilities for development properties decreased as compared to the previous financial year mainly due to decrease in advance consideration received from customers where revenue will only be recognised based on actual performance completed to date or upon sales completion, where control of the development properties have been transferred to the customers.

(i) Revenue recognised in relation to contract liabilities

	Group 2022 $'000	Group 2021 $'000
Revenue recognised in the financial year that was included in the contract liabilities balance at the beginning of financial year:		
– sale of development properties	**24,820**	98,367

(ii) Transaction price allocated to unfulfilled performance obligations

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

	Group 2022 $'000	Group 2023 $'000	Group 2024 $'000	Group Total $'000
Partially and fully unfulfilled performance obligations as at:				
30 June 2022	**-**	**261,416**	**37,369**	**298,785**
30 June 2021	400,766	143,957	-	544,723

As permitted under SFRS(I) 15, the aggregated transaction price allocated to unfulfilled contracts of periods 12 months or less, or are billed based on time incurred, is not disclosed.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

3. REVENUE *(continued)*

(b) Assets recognised from costs to obtain contracts

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

	Group	
	2022 $'000	**2021 $'000**
Assets recognised from costs to obtain contracts at the end of financial year (Note 22)	**11,777**	21,635
Amortisation of and impairment loss on costs to obtain contracts	**14,585**	10,647

(c) Trade receivables from contracts with customers

	Group		
	30 June 2022 $'000	**30 June 2021 $'000**	**1 July 2020 $'000**
Trade receivables from contracts with customers	**26,112**	7,548	8,185
Less: Credit loss allowance of receivables	**(32)**	(32)	(33)
	26,080	7,516	8,152

4. OTHER GAINS – NET

	Group	
	2022 $'000	**2021 $'000**
Other gains:		
– Interest income - banks	**2,745**	2,696
– Interest income - others	**-**	14
	2,745	2,710
– Gain on disposal of investment property	**-**	5,078
– Gain on disposal of property, plant and equipment	**1,538**	4,851
– Fair value gains on investment properties (Note 19)	**3,918**	-
– Fair value gains on derivative financial instruments	**-**	69
– Write-back of allowance for foreseeable losses on development properties - net	**-**	395
– Foreign exchange gain – net	**984**	-
– Property ancillary income	**3,944**	3,975
– Others	**1,842**	2,930
	14,971	20,008
Other losses:		
– Impairment loss on property, plant and equipment	**(71)**	(816)
– Dilution loss on interest in an associated company (Note 17)	**(1,394)**	-
– Fair value losses on investment properties (Note 19)	**-**	(3,687)
– Fair value losses on derivative financial instruments	**(3)**	-
– Fair value losses on financial assets at FVPL (Note 22(b))	**(2,088)**	(1,261)
– Foreign exchange loss - net	**-**	(189)
– Others	**(447)**	(2,288)
	(4,003)	(8,241)
	10,968	11,767

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

5. EXPENSES BY NATURE

	Group	
	2022 $'000	**2021 $'000**
Depreciation of property, plant and equipment (including right-of-use assets) (Note 5(a)(ii))	**13,291**	14,749
Employee compensation	**55,021**	60,773
Auditors' remuneration paid/payable to:		
– auditor of the Company	**434**	527
– other auditors	**458**	419
Other fees paid/payable to:		
– auditor of the Company	**9**	54
– other auditors	**169**	146
Write-back of stock obsolescence	**(1,338)**	(1,717)
Write-off of property, plant and equipment	**230**	410
Impairment loss on property, plant and equipment	**71**	816
Rental expense (Note 5(a)(ii) and 5(b))	**1,715**	3,012
Development cost included in cost of sales	**297,292**	218,995
Finished goods included in cost of sales	**21,755**	29,976
Property tax expense (Note 5(a)(i))	**1,923**	2,354

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

(i) The Group received government support in the form of rental support scheme cash payouts and property tax rebates of $0.7 million (2021: $0.9 million) for the Group's investment properties, of which $0.7 million (2021: nil) was presented as a deduction against property tax expense. In 2021, $0.9 million was passed on to the tenants in the form of rental rebates.

(ii) The Group received rental rebates of $1.4 million (2021: $1.9 million) from landlords on leases of office space, warehouse space and retail stores. Accordingly, the rebates are presented as a deduction against rental expense for short-term leases.

(b) Included in the Group's rental expense is contingent rents of $1.2 million (2021: $1.0 million). Details of the contingent rents are disclosed in Note 21(a).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

6. EMPLOYEE COMPENSATION

	Group 2022 $'000	Group 2021 $'000
Wages and salaries (including directors' remuneration)	**48,935**	52,837
Employer's contribution to defined contribution plans including Central Provident Fund	**4,013**	4,737
Share-based payment	**1,906**	1,579
Termination benefits	**167**	1,620
	55,021	60,773

Government grants under the Jobs Support Scheme ("JSS") of $0.5 million (2021: $3.3 million) for the Group have been recorded as a reduction to wages and salaries. The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees. The scheme had been extended up to 2021 by the Government.

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

7. FINANCE COSTS

	Group 2022 $'000	Group 2021 $'000
Interest expense		
– Borrowings	**24,987**	30,224
– Lease liabilities	**309**	453
	25,296	30,677

8. INCOME TAXES

(a) Income tax expense/(credit)

	Group 2022 $'000	Group 2021 $'000
Tax expense attributable to profit is made up of:		
Current income tax		
– Singapore	**10,724**	21,167
– Foreign	**2,332**	15,636
	13,056	36,803
Deferred income tax	**1,872**	3,380
	14,928	40,183
Overprovision in preceding financial years		
– Current income tax	**(7,566)**	(4,173)
– Deferred income tax	**(1,897)**	(2,707)
	5,465	33,303

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

8. INCOME TAXES *(continued)*

(a) Income tax expense/(credit) *(continued)*

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

	Group 2022 $'000	Group 2021 $'000
Tax calculated at Singapore standard rate of income tax	**6,284**	6,624
Effect of taxable distributions from a foreign subsidiary company	**-**	10,581
Different tax rates in other countries	**1,821**	2,390
Expenses not deductible for tax purposes	**10,590**	11,985
Land appreciation tax	**-**	11,554
Income not subject to tax	**(6,844)**	(7,526)
Overprovision of tax	**(9,463)**	(6,880)
Unrecognised tax losses	**3,077**	4,575
	5,465	33,303

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

	Before tax $'000	Tax charge $'000	After tax $'000
Group			
2022			
Fair value gains on financial assets at FVOCI	22,360	-	22,360
Cash flow hedges	618	-	618
Currency translation differences	8,326	-	8,326
Share of other comprehensive expense of associated and joint venture companies	(2,541)	-	(2,541)
	28,763	**-**	**28,763**
2021			
Fair value gains on financial assets at FVOCI	1,551	-	1,551
Cash flow hedges	391	-	391
Currency translation differences	(44,597)	-	(44,597)
Share of other comprehensive income of associated and joint venture companies	5,463	-	5,463
	(37,192)	-	(37,192)

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

8. INCOME TAXES *(continued)*

(b) Deferred income taxes

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

	Group	
	2022	**2021**
	$'000	**$'000**
Deferred income tax liabilities	**33,611**	35,586
Deferred income tax assets	**(7,105)**	(8,718)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and deductible temporary differences of $152.1 million (2021: $148.5 million) and $19.9 million (2021: $21.9 million), respectively, at the end of the reporting period. The unutilised tax losses can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unutilised tax losses in their respective countries of incorporation. These unutilised tax losses have no expiry date except for those incurred in Malaysia of $38.2 million (2021: $36.9 million) which can be carried forward for a period of up to seven years from the year the loss was incurred.

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

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Revaluation gains $'000	Other temporary differences $'000	Total $'000
Group				
2022				
Beginning of financial year	967	33,156	2,185	36,308
Currency translation differences	(21)	(453)	19	(455)
Charged/(credited) to income statement	271	743	(1,960)	(946)
End of financial year	**1,217**	**33,446**	**244**	**34,907**
2021				
Beginning of financial year	1,919	31,269	2,041	35,229
Currency translation differences	(16)	434	107	525
(Credited)/charged to income statement	(936)	1,453	37	554
End of financial year	967	33,156	2,185	36,308

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

8. INCOME TAXES *(continued)*

(b) Deferred income taxes *(continued)*

Deferred income tax assets

	Accelerated tax depreciation $'000	Tax losses $'000	Lease liabilities $'000	Provisions and other temporary differences $'000	Total $'000
Group					
2022					
Beginning of financial year	(192)	(74)	(263)	(8,911)	(9,440)
Currency translation differences	4	3	15	96	118
Charged/(credited) to income statement	42	(73)	(416)	1,368	921
End of financial year	**(146)**	**(144)**	**(664)**	**(7,447)**	**(8,401)**
2021					
Beginning of financial year	(299)	(62)	(1,540)	(7,696)	(9,597)
Currency translation differences	1	1	13	22	37
Charged/(credited) to income statement	106	(13)	1,264	(1,237)	120
End of financial year	(192)	(74)	(263)	(8,911)	(9,440)

9. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2022	**2021**
Profit attributable to:		
– equity holders of the Company ($'000)	**140,165**	43,568
– holders of perpetual securities ($'000)	**(12,789)**	(12,840)
Profit attributable to ordinary shareholders of the Company ($'000)	**127,376**	30,728
Weighted average number of ordinary shares in issue ('000)	**765,274**	770,108
Basic earnings per share (cents)	**16.64**	3.99

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

9. EARNINGS PER SHARE *(continued)*

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

	Group	
	2022 $'000	**2021 $'000**
Profit attributable to ordinary shareholders of the Company	**127,376**	30,728
Adjustment for share plans of an associated company	**-**	(3)
Profit used to determine diluted earnings per share	**127,376**	30,725
	2022 '000	**2021 '000**
Weighted average number of ordinary shares in issue	**765,274**	770,108
Adjustment for share plans	**1,286**	1,388
Weighted average number of ordinary shares used to determine diluted earnings per share	**766,560**	771,496
Diluted earnings per share (cents)	**16.62**	3.98

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Fixed deposits with financial institutions	**99,459**	127,982	**-**	-
Cash and bank balances	**414,358**	644,982	**286,430**	515,088
	513,817	772,964	**286,430**	515,088

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

Significant restrictions
Included in cash and cash equivalents are cash and short-term deposits of $34.8 million (2021: $44.9 million) which are held in China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

11. DERIVATIVE FINANCIAL INSTRUMENTS

	2022		2021	
	Contract notional amount $'000	**Fair value $'000**	**Contract notional amount $'000**	**Fair value $'000**
Group				
Non-current assets				
Net investment hedges				
– Currency forward	**28,878**	**207**	-	-
Current liabilities				
Net investment hedges				
– Cross currency swap	**84,703**	**(4,256)**	-	-
Non-hedging instruments				
– Currency forward	**305**	**(3)**	-	-
		(4,259)		-
Non-current liabilities				
Cash flow hedges				
– Interest rate swap	**-**	**-**	77,850	(1,147)
Net investment hedges				
– Cross currency swap	**-**	**-**	82,976	(6,750)
– Currency forwards	**226,048**	**(7,296)**	174,154	(6,243)
		(7,296)		(14,140)
Company				
Non-current assets				
Non-hedging instruments				
– Currency forward	**28,878**	**207**	-	-
Current liabilities				
Non-hedging instruments				
– Cross currency swap	**84,703**	**(4,256)**	-	-
Non-current liabilities				
Non-hedging instruments				
– Cross currency swap	**-**	**-**	82,976	(6,750)
– Currency forwards	**226,048**	**(7,296)**	174,154	(6,243)
		(7,296)		(12,993)

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

11. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

As at 30 June 2022, the interest rate on HKD cross currency swap is fixed at 4.5% (2021: 4.5%) per annum. The floating rate is Singapore Swap Offered Rate ("SOR") with notional amount of $84.7 million (2021: $83.0 million). The weighted average forward rate under currency forwards mainly on HKD is 5.920 (2021: 5.939) and the hedged rate under cross currency swap on HKD is 5.917 (2021: 5.917).

The interest rate swap as at 30 June 2021 with notional amount of $77.9 million, which was transacted to hedge variable monthly interest payments on borrowings, was terminated in June 2022. The interest rate on the HKD interest rate swap was fixed at 1.5% and the floating rate was Hong Kong Interbank Offered Rate ("HIBOR").

Cross currency swap, that will mature in June 2023 (2021: June 2023), is transacted to hedge: (i) variable semi-annual interest payments on borrowings; and (ii) currency translation differences arising from the Group's investment in its associated company.

Currency forwards that will mature in September 2023, January 2024 and June 2027 (2021: September 2023 and January 2024) are transacted to hedge currency translation differences arising from the Group's investment in its associated company as well as its overseas investments.

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

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

		Changes in fair value used in calculating hedge ineffectiveness	
	Contract notional amount $'000	**Hedging instrument $'000**	**Hedged item $'000**
Group			
2022			
Net investment hedges			
Currency risk			
– Cross currency swap	**84,703**	**2,480**	**(2,480)**
– Currency forwards	**254,926**	**(846)**	**846**
2021			
Cash flow hedges			
Interest rate risk			
– Interest rate swap	77,850	391	(391)
Net investment hedges			
Currency risk			
– Cross currency swap	82,976	5,002	(5,002)
– Currency forwards	174,154	1,135	(1,135)

There was no ineffectiveness in relation to the hedges.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

12. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Trade receivables	**27,257**	8,546	**-**	-
Less: Credit loss allowance of receivables	**(32)**	(57)	**-**	-
	27,225	8,489	**-**	-
Due from subsidiary companies – non-trade (Note 12(a))	**-**	-	**529,000**	649,129
Less: Credit loss allowance of receivables	**-**	-	**(385,648)**	(381,344)
	-	-	**143,352**	267,785
Due from joint venture companies – non-trade (Note 12(b))	**16,065**	151,878	**186**	182
Less: Credit loss allowance of receivables	**(500)**	(3,064)	**-**	-
	15,565	148,814	**186**	182
Due from non-controlling interests	**2,258**	2,303	**-**	-
Dividends receivable from an associated company	**-**	109	**-**	-
Grant receivables	**-**	157	**-**	-
Sundry receivables	**6,268**	10,082	**713**	534
	51,316	169,954	**144,251**	268,501

(a) Amounts due from subsidiary companies are unsecured and repayable on demand. Included in amounts due from subsidiary companies are fixed-interest loan receivables of $346.0 million (2021: $467.5 million).

(b) Amounts due from joint venture companies are unsecured, interest-free and repayable on demand.

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

13. INVENTORIES

	Group	
	2022 $'000	**2021 $'000**
Finished goods	**7,341**	7,625

The cost of inventories recognised as expense and included in "Cost of sales" amounted to $21.8 million (2021: $30.0 million).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

14. DEVELOPMENT PROPERTIES

	Group 2022 $'000	Group 2021 $'000
Properties under development		
– Land cost	**264,646**	460,021
– Development costs and overhead expenditure capitalised	**31,629**	51,613
	296,275	511,634
– Allowance for foreseeable losses	**(1,144)**	(3,141)
	295,131	508,493
Properties held for sale	**215,568**	269,674
	510,699	778,167

Significant estimates and judgement are applied in assessing the valuation of development properties in accordance with Note 2.10. For the financial year ended 30 June 2022, no allowance for foreseeable loss is recorded (2021: write-back of $0.4 million) in "Other gains – net" for development properties of the Group based on estimated selling prices compared to estimated total development costs and selling expenses.

The major development properties are as follows:

Location	Type of development	Tenure		Stage of completion at 30.06.2022 (%)	Expected completion date	Land area (Sq m)	Gross floor area (Sq m)	Group's interest in property (%)
Singapore								
Le Nouvel Ardmore at Ardmore Park	43 units of condominium housing	Freehold		100	n/a	5,624	15,746	100
The M at Middle Road	522 units of apartment and a ground floor commercial unit	99-year lease expiring 2119		61	2023	7,463	33,730	100
Malaysia								
Le Nouvel KLCC at Section 43, Town of Kuala Lumpur	195 units of condominium housing	Freehold		100	n/a	6,084	39,195	100
Nobleton Crest at Section 89, Town of Kuala Lumpur	25 units of condominium housing	Freehold		100	n/a	4,047	1,265	100
Taman Bukit Minyak Utama at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	281 units of terrace and semi-detached houses and shop offices	Freehold	Phase 2 Phase 4A	100 100	n/a n/a	1,989	1,979	100
Impiana Boulevard and Impiana Gallery at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	80 units of shop offices	Freehold		100	n/a	8,624	8,372	100
Jesselton Hills at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	475 units of terrace and semi-detached houses	Freehold	Phase 1A Phase 2 Phase 4A Phase 4B Phase 5A Phase 5B	100 100 100 70 99 67	n/a n/a n/a 2023 2022 2023	197,963	46,462	100

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

14. DEVELOPMENT PROPERTIES *(continued)*

Location	Type of development	Tenure		Stage of completion at 30.06.2022 (%)	Expected completion date	Land area (Sq m)	Gross floor area (Sq m)	Group's interest in property (%)
Malaysia *(continued)*								
Mahkota Impian at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	386 units of shop offices and serviced apartments	Freehold		100	n/a	29,793	6,480	100
Garden Terraces at Mukim 16, Daerah Seberang Perai Tengah, Pulau Pinang	87 units of terrace houses	Freehold		100	n/a	1,373	1,299	100
Vacant land at Mukim 14-17, Daerah Seberang Perai Tengah, Pulau Pinang	-	Freehold		-	-	452,955	n/a	100
China								
The Lakeside at 1 Xingzhou Street, Suzhou Industrial Park	24 units of terrace and semi-detached houses	70-year lease expiring 2066	Phase 2	45	2023	19,518	6,455	75

n/a: not applicable

15. ASSETS HELD FOR SALE

	Group 2022 $'000	Group 2021 $'000
Beginning of financial year	**3,051**	68,062
Transfer (to)/from investment properties (Note 19)	**(3,038)**	3,085
Transfer from property, plant and equipment (Note 20)	**5,626**	-
Disposals	**(4,404)**	(68,334)
Currency translation differences	**(38)**	238
End of financial year	**1,197**	3,051

(a) On 30 May 2022, the Group's wholly-owned subsidiary company, Wing Tai Malaysia Sdn. Bhd., entered into a sale and purchase agreement with third parties to dispose the freehold land and a factory building situated at 523, Jalan Ayer Puteh, Mukim 4, Balik Pulau, Pulau Pinang for a consideration of MYR5.8 million ($1.8 million). The sale was completed on 20 September 2022.

(b) On 8 October 2021, Wing Tai Malaysia Sdn. Bhd. entered into a sale and purchase agreement with third parties to dispose the leasehold land and a five-storey factory building situated at 166-A, Rifle Range Road, Pulau Pinang for a consideration of MYR17.5 million ($5.6 million). The sale was completed on 8 April 2022.

(c) During the financial year, the Group's wholly-owned subsidiary company, Wing Mei (M) Sdn. Bhd. has transferred Persiaran Sering Ukay from assets held for sale to investment properties as it was not disposed.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

16. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Loans to subsidiary companies (Note 16(a))	-	-	**1,034,292**	851,098
Less: Credit loss allowance of receivables	-	-	**(3,173)**	(3,073)
	-	-	**1,031,119**	848,025
Loans to joint venture companies (Note 16(b))	-	14,663	-	-
Less: Credit loss allowance of receivables (Note 16(b))	-	(1,163)	-	-
	-	13,500	-	-
Loan to non-controlling interest (Note 16(c))	**6,283**	10,043	-	-
	6,283	23,543	**1,031,119**	848,025

(a) Loans to subsidiary companies are unsecured, have no fixed terms of repayment and are not expected to be repayable within the next 12 months. Included in loans to subsidiary companies are fixed-interest loan receivables of $595.5 million (2021: $578.7 million).

The interest-free loans to subsidiary companies are intended to be a long-term source of additional capital for the subsidiary companies. As a result, management considers such loans to be in substance part of the Company's net investment in these subsidiary companies and has accounted for these loans in accordance with Note 2.7.

(b) Loans to joint venture companies as at 30 June 2021 are unsecured, interest bearing and have no fixed terms of repayment. Details of the credit loss allowance of these receivables are disclosed in Note 33(b).

(c) Loan to non-controlling interest is unsecured, interest-free, has no fixed terms of repayment and is not expected to be repayable within the next 12 months.

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

17. INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES

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

	Wing Tai Properties Limited		Uniqlo (Singapore) Pte. Ltd.		Uniqlo (Malaysia) Sdn. Bhd.	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Summarised statement of financial position						
Current assets	**1,683,210**	1,455,345	**203,656**	181,112	**223,133**	168,745
Non-current assets	**5,133,267**	5,130,374	**139,552**	140,963	**44,278**	50,957
Current liabilities	**(1,146,540)**	(1,145,475)	**(106,973)**	(87,764)	**(88,026)**	(50,048)
Non-current liabilities	**(703,733)**	(676,326)	**(86,690)**	(89,720)	**(13,489)**	(18,850)
Net assets	**4,966,204**	4,763,918	**149,545**	144,591	**165,896**	150,804
Summarised statement of comprehensive income						
Revenue	**655,573**	230,125	**330,461**	292,575	**327,765**	226,816
Other gains – net and expenses	**(441,030)**	(208,972)	**(283,708)**	(270,378)	**(249,262)**	(203,747)
Profit before income tax	**214,543**	21,153	**46,753**	22,197	**78,503**	23,069
Income tax expense	**(26,933)**	(6,128)	**(7,449)**	(684)	**(21,710)**	(7,431)
Total profit	**187,610**	15,025	**39,304**	21,513	**56,793**	15,638
Other comprehensive (expense)/income	**(12,901)**	7,678	**1,595**	(102)	**1,004**	93
Total comprehensive income	**174,709**	22,703	**40,899**	21,411	**57,797**	15,731

	Wing Tai Properties Limited	
	2022 $'000	2021 $'000
Net assets of an associated company attributable to:		
– Non-controlling interests	**(318)**	277
– Equity holders	**4,966,522**	4,763,641
Total comprehensive (expense)/income of an associated company attributable to:		
– Non-controlling interests	**(540)**	(905)
– Equity holders	**175,249**	23,608

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

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

	Uniqlo (Singapore) Pte. Ltd. 2022 $'000	Uniqlo (Singapore) Pte. Ltd. 2021 $'000	Uniqlo (Malaysia) Sdn. Bhd. 2022 $'000	Uniqlo (Malaysia) Sdn. Bhd. 2021 $'000
Included in net assets of joint venture companies are:				
– Cash and cash equivalents	**144,237**	109,255	**159,335**	92,349
– Financial liabilities (excluding trade and other payables and provisions):				
– Current	**(40,672)**	(39,598)	**(14,698)**	(13,757)
– Non-current	**(77,506)**	(81,706)	**(11,142)**	(16,467)
Included in total comprehensive income of joint venture companies are:				
– Interest income	**268**	97	**1,576**	952
– Depreciation and amortisation	**(43,792)**	(42,017)	**(21,781)**	(21,850)
– Interest expense	**(1,897)**	(2,022)	**(1,091)**	(900)

	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						
2022						
Beginning of financial year	1,537,932	70,849	67,862	41,160	179,871	1,717,803
Currency translation differences	32,485	-	(1,810)			
Dilution loss	(1,394)	-	-			
Dividends	(21,745)	(17,613)	(17,407)	-	(35,020)	(56,765)
Group's share of (at gross shareholding):	34.1%	49.0%	45.0%			
– Profit for the year	60,336	19,259	25,557	3,301	48,117	108,453
– Other comprehensive (expense)/income	(3,674)	782	451	(100)	1,133	(2,541)
End of financial year	**1,603,940**	**73,277**	**74,653**	**44,403**	**192,333**	**1,796,273**
2021						
Beginning of financial year	1,613,798	60,358	61,295	29,440	151,093	1,764,891
Currency translation differences	(59,200)	-	(512)			
Dividends	(21,742)	-	-	-	-	(21,742)
Group's share of (at gross shareholding):	34.1%	49.0%	45.0%			
– Profit for the year	1,635	10,541	7,037	557	18,135	19,770
– Other comprehensive income/(expense)	3,441	(50)	42	2,030	2,022	5,463
End of financial year	1,537,932	70,849	67,862	41,160	179,871	1,717,803

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

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

	Group 2022 $'000	Group 2021 $'000
Capital commitments in relation to interest in a joint venture company	**660**	676
Share of a joint venture company's capital commitments	**4,622**	2,496
Share of an associated company's contingent liabilities and financial guarantees incurred severally with other investors	**306,432**	315,569
Market value of quoted shares of an associated company	**329,152**	372,049

The market value of quoted shares of an associated company, Wing Tai Properties Limited ("WTP") is determined by reference to the published market bid price at the end of the reporting period and is categorised under Level 1 of the fair value measurement hierarchy.

WTP is listed on The Stock Exchange of Hong Kong Limited and its financial year-end is 31 December. Due to the timing of availability of the financial information of WTP and as WTP is unable to provide financial information to the Group without providing equivalent information to all its other investors, the Group equity accounts for WTP for the period from 1 April 2021 to 31 March 2022 (2021: 1 April 2020 to 31 March 2021) and adjusts for any significant transactions and events that occur between 1 April and 30 June 2022 that become publicly available prior to the date of the Group's consolidated financial statements. As at 30 June 2022, the carrying amount of quoted shares of the associated company is higher than the market value. Management considers the carrying amount of the investment to be appropriate, after having evaluated various qualitative and quantitative factors including the historical financial performance of the associated company.

Included in the carrying value of investment in associated company are: (i) development properties of $336.4 million (2021: $269.0 million) which are carried at the lower of cost and net realisable value, and no allowance for foreseeable loss on development properties is recorded for the financial year then ended; and (ii) investment properties of $1,297.1 million (2021: $1,288.1 million) which are carried at fair value, determined by independent property valuers with reference to comparable current prices in an active market, income capitalisation approach from current leases and assumptions about future leases in light of current market conditions and reversionary income potential and/or discounted cash flow analysis on periodic net cash flows to be forecasted over the life of the investment property and discounted by an appropriate rate.

The Group's share of results of associated company for the financial year includes the Group's share of fair value losses on investment properties of $9.2 million (2021: $67.0 million) mainly due to revisions of key unobservable inputs (Level 3) in the form of the estimated market rents, capitalisation rates and discount rates of its commercial properties, serviced apartments and certain residential units.

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

18. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company 2022 $'000	Company 2021 $'000
Unquoted shares, at cost	**282,063**	282,063

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

The following subsidiary company of the Group has material non-controlling interest:

Name of company	Effective interest held by non-controlling interest 2022 %	2021 %
Brave Dragon Ltd	**10.6**	10.6

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

	Brave Dragon Ltd 2022 $'000	Brave Dragon Ltd 2021 $'000
Summarised statement of financial position		
Current assets	**6**	7
Non-current assets	**570,141**	545,602
Current liabilities	**(1,376)**	(11,818)
Net assets	**568,771**	533,791
Summarised statement of comprehensive income		
Total profit	**24,662**	7,124
Other comprehensive income/(expense)	**10,319**	(19,050)
Total comprehensive income/(expense)	**34,981**	(11,926)
Summarised statement of cash flows		
Cash flows from:		
– Operating activities	**(1)**	(2)
– Investing activities	**10,537**	5,912
– Financing activities	**(10,537)**	(5,922)
Net decrease in cash and cash equivalents	**(1)**	(12)

	Group 2022 $'000	Group 2021 $'000
Net assets attributable to non-controlling interest of Brave Dragon Ltd	**60,290**	56,582
Add: Carrying amount of individually immaterial non-controlling interests of other subsidiary companies	**15,941**	15,472
Carrying amount of non-controlling interests	**76,231**	72,054
Total comprehensive income/(expense) attributable to non-controlling interest of Brave Dragon Ltd	**3,708**	(1,264)

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

19. INVESTMENT PROPERTIES

	Group 2022 $'000	Group 2021 $'000
Beginning of financial year	**793,964**	792,346
Additions	**53,069**	511
Fair value gains/(losses) recognised in income statement	**3,918**	(3,687)
Transfer from property, plant and equipment	**2,776**	-
Transfer from/(to) assets held for sale	**3,038**	(3,085)
Currency translation differences	**(19,136)**	7,879
End of financial year	**837,629**	793,964

The following amounts are recognised in the income statement:

	Group 2022 $'000	Group 2021 $'000
Rental income	**40,169**	40,621
Direct operating expenses arising from:		
– Investment properties that generate rental income	**(12,846)**	(12,733)
– Investment properties that do not generate rental income	**-**	(32)

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	13,528	100
Winsland House II at 163 Penang Road	8-storey commercial building	99-year lease expiring 2093	7,309	100
Winsland House II at 165 Penang Road	Conservation house	99-year lease expiring 2093	584	100
Lanson Place Winsland Serviced Residences at 167 Penang Road	109 units of serviced apartments in a 9-storey building	99-year lease expiring 2093	5,087	100
Australia				
376-388 Flinders Street, Melbourne, Victoria	8-storey commercial building	Freehold	9,513	100
28 Thornton Crescent, Mitcham, Victoria	Single-storey commercial building	Freehold	3,946	100

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

19. INVESTMENT PROPERTIES *(continued)*

Name of building/location	Description	Tenure of land	Lettable area (Sq m)	Group's interest in property (%)
Australia *(continued)*				
12 Brookhollow Avenue, Baulkham Hills, New South Wales	4-storey commercial building	Freehold	3,933	100
464-466 St Kilda Road Melbourne, Victoria	8-storey commercial building	Freehold	13,826	100
4 Wesley Court, Melbourne, Victoria	4-storey commercial building	Freehold	11,223	100
Japan				
1 Chome 11-6 Asakusa, Taito, Tokyo	13-storey hotel	Freehold 30-year lease expiring 2043	3,063	100
China				
Singa Plaza at 8 Jinji Hu Road, Suzhou Industrial Park (2nd to 8th floor)	8-storey commercial building	50-year lease expiring 2046	8,255	75

Investment properties are valued by independent professional valuers based on the properties' highest and best use determined using the Direct Comparison Approach, the Capitalisation Approach and/or the Discounted Cash Flow Approach. The valuation reports obtained from independent property valuers for certain investment properties have highlighted that, with the heightened uncertainty of the COVID-19 outbreak, a degree of caution should be attached to the valuations as they may be subjected to more fluctuation subsequent to 30 June 2022 than during normal market conditions. This represents a significant estimation uncertainty in relation to the valuation of investment properties. Refer to Note 33(e) for further disclosure and the significant inputs used in the fair valuation of investment properties.

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

Investment properties with a total valuation of $143.6 million (2021: $423.4 million) were mortgaged to banks to secure long term banking facilities granted to certain subsidiary companies (Note 24).

On 31 March 2022, the Group's wholly-owned subsidiary company, Wingspring Trust, acquired the remaining 50% interest in the freehold property situated at 464-466 St Kilda Road, Melbourne for a consideration of AUD49.4 million ($48.9 million). Following the acquisition, Wingspring Trust became the sole owner of the property.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

20. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings $'000	Leasehold buildings $'000	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Right-of-use assets $'000	Total $'000
Group							
2022							
Cost							
Beginning of financial year	3,275	10,997	5,660	24,373	24,693	71,688	140,686
Additions	-	-	1,404	1,847	2,606	9,006	14,863
Disposals	-	-	(1,225)	(454)	(846)	(11,103)	(13,628)
Write-off	-	-	-	(1,297)	(1,912)	-	(3,209)
Transfer to investment properties	-	(510)	-	-	-	(2,562)	(3,072)
Transfer to assets held for sale	(1,222)	(1,947)	-	(126)	(354)	(2,732)	(6,381)
Currency translation differences	(55)	(8)	(25)	(39)	(119)	(237)	(483)
End of financial year	1,998	8,532	5,814	24,304	24,068	64,060	128,776
Accumulated depreciation and impairment losses							
Beginning of financial year	47	1,685	3,750	9,498	21,415	22,232	58,627
Depreciation charge	9	381	637	882	2,822	8,560	13,291
Disposals	-	-	(1,224)	(454)	(829)	(10,914)	(13,421)
Write-off	-	-	-	(1,096)	(1,883)	-	(2,979)
Impairment loss	-	-	-	71	-	-	71
Transfer to investment properties	-	(104)	-	-	-	(192)	(296)
Transfer to assets held for sale	-	(203)	-	(101)	(295)	(156)	(755)
Currency translation differences	(1)	-	(24)	(35)	(93)	(182)	(335)
End of financial year	55	1,759	3,139	8,765	21,137	19,348	54,203
Net book value							
End of financial year	**1,943**	**6,773**	**2,675**	**15,539**	**2,931**	**44,712**	**74,573**
2021							
Cost							
Beginning of financial year	3,298	11,011	6,199	24,304	42,809	78,284	165,905
Additions	-	-	-	3,290	500	6,220	10,010
Disposals	-	-	(544)	(2,673)	(6,800)	(12,761)	(22,778)
Write-off	-	-	-	(564)	(11,838)	-	(12,402)
Currency translation differences	(23)	(14)	5	16	22	(55)	(49)
End of financial year	3,275	10,997	5,660	24,373	24,693	71,688	140,686
Accumulated depreciation and impairment losses							
Beginning of financial year	38	1,274	3,572	11,144	36,326	21,943	74,297
Depreciation charge	9	413	673	1,211	3,149	9,294	14,749
Disposals	-	-	(500)	(2,650)	(6,586)	(9,475)	(19,211)
Write-off	-	-	-	(361)	(11,631)	-	(11,992)
Impairment loss	-	-	-	151	136	529	816
Currency translation differences	-	(2)	5	3	21	(59)	(32)
End of financial year	47	1,685	3,750	9,498	21,415	22,232	58,627
Net book value							
End of financial year	3,228	9,312	1,910	14,875	3,278	49,456	82,059

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. This includes a change in the period of an existing lease contract without adding the right to use more underlying assets. The Group's additions to right-of-use assets included lease modifications that contributed to an increase in right-of-use assets of $2.2 million (2021: nil).

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

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

	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Company				
2022				
Cost				
Beginning of financial year	3,297	15,736	3,003	22,036
Additions	1,141	1,312	12	2,465
Disposals	(965)	(43)	-	(1,008)
End of financial year	3,473	17,005	3,015	23,493
Accumulated depreciation				
Beginning of financial year	1,790	2,418	2,726	6,934
Depreciation charge	404	53	106	563
Disposals	(965)	(38)	-	(1,003)
End of financial year	1,229	2,433	2,832	6,494
Net book value				
End of financial year	**2,244**	**14,572**	**183**	**16,999**
2021				
Cost				
Beginning of financial year	3,297	13,248	2,829	19,374
Additions	-	2,606	175	2,781
Disposals	-	1	-	1
Write-off	-	(119)	(1)	(120)
End of financial year	3,297	15,736	3,003	22,036
Accumulated depreciation				
Beginning of financial year	1,378	2,441	2,607	6,426
Depreciation charge	412	95	120	627
Write-off	-	(118)	(1)	(119)
End of financial year	1,790	2,418	2,726	6,934
Net book value				
End of financial year	1,507	13,318	277	15,102

The major property included in leasehold buildings and right-of-use assets is 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	2,525

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

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

During the financial year, property, plant and equipment with net book values of $1.3 million which were previously mortgaged to banks to secure long term banking facilities granted to subsidiary companies were released upon full settlement of the borrowings (Note 24).

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

The Group carried out an impairment assessment of the carrying amount of property, plant and equipment (including right-of-use assets) with indicator of impairment. As at 30 June 2021, the Group estimated the recoverable amount of those assets, based on value-in-use calculation, to be negligible and recognised an impairment loss of $0.8 million.

21. LEASES

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

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

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

There are no externally imposed covenants on these lease arrangements.

(i) Carrying amounts of right-of-use assets classified within Property, plant and equipment

	Group 2022 $'000	Group 2021 $'000
Leasehold land	**37,129**	42,748
Property	**7,583**	6,708
	44,712	49,456

(ii) Depreciation charge

	Group 2022 $'000	Group 2021 $'000
Leasehold land	**661**	689
Property	**7,899**	8,605
	8,560	9,294

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

21. LEASES *(continued)*

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

(iii) Lease expense not capitalised in lease liabilities

	Group	
	2022 **\$'000**	**2021** **\$'000**
Lease expense – short-term leases	**537**	1,266
Variable lease payments which do not depend on an index or rate (Note 21(a)(i))	**1,178**	1,049
Total (Note 5)	**1,715**	2,315

(iv) Total cash outflow for all the leases amounted to \$10.1 million (2021: \$13.6 million).

(v) Future cash outflows which are not capitalised in lease liabilities:

- Variable lease payments
  The leases for retail stores contain variable lease payments that are based on a percentage of sales generated by the stores ranging from 0.5% to 22% (2021: 0.5% to 22%), on top of fixed payments. The Group negotiates variable lease payments for a variety of reasons, including minimising the fixed costs base for newly established stores. Such variable lease payments which are recognised as expense when incurred and included in "Rental expense" amounted to \$1.2 million (2021: \$1.0 million).

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

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

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

Rental income from investment properties are disclosed in Note 19.

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

	Group	
	2022 **\$'000**	**2021** **\$'000**
Less than 1 year	**31,760**	34,217
Between 1 and 2 years	**20,191**	21,586
Between 2 and 3 years	**9,079**	13,374
Between 3 and 4 years	**3,599**	5,712
Between 4 and 5 years	**3,353**	5,239
Over 5 years	**9,739**	34,913
	77,721	115,041

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

22. OTHER ASSETS

	Group		Company	
	2022 **\$'000**	**2021** **\$'000**	**2022** **\$'000**	**2021** **\$'000**
Current				
Deposits	**2,034**	36,076	**94**	30
Prepayments	**43,214**	4,089	**1,364**	1,113
Unbilled revenue	**176,824**	19,896	**-**	-
Costs to obtain contracts	**10,354**	16,362	**-**	-
Others	**11**	7	**-**	-
	232,437	76,430	**1,458**	1,143
Non-current				
Deposits	**392**	149	**-**	-
Unbilled revenue	**9,114**	-	**-**	-
Costs to obtain contracts	**1,423**	5,273	**-**	-
Derivative financial instruments (Note 11)	**207**	-	**207**	-
Financial assets at FVOCI (Note 22(a))	**192,930**	28,548	**-**	-
Financial assets at FVPL (Note 22(b))	**17,265**	19,353	**17,265**	19,353
	221,331	53,323	**17,472**	19,353

Included in the Group's prepayments is the amount of \$38.6 million comprising down payment and stamp duties for the collective purchase of the leasehold site known as "Lakeside Apartments" for re-development. The purchase has yet to be completed at the end of the reporting period.

The fair values of derivative financial instruments and financial assets, at FVOCI and at FVPL, are categorised under Level 2, Level 1 and Level 3, respectively, of the fair value measurement hierarchy, as disclosed in Note 33(e).

(a) Financial assets at FVOCI

	Group		Company	
	2022 **\$'000**	**2021** **\$'000**	**2022** **\$'000**	**2021** **\$'000**
Beginning of financial year	**28,548**	26,997	**-**	-
Additions	**142,022**	-	**-**	-
Fair value gains recognised in other comprehensive income	**22,360**	1,551	**-**	-
End of financial year	**192,930**	28,548	**-**	-

(b) Financial assets at FVPL

	Group		Company	
	2022 **\$'000**	**2021** **\$'000**	**2022** **\$'000**	**2021** **\$'000**
Beginning of financial year	**19,353**	20,614	**19,353**	20,614
Fair value losses recognised in income statement	**(2,088)**	(1,261)	**(2,088)**	(1,261)
End of financial year	**17,265**	19,353	**17,265**	19,353

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

22. OTHER ASSETS *(continued)*

These equity investments are analysed as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets at FVOCI				
Quoted securities in Singapore	**192,930**	28,548	**-**	-
Financial assets at FVPL				
Unquoted securities in Singapore	**17,265**	19,353	**17,265**	19,353
	210,195	47,901	**17,265**	19,353

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables	**10,321**	10,544	**-**	-
Due to subsidiary companies – non-trade (Note 23(a))	**-**	-	**24,845**	4,744
Due to associated and joint venture companies				
– non-trade (Note 23(b))	**4,451**	3,839	**-**	-
Accrued project costs	**12,847**	16,475	**-**	-
Accrued operating expenses	**31,458**	32,196	**12,848**	12,003
Other payables	**3,112**	3,512	**411**	42
	62,189	66,566	**38,104**	16,789

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

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

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

24. BORROWINGS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Current				
– Secured bank loans	**43,274**	64,885	**-**	-
– Unsecured bank loans	**99,789**	-	**99,789**	-
– Unsecured medium term notes due in 2021	**-**	85,979	**-**	85,979
– Unsecured medium term notes due in 2022	**81,000**	-	**81,000**	-
– Unsecured medium term notes due in 2023	**70,000**	-	**70,000**	-
	294,063	150,864	**250,789**	85,979
Non-current				
– Secured bank loans	**26,033**	76,190	**-**	-
– Unsecured bank loans	**-**	177,034	**-**	99,582
– Unsecured medium term notes due in 2022	**-**	81,000	**-**	81,000
– Unsecured medium term notes due in 2023	**-**	70,000	**-**	70,000
– Unsecured medium term notes due in 2024	**71,000**	71,000	**71,000**	71,000
– Unsecured medium term notes due in 2027	**100,000**	-	**100,000**	-
– Unsecured medium term notes due in 2030	**100,000**	100,000	**100,000**	100,000
	297,033	575,224	**271,000**	421,582
	591,096	726,088	**521,789**	507,561

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

24. BORROWINGS *(continued)*

The fair values of long-term borrowings of the Group and the Company are $595.5 million (2021: $748.0 million) and $526.2 million (2021: $529.4 million), respectively. These fair values, categorised under Level 2 of the fair value measurement hierarchy, are computed using the discounted cash flow method with discount rates based on the borrowing rates which the Group expects would be available at the end of the reporting period. The fair values of the remaining non-current borrowings are not significantly different from their carrying amounts.

(a) Interest rate risks

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Less than 1 year	**320,096**	245,996	**250,789**	104,921
Between 1 and 2 years	**71,000**	309,092	**71,000**	231,640
Between 2 and 5 years	**100,000**	71,000	**100,000**	71,000
Over 5 years	**100,000**	100,000	**100,000**	100,000
	591,096	726,088	**521,789**	507,561

(b) Security granted

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

25. DIVIDENDS

	Group and Company	
	2022	**2021**
	$'000	**$'000**
Dividends paid in respect of the preceding financial year		
First and final dividend of 3 cents (2021: 3 cents) per share	**23,012**	23,115
Special dividend of 2 cents (2021: nil) per share	**15,342**	-
	38,354	23,115

The directors have recommended a first and final dividend of 3 cents per share and a special dividend of 3 cents per share in respect of the financial year ended 30 June 2022. 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 2023.

The proposed first and final dividend in respect of the financial year ended 30 June 2021 have been accounted for in the shareholders' equity as an appropriation of retained earnings in the current financial year.

26. OTHER LIABILITIES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Contract liabilities for development properties (Note 3(a))	**2,474**	24,834	**-**	-
Tenancy and other deposits	**3,367**	3,226	**-**	-
Lease liabilities	**4,908**	3,795	**-**	-
Derivative financial instruments (Note 11)	**4,259**	-	**4,256**	-
Others	**2,419**	2,311	**-**	-
	17,427	34,166	**4,256**	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

26. OTHER LIABILITIES *(continued)*

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Non-current				
Tenancy deposits	**4,267**	4,234	**-**	-
Retention payable	**7,559**	4,444	**-**	-
Lease liabilities	**3,867**	4,469	**-**	-
Derivative financial instruments (Note 11)	**7,296**	14,140	**7,296**	12,993
Others	**257**	141	**-**	-
	23,246	27,428	**7,296**	12,993

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

27. SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of ordinary shares '000	Amount $'000	Number of ordinary shares '000	Amount $'000
Issued share capital				
Beginning and end of financial year	**793,927**	**838,250**	793,927	838,250

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

Share Plans

The Wing Tai Performance Share Plan ("Wing Tai PSP") and the Wing Tai Restricted Share Plan ("Wing Tai RSP") (collectively referred to as the "Wing Tai New Share Plans") were adopted by the members of the Company at an AGM held on 26 October 2018.

Wing Tai PSP

On 7 October 2021 (2021: 9 October 2020), awards were granted by the Company to qualifying employees pursuant to the Wing Tai PSP in respect of 109,000 (2021: 133,500) 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 financial year are as follows:

Date of grant	Beginning of financial year	Number of shares granted	Adjustment of shares awarded arising from targets achieved	Number of shares released	Number of shares forfeited	End of financial year
2022						
26.09.2018	315,000	-	(20,200)	(294,800)	-	**-**
08.10.2019	285,000	-	-	-	(54,000)	**231,000**
09.10.2020	133,500	-	-	-	(25,000)	**108,500**
07.10.2021	-	109,000	-	-	-	**109,000**
	733,500	**109,000**	**(20,200)**	**(294,800)**	**(79,000)**	**448,500**
2021						
25.09.2017	333,000	-	(91,500)	(241,500)	-	-
26.09.2018	315,000	-	-	-	-	315,000
08.10.2019	285,000	-	-	-	-	285,000
09.10.2020	-	133,500	-	-	-	133,500
	933,000	133,500	(91,500)	(241,500)	-	733,500

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

27. SHARE CAPITAL *(continued)*

Share Plans *(continued)*

Wing Tai RSP

On 7 October 2021 (2021: 9 October 2020), awards were granted by the Company to qualifying employees pursuant to the Wing Tai RSP in respect of 1,148,000 (2021: 757,200) shares of the Company. Under the Wing Tai RSP, performance conditions are set over a one-year performance period. A specified number of shares will be awarded to eligible participants at the end of the performance period depending on the extent of achievement of the performance conditions established. The shares have a vesting schedule of three tranches. The participant will receive fully paid shares, without any cash consideration payable by the participant.

Details of the movement in the awards of the Company during the financial year are 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
2022					
08.10.2019	309,200	-	(308,400)	(800)	**-**
09.10.2020	504,650	-	(216,900)	(8,800)	**278,950**
07.10.2021	-	1,148,000	(344,500)	(22,400)	**781,100**
	813,850	**1,148,000**	**(869,800)**	**(32,000)**	**1,060,050**
2021					
25.09.2017	260,400	-	(260,400)	-	-
26.09.2018	468,000	-	(468,000)	-	-
08.10.2019	579,600	-	(239,400)	(31,000)	309,200
09.10.2020	-	757,200	(228,500)	(24,050)	504,650
	1,308,000	757,200	(1,196,300)	(55,050)	813,850

The fair values of the awards granted pursuant to the Wing Tai PSP and the Wing Tai RSP on 7 October 2021 (2021: 9 October 2020) determined using the Monte Carlo simulation model amounted to $0.2 million (2021: $0.1 million) and $2.1 million (2021: $1.3 million), respectively. The significant inputs into the model were share price at grant date of $1.83 (2021: $1.76) per share, standard deviation of expected share price returns of 18.6% (2021: 19.1%), dividend yield of nil (2021: nil) and annual risk-free one-year, two-year and three-year interest rates of 0.4%, 0.5% and 0.7% (2021: 0.2%, 0.2% and 0.3%), respectively. The volatility measured at the standard deviation of expected share price returns is based on the statistical analysis of monthly share prices over the past three years.

28. PERPETUAL SECURITIES

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

28. PERPETUAL SECURITIES *(continued)*

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

	Group and Company	
	2022	2021
	$'000	$'000
Perpetual securities 2017	-	147,778
Perpetual securities 2019	**148,597**	148,597
	148,597	296,375

29. OTHER RESERVES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Share-based payment reserve (Note 29(a))	**1,426**	1,340	**1,426**	1,340
Cash flow hedge reserve (Note 29(b))	-	(618)	-	-
Share of other comprehensive income of associated and joint venture companies (Note 29(c))	**61,909**	64,330	-	-
Currency translation reserve (Note 29(d))	**(40,355)**	(47,450)	-	-
Fair value reserve (Note 29(e))	**11,486**	(10,874)	-	-
Treasury shares reserve (Note 29(f))	**(56,460)**	(40,353)	**(56,460)**	(40,353)
Statutory reserve (Note 29(g))	**4,859**	4,859	-	-
	(17,135)	(28,766)	**(55,034)**	(39,013)

		Group		Company	
		2022	2021	**2022**	2021
		$'000	$'000	**$'000**	$'000
(a)	**Share-based payment reserve**				
	Beginning of financial year	**1,340**	2,155	**1,340**	2,155
	Employee share plans:				
	– Value of employee services (Notes 6 and 27)	**1,906**	1,579	**1,906**	1,579
	– Reissuance of treasury shares	**(1,820)**	(2,394)	**(1,820)**	(2,394)
	End of financial year	**1,426**	1,340	**1,426**	1,340
(b)	**Cash flow hedge reserve**				
	Beginning of financial year	**(618)**	(1,009)	-	-
	Fair value losses on derivative financial instruments	-	(629)	-	-
	Reclassified to income statement	**618**	1,020	-	-
	End of financial year	-	(618)	-	-
(c)	**Share of other comprehensive income of associated and joint venture companies**				
	Beginning of financial year	**64,330**	59,416	-	-
	Share of other comprehensive (expense)/income of associated and joint venture companies	**(2,541)**	5,463	-	-
	Transfer to revenue reserves	-	(452)	-	-
	Attributable to non-controlling interests				
	– Share of other comprehensive expense/(income) of associated and joint venture companies	**120**	(112)	-	-
	– Transfer to revenue reserves	-	15	-	-
	End of financial year	**61,909**	64,330	-	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

29. OTHER RESERVES *(continued)*

		Group		Company	
		2022	2021	**2022**	2021
		$'000	$'000	**$'000**	$'000
(d)	**Currency translation reserve**				
	Beginning of financial year	**(47,450)**	(4,362)	-	-
	Translation of financial statements of foreign subsidiary, associated and joint venture companies	**16,273**	(48,462)	-	-
	Translation of foreign currency denominated loans which form part of net investment in subsidiary companies	**(7,947)**	3,865	-	-
	Liquidation of subsidiary companies	-	136	-	-
	Attributable to non-controlling interests	**(1,231)**	1,373	-	-
	End of financial year	**(40,355)**	(47,450)	-	-
(e)	**Fair value reserve**				
	Beginning of financial year	**(10,874)**	(12,425)	-	-
	Fair value gains on financial assets at FVOCI	**22,360**	1,551	-	-
	End of financial year	**11,486**	(10,874)	-	-
(f)	**Treasury shares reserve**				
	Beginning of financial year	**(40,353)**	(40,730)	**(40,353)**	(40,730)
	Reissuance of treasury shares	**1,914**	2,355	**1,914**	2,355
	Purchase of treasury shares	**(18,021)**	(1,978)	**(18,021)**	(1,978)
	End of financial year	**(56,460)**	(40,353)	**(56,460)**	(40,353)
(g)	**Statutory reserve**				
	Beginning and end of financial year	**4,859**	4,859	-	-
		(17,135)	(28,766)	**(55,034)**	(39,013)

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

Net fair value gain on hedging instruments relating to net investment hedges taken to currency translation reserve for the financial year amounted to $1.6 million (2021: $6.1 million). None of the currency translation reserve relates to hedging relationships for which hedge accounting is no longer applied.

The total number of treasury shares held by the Company as at 30 June 2022 amounted to 33,085,300 (2021: 24,544,700). The Company reissued 1,164,600 (2021: 1,437,800) treasury shares during the financial year pursuant to the Wing Tai PSP and Wing Tai RSP (2021: Wing Tai PSP and Wing Tai RSP). The purchase cost of the treasury shares reissued amounted to $1.9 million (2021: $2.4 million). The total consideration for the treasury shares reissued which comprised the value of employee services amounted to $1.8 million (2021: $2.4 million).

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

30. RETAINED EARNINGS

(a) Retained earnings of the Group are distributable except for retained earnings of associated and joint venture companies of $1,330.6 million (2021: $1,279.4 million) and the amount of $56.5 million (2021: $40.4 million) utilised to purchase treasury shares. Retained earnings of the Company are distributable except for the amount of $56.5 million (2021: $40.4 million) utilised to purchase treasury shares.

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

	Company	
	2022 $'000	2021 $'000
Beginning of financial year	**313,039**	311,777
Total comprehensive income	**15,512**	35,922
Reissuance of treasury shares	**(94)**	39
Redemption of perpetual securities	**(2,273)**	-
Accrued perpetual securities distribution	**(12,789)**	(12,840)
Tax credit arising from perpetual securities distribution	**1,313**	1,256
Ordinary and special dividends paid (Note 25)	**(38,354)**	(23,115)
End of financial year	**276,354**	313,039

31. COMMITMENTS

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

	Group	
	2022 $'000	2021 $'000
Commitments in respect of contracts placed	**46,760**	90,691

32. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

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

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial guarantees issued to banks for credit facilities granted to:				
– a subsidiary company	**-**	-	**-**	77,850
– a joint venture company	**8,280**	8,280	**-**	-
	8,280	8,280	**-**	77,850

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT

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

(a) Market risk

(i) Currency risk
The Group operates in Asia-Pacific with dominant operations in Singapore, Malaysia, Australia, Japan and Hong Kong. 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 its currency risk, the Group enters into currency forwards and a cross currency swap with banks.

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

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

	SGD $'000	MYR $'000	JPY $'000	HKD $'000	AUD $'000	Others $'000	Total $'000
Group							
2022							
Financial assets							
Cash and cash equivalents	378,045	54,009	3,208	16,615	24,391	37,549	513,817
Trade and other receivables (current and non-current)	43,421	2,966	879	6,288	2,533	1,512	57,599
Other assets (current and non-current)	176,235	12,080	-	-	-	60	188,375
Intra-group receivables	10,987	46	-	485	1,474	476	13,468
	608,688	69,101	4,087	23,388	28,398	39,597	773,259
Financial liabilities							
Trade and other payables	(45,106)	(9,724)	(191)	(22)	(1,910)	(5,236)	(62,189)
Borrowings	(522,000)	-	(26,265)	-	(43,317)	-	(591,582)
Other liabilities (current and non-current)	(18,691)	(5,608)	(597)	-	-	(488)	(25,384)
Intra-group payables	(10,987)	(46)	-	(485)	(1,474)	(476)	(13,468)
	(596,784)	(15,378)	(27,053)	(507)	(46,701)	(6,200)	(692,623)
Net financial assets/(liabilities)	11,904	53,723	(22,966)	22,881	(18,303)	33,397	80,636
Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(9,901)	(53,670)	22,998	(16,321)	18,545	(32,533)	(70,882)
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	-	-	-	(243)	(243)
Currency forwards and cross currency swap	-	-	-	(310,751)	(28,878)	303	(339,326)
Currency exposure	**2,003**	**53**	**32**	**(304,191)**	**(28,636)**	**924**	**(329,815)**

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

	SGD $'000	USD $'000	HKD $'000	AUD $'000	JPY $'000	Others $'000	Total $'000
Company							
2022							
Financial assets							
Cash and cash equivalents	284,837	1,439	-	-	-	154	286,430
Trade and other receivables (current and non-current)	584,544	20,060	94,653	32,730	7,781	5	739,773
Other assets (current and non-current)	94	-	-	-	-	-	94
	869,475	21,499	94,653	32,730	7,781	159	1,026,297
Financial liabilities							
Trade and other payables	(30,342)	-	(7,182)	-	-	(580)	(38,104)
Borrowings	(522,000)	-	-	-	-	-	(522,000)
	(552,342)	-	(7,182)	-	-	(580)	(560,104)
Net financial assets/(liabilities)	317,133	21,499	87,471	32,730	7,781	(421)	466,193
Net financial assets denominated in the Company's functional currency	(317,133)	-	-	-	-	-	(317,133)
Currency forwards and cross currency swap	-	-	(310,751)	(28,878)	-	-	(339,629)
Currency exposure	**-**	**21,499**	**(223,280)**	**3,852**	**7,781**	**(421)**	**(190,569)**
2021							
Financial assets							
Cash and cash equivalents	514,576	354	-	-	-	158	515,088
Trade and other receivables (current and non-current)	697,465	10,588	64,538	34,641	40,013	6	847,251
Other assets (current and non-current)	30	-	-	-	-	-	30
	1,212,071	10,942	64,538	34,641	40,013	164	1,362,369
Financial liabilities							
Trade and other payables	(11,875)	-	(4,692)	-	-	(222)	(16,789)
Borrowings	(508,000)	-	-	-	-	-	(508,000)
	(519,875)	-	(4,692)	-	-	(222)	(524,789)
Net financial assets/(liabilities)	692,196	10,942	59,846	34,641	40,013	(58)	837,580
Net financial assets denominated in the Company's functional currency	(692,196)	-	-	-	-	-	(692,196)
Currency forwards and cross currency swap	-	-	(226,566)	(30,564)	-	-	(257,130)
Currency exposure	-	10,942	(166,720)	4,077	40,013	(58)	(111,746)

The HKD currency exposure of $304.2 million (2021: $285.4 million) for the Group and $223.3 million (2021: $166.7 million) for the Company mainly relate to a cross currency swap and currency forwards entered into as net investment hedges for the Group's investment in its associated company (Note 11). There was no ineffectiveness in relation to the hedges.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

If the MYR, JPY, HKD, AUD and USD change against the SGD by 1% (2021: 1%) each with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit before income tax	
	2022 $'000	**2021 $'000**
Group		
MYR against SGD		
– strengthened	**7**	12
– weakened	**(7)**	(12)
JPY against SGD		
– strengthened	**-**	1
– weakened	**-**	(1)
HKD against SGD		
– strengthened	**(3,037)**	(2,849)
– weakened	**3,037**	2,849
AUD against SGD		
– strengthened	**(272)**	(290)
– weakened	**272**	290
Company		
USD against SGD		
– strengthened	**215**	109
– weakened	**(215)**	(109)
HKD against SGD		
– strengthened	**(2,233)**	(1,667)
– weakened	**2,233**	1,667
AUD against SGD		
– strengthened	**39**	41
– weakened	**(39)**	(41)
JPY against SGD		
– strengthened	**78**	400
– weakened	**(78)**	(400)

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(ii) Equity price risk

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

Based on the portfolio of quoted securities held by the Group, if prices increase/decrease by 1% (2021: 1%) with all other variables being held constant, other comprehensive income would have been higher/lower by $1.9 million (2021: $0.3 million). Details of the equity price risk of financial assets at FVPL is disclosed in Note 33(e).

(iii) Cash flow and fair value interest rate risks

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

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

As at 30 June 2021, the Group entered into an interest rate swap with the same critical terms as the hedged item, such as reference rates, reset dates, payment dates, maturity and notional amount. The Group did not hedge 100% of its loans, therefore the hedged item was identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the financial year, the economic relationship was 100% effective.

Hedge effectiveness

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

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

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

Hedging relationships that are impacted by IBOR reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding IBOR reform transition. However, there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. Such uncertainty may impact the hedging relationship. The notional amount of cross currency swap (2021: cross currency and interest rate swaps) held for hedging which is based on SOR (2021: SOR and HIBOR, respectively) is $84.7 million (2021: $83.0 million and $77.9 million, respectively). The Group has assessed that no changes were required to any of the amounts recognised in the current or prior period as a result of these amendments.

There was no ineffectiveness in relation to the hedges.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

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

The Group's borrowings at floating rates on which effective hedges have not been entered into are denominated mainly in SGD, AUD and JPY. If the SGD, AUD and JPY interest rates increase/decrease by 1% (2021: 1%) with all other variables being held constant, profit before income tax would have been lower/higher by $0.9 million (2021: $1.6 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $0.8 million (2021: $2.0 million) as a result of higher/lower fair value of cross currency swap (2021: cross currency and interest rate swaps).

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% (2021: 1%) with all other variables being held constant, profit before income tax would have been lower/higher by $0.2 million (2021: $0.2 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $0.8 million (2021: $1.2 million) as a result of higher/lower fair value of cross currency swap.

(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 cash and cash equivalents, trade and other receivables and other assets. The Group and the Company have no significant concentration of credit risk with any single entity, except for unbilled revenue and loans to subsidiary and joint venture companies (Notes 12, 16 and 22). The Group has policies in place to ensure that the sale of goods and the rendering of services are to customers with acceptable credit standing. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

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

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

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

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

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position and as disclosed in Note 33.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk *(continued)*

The credit risk for trade receivables is as follows:

	Group 2022 $'000	Group 2021 $'000
By business segments		
Development properties	**25,196**	6,334
Investment properties	**622**	808
Retail	**1,206**	1,071
Others	**201**	276
	27,225	8,489

(i) Trade receivables and unbilled revenue

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

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

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

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

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

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

(iii) Financial guarantee contracts

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Credit risk *(continued)*

Movements in credit loss allowance of trade and other receivables are as follows:

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Beginning of financial year	**4,284**	20,808	**384,417**	377,372
Write-back of allowance	**(3,752)**	(16,523)	**4,404**	7,045
Currency translation differences	**-**	(1)	**-**	-
End of financial year	**532**	4,284	**388,821**	384,417

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

(c) Liquidity risk

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

The table below analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial instruments) 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				
2022				
Gross-settled cross currency swap				
– Receipts	(84,081)	-	-	-
– Payments	88,468	-	-	-
Gross-settled currency forwards				
– Receipts	(303)	(168,394)	(76,450)	-
– Payments	305	175,456	79,470	-
Trade and other payables	62,189	-	-	-
Lease liabilities	5,709	2,395	1,122	518
Borrowings	313,000	81,245	149,310	109,387
Other liabilities (excluding lease liabilities)	4,527	4,288	7,794	-
Financial guarantee	8,280	-	-	-
	398,094	**94,990**	**161,246**	**109,905**

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity risk *(continued)*

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
2021				
Net-settled interest rate swap	1,131	18	-	-
Gross-settled cross currency swap				
– Receipts	(1,274)	(82,325)	-	-
– Payments	3,709	86,665	-	-
Gross-settled currency forwards				
– Receipts	-	-	(168,394)	-
– Payments	-	-	174,154	-
Trade and other payables	66,566	-	-	-
Lease liabilities	3,869	3,746	274	646
Borrowings	170,203	386,944	115,517	113,067
Other liabilities (excluding lease liabilities)	4,243	2,136	6,683	-
Financial guarantee	8,280	-	-	-
	256,727	397,184	128,234	113,713
Company				
2022				
Gross-settled cross currency swap				
– Receipts	(84,081)	-	-	-
– Payments	88,468	-	-	-
Gross-settled currency forwards				
– Receipts	-	(168,394)	(76,450)	-
– Payments	-	175,456	79,470	-
Trade and other payables	38,104	-	-	-
Borrowings	268,828	81,023	122,936	109,387
	311,319	**88,085**	**125,956**	**109,387**
2021				
Gross-settled cross currency swap				
– Receipts	(1,274)	(82,325)	-	-
– Payments	3,709	86,665	-	-
Gross-settled currency forwards				
– Receipts	-	-	(168,394)	-
– Payments	-	-	174,154	-
Trade and other payables	16,789	-	-	-
Borrowings	102,142	262,562	84,272	113,067
Financial guarantee	-	77,850	-	-
	121,366	344,752	90,032	113,067

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(d) Capital risk

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

Management monitors capital based on debt-equity ratio. The debt-equity ratio is calculated as net debt divided by equity attributable to equity holders of the Company. Net debt is calculated as borrowings less cash and cash equivalents. Total capital employed is calculated as equity plus net debt. There were no changes in the Group's approach to capital management during the financial year.

	Group		Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Borrowings	**591,096**	726,088	**521,789**	507,561
Less: Cash and cash equivalents	**(513,817)**	(772,964)	**(286,430)**	(515,088)
Net debt/(cash)	**77,279**	(46,876)	**235,359**	(7,527)
Equity attributable to equity holders of the Company:				
– ordinary shareholders	**3,286,313**	3,186,714	**1,059,570**	1,112,276
– holders of perpetual securities	**148,597**	296,375	**148,597**	296,375
	3,434,910	3,483,089	**1,208,167**	1,408,651
Debt-equity ratio	**2%**	-1%	**19%**	-1%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2022 and 2021.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements

(i) Fair value measurement hierarchy

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

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

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Group				
2022				
Assets				
Investment properties	-	-	837,629	837,629
Financial assets at FVOCI	192,930	-	-	192,930
Financial assets at FVPL	-	-	17,265	17,265
Derivative financial instruments	-	207	-	207
Liabilities				
Derivative financial instruments	-	(11,555)	-	(11,555)
	192,930	**(11,348)**	**854,894**	**1,036,476**
2021				
Assets				
Investment properties	-	-	793,964	793,964
Financial assets at FVOCI	28,548	-	-	28,548
Financial assets at FVPL	-	-	19,353	19,353
Liabilities				
Derivative financial instruments	-	(14,140)	-	(14,140)
	28,548	(14,140)	813,317	827,725
Company				
2022				
Assets				
Financial assets at FVPL	-	-	17,265	17,265
Derivative financial instruments	-	207	-	207
Liabilities				
Derivative financial instruments	-	(11,552)	-	(11,552)
	-	**(11,345)**	**17,265**	**5,920**
2021				
Assets				
Financial assets at FVPL	-	-	19,353	19,353
Liabilities				
Derivative financial instruments	-	(12,993)	-	(12,993)
	-	(12,993)	19,353	6,360

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. The fair value of these instruments is categorised under Level 1.

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

(iii) Level 3 fair value measurements

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

Location/type	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Singapore				
Commercial buildings	Direct Comparison Approach	Market value per square metre	$20,668 - $23,133 (2021: $20,288 - $22,716)	The higher the adjusted valuation, the higher the fair value.
	Capitalisation Approach	Estimated monthly rental rate per square metre	$89 - $95 (2021: $88 - $94)	The higher the estimated rental rate, the higher the fair value.
		Capitalisation rate	3.65% - 3.75% (2021: 3.75% - 3.85%)	The higher the capitalisation rate, the lower the fair value.
Serviced apartments	Capitalisation Approach	Estimated monthly rental rate per room	$5,756 (2021: $5,691)	The higher the estimated rental rate, the higher the fair value.
		Capitalisation rate	4 % (2021: 4%)	The higher the capitalisation rate, the lower the fair value.
	Discounted Cash Flow Approach	Discount rate	6.25% (2021: 6.25%)	The higher the discount rate, the lower the fair value.
Unquoted securities	Net asset value of the investee company adjusted for lack of control and marketability of the unquoted securities	Discount factor for lack of control and marketability	39.1% (2021: 39.1%)	The higher the adjustment for lack of control and marketability, the lower the fair value.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

(iii) Level 3 fair value measurements (continued)

- Valuation techniques and inputs *(continued)*

Location/type	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Australia				
Commercial buildings	Direct Comparison Approach	Market value per square metre	$19,013 (2021: $20,122)	The higher the adjusted valuation, the higher the fair value.
	Capitalisation Approach	Estimated monthly rental rate per square metre	$16 - $33 (2021: $17 - $36)	The higher the estimated rental rate, the higher the fair value.
		Capitalisation rate	2.63% - 5.75% (2021: 3.88% - 5.75%)	The higher the capitalisation rate, the lower the fair value.
	Discounted Cash Flow Approach	Discount rate	5.50% - 6.75% (2021: 6.00% - 6.75%)	The higher the discount rate, the lower the fair value.
Japan				
Hotel	Discounted Cash Flow Approach	Discount rate	3.60% (2021: 3.60%)	The higher the discount rate, the lower the fair value.
China				
Commercial building	Direct Comparison Approach	Market value per square metre	$2,072 - $2,486 (2021: $2,079 - $2,495)	The higher the adjusted valuation, the higher the fair value.

There were no changes in valuation techniques for investment properties and unquoted securities during the financial year.

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

- Valuation processes of the Group
The Group engages external, independent and qualified valuers to determine the fair values of the Group's investment properties based on the properties' highest and best use using the Direct Comparison Approach, the Capitalisation Approach and/or the Discounted Cash Flow Approach.

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

(iii) Level 3 fair value measurements (continued)
Management is of the view that the valuation methods and estimates are reflective of current market conditions and have taken into account the impact of COVID-19 pandemic and market uncertainty based on information available as at 30 June 2022. The valuation reports obtained from independent property valuers for certain investment properties have highlighted that, with the heightened uncertainty of the COVID-19 outbreak, a degree of caution should be attached to the valuations as they may be subjected to more fluctuation subsequent to 30 June 2022 than during normal market conditions. This represents a significant estimation uncertainty in relation to the valuation of investment properties.

(f) Financial instruments by category
The carrying amounts of the different categories of financial instruments are as follows:

	Group		Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Financial assets at FVOCI	**192,930**	28,548	-	-
Financial assets at FVPL (including derivative financial instruments)	**17,472**	19,353	**17,472**	19,353
Financial liabilities at FVPL (including derivative financial instruments)	**11,555**	14,140	**11,552**	12,993
Financial assets at amortised cost	**759,791**	1,022,589	**1,026,297**	1,362,369
Financial liabilities at amortised cost	**678,669**	813,980	**559,893**	524,350

34. RELATED PARTY TRANSACTIONS

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

(a) Sale of goods and rendering of services

	Group	
	2022 $'000	**2021 $'000**
Purchase of goods from a joint venture company	**661**	265
Management and service fees received from joint venture companies	**4,604**	8,204
Management fees paid to an associated company	**441**	380
Payments on behalf of joint venture companies	**127**	191

(b) Key management personnel compensation

	Group	
	2022 $'000	**2021 $'000**
Salaries and other short-term employee benefits	**14,017**	12,130
Share-based payment	**778**	513
	14,795	12,643

Included in the above is compensation paid/payable to directors of the Company which amounted to $8.9 million (2021: $7.9 million).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

35. SEGMENT INFORMATION

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

	Development properties $'000	**Investment properties $'000**	**Retail $'000**	**Others $'000**	**Total $'000**
Group					
2022					
Revenue					
– Recognised at a point in time	89,412	-	42,806	-	**132,218**
– Recognised over time	329,811	-	-	5,036	**334,847**
– Others	-	40,169	-	7,351	**47,520**
	419,223	40,169	42,806	12,387	**514,585**
EBIT	120,807	48,879	44,718	(42,706)	**171,698**
Interest income					**2,745**
Finance costs	-	(3,035)	(281)	(21,980)	**(25,296)**
Profit before income tax					**149,147**
Income tax expense					**(5,465)**
Total profit					**143,682**
Segment assets	1,193,558	909,239	33,304	304,750	**2,440,851**
Investments in associated and joint venture companies	582,327	1,419,541	152,606	(358,201)	**1,796,273**
Due from associated and joint venture companies	15,069	-	496	-	**15,565**
	1,790,954	2,328,780	186,406	(53,451)	**4,252,689**
Tax recoverable					**1,935**
Derivative financial instruments					**207**
Deferred income tax assets					**7,105**
Consolidated total assets					**4,261,936**
Segment liabilities	41,252	11,971	13,606	24,478	**91,307**
Borrowings	-	69,307	-	521,789	**591,096**
	41,252	81,278	13,606	546,267	**682,403**
Current income tax liabilities					**23,226**
Derivative financial instruments					**11,555**
Deferred income tax liabilities					**33,611**
Consolidated total liabilities					**750,795**
Capital expenditure	52	53,615	10,901	3,364	**67,932**
Depreciation of property, plant and equipment	23	1,347	9,409	2,512	**13,291**
Impairment loss on property, plant and equipment	-	-	71	-	**71**
Reversal of impairment loss of joint venture companies	3,727	-	-	-	**3,727**

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

35. SEGMENT INFORMATION *(continued)*

	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Total $'000
2021					
Revenue					
– Recognised at a point in time	185,863	-	53,359	-	239,222
– Recognised over time	171,577	-	-	8,447	180,024
– Others	-	40,621	-	1,529	42,150
	357,440	40,621	53,359	9,976	461,396
EBIT	152,682	(14,611)	13,428	(48,277)	103,222
Interest income					2,710
Finance costs	-	(3,560)	(398)	(26,719)	(30,677)
Profit before income tax					75,255
Income tax expense					(33,303)
Total profit					41,952
Segment assets	1,468,836	865,771	47,155	217,004	2,598,766
Investments in associated and joint venture companies	605,684	1,199,989	143,329	(231,199)	1,717,803
Due from associated and joint venture companies	162,004	-	310	-	162,314
	2,236,524	2,065,760	190,794	(14,195)	4,478,883
Tax recoverable					4,631
Deferred income tax assets					8,718
Consolidated total assets					4,492,232
Segment liabilities	65,742	12,173	12,835	23,270	114,020
Borrowings	-	141,075	-	585,013	726,088
	65,742	153,248	12,835	608,283	840,108
Current income tax liabilities					47,255
Derivative financial instruments					14,140
Deferred income tax liabilities					35,586
Consolidated total liabilities					937,089
Capital expenditure	12	808	6,436	3,265	10,521
Depreciation of property, plant and equipment	184	1,615	10,119	2,831	14,749
Impairment loss on property, plant and equipment	-	-	816	-	816
Reversal of impairment loss of joint venture companies	16,520	-	-	-	16,520

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

The Group's main business segments operate in six main geographical areas - Singapore, Malaysia, Australia, Japan, China and Hong Kong.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

35. SEGMENT INFORMATION *(continued)*

	Revenue 2022 $'000	Revenue 2021 $'000	Non-current assets 2022 $'000	Non-current assets 2021 $'000
Group				
Singapore	**442,029**	389,995	**711,394**	707,006
Malaysia	**60,482**	57,623	**109,387**	105,469
Australia	**9,303**	10,935	**216,633**	176,456
China	**1,001**	938	**34,090**	34,213
Japan	**1,770**	1,905	**43,961**	51,672
Hong Kong	**-**	-	**1,610,222**	1,547,975
	514,585	461,396	**2,725,687**	2,622,791

36. COMPANIES IN THE GROUP

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

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2022 %	Effective interest held by the Group 2021 %
(a) **Wing Tai Holdings Limited**		Singapore-Quoted on Singapore Exchange Securities Trading Limited	Investment holding	**n/a**	n/a
(b) **Subsidiary companies**					
Wing Tai Malaysia Sdn. Bhd.	!	Malaysia	Investment holding	**100**	100
Bergendale Investments Limited	*,#	British Virgin Islands ("BVI")/Hong Kong	Investment holding	**100**	100
Brave Dragon Ltd	*, #	BVI/Hong Kong	Investment holding	**89.4**	89.4
Chanlai Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
Crossbrook Group Ltd	#	BVI/Hong Kong	Investment holding	**100**	100
DNP Hartajaya Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
DNP Land Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
Grand Eastern Realty & Development Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
Hartamaju Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
Jiaxin (Suzhou) Property Development Co., Ltd	*, >	China	Property development, investment and management	**75**	75

n/a: not applicable

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

36. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2022 %	2021 %
(b) Subsidiary companies *(continued)*					
Quality Frontier Sdn. Bhd.	*, !	Malaysia	Property development	**100**	100
Suzhou Property Development Pte Ltd	*	Singapore	Property development and investment holding	**75**	75
Temgold Investment Pte. Ltd.	*	Singapore	Property investment	**100**	100
Temstar Investment Pte. Ltd.	*	Singapore	Property Investment	**100**	100
Tennessee Investments Ltd	*, #	BVI/Singapore	Investment holding	**100**	100
Wincrown Pty Ltd	*, +	Australia	Property investment	**100**	100
Wingold Investment Pte Ltd	*	Singapore	Investment holding	**100**	100
Wingstar Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Winmax Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winrise (Japan) TMK	*, <	Japan	Property investment	**100**	100
Winrose Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winshine Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winsland Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winsmart Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Wingcharm Investment Pte. Ltd.	*	Singapore	Property development	**100**	100
Wingjoy Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wingspring Trust	*, +	Australia	Property investment	**100**	100
Wing Mei (M) Sdn. Bhd.	*, !	Malaysia	Property investment	**100**	100
Wing Tai China Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wing Tai (China) Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wing Tai Clothing Pte Ltd	*	Singapore	Retailing of garments	**100**	100
Wing Tai Clothing Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**100**	100
Wing Tai Fashion Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**100**	100

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022
36. COMPANIES IN THE GROUP (continued)

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2022 %	2021 %
(b) Subsidiary companies *(continued)*					
Wing Tai Investment & Development Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Investment Management Pte Ltd	*	Singapore	Management of investment properties	**100**	100
Wing Tai Land Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Malaysia Property Management Sdn. Bhd.	*, !	Malaysia	Project management and maintenance of properties	**100**	100
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 (Shanghai) Management Co., Ltd	*, @	China	Provision of consultancy and advisory services	**100**	100
Winville Investment Pte. Ltd.	*	Singapore	Property development	**100**	100
WT DC Trust I	*, +	Australia	Property investment	**100**	100
WT DC Trust II	*, +	Australia	Property investment	**100**	100
(c) Associated company					
Wing Tai Properties Limited	*, %	Bermuda-Quoted on The Stock Exchange of Hong Kong Limited/ Hong Kong	Property development, property investment and management and hospitality investment and management	**33.0**	33.0
(d) Joint venture companies					
Gardens Development Pte Ltd	*	Singapore	Property investment and development	**40**	40
G2000 Apparel (S) Pte Ltd	*	Singapore	Retailing of garments	**45**	45

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

36. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2022 %	2021 %
(d) Joint venture companies *(continued)*					
Kualiti Gold Sdn. Bhd.	*, !	Malaysia	Property investment	**50**	50
Uniqlo (Malaysia) Sdn. Bhd.	*, &	Malaysia	Retailing of garments	**45**	45
Uniqlo (Singapore) Pte. Ltd.	*, ~	Singapore	Retailing of garments	**49**	49
Wingcrown Investment Pte. Ltd.	*	Singapore	Property investment and development	**40**	40
Winnoma Investment Pte. Ltd.	*	Singapore/China	Property investment and development and investment holding	**50**	50

Note:
- * Held by Group companies
- ! Audited by PricewaterhouseCoopers, Malaysia
- # These companies are not required to be audited by law in the country of incorporation
- % Audited by PricewaterhouseCoopers, Hong Kong
- ~ Audited by Deloitte & Touche, Singapore
- > Audited by SBA Stone Forest CPA Co., Ltd, China
- < Audited by Seimei Audit Corporation, Japan
- @ Audited by PricewaterhouseCoopers, China
- \+ Audited by PricewaterhouseCoopers, Australia
- & Audited by Deloitte & Touche, Malaysia

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

Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

37. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards and interpretations to existing standards that have been published and are relevant for the Group's financial year beginning on or after 1 July 2022 and which the Group has not early adopted:

(a) Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)
The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

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

(b) Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)
The amendment to SFRS(I) 1-16 *Property, Plant and Equipment* ("PP&E") prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

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

(c) Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)
An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

(d) Amendments to SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)
The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities; and
- Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings or another component of equity, as appropriate. SFRS(I) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable.

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

38. COMPARATIVES

Certain reclassifications have been made to the prior year's financial statements so as to better reflect the costs to obtain contracts related to the sale of development properties. As a result, the following financial statement line items in the Consolidated Income Statement for the financial year ended 30 June 2021 have been reclassified retrospectively to conform with current year's presentation:

	Reclassified $'000	As previously reported $'000	(Decrease) /increase $'000
Group			
2021			
Cost of sales	278,329	290,304	(11,975)
Distribution expense	40,393	28,418	11,975

The reclassifications have no impact on the Statements of Financial Position of the Group and of the Company as at 1 July 2020 and 30 June 2021, and the Consolidated Statement of Cash Flows for the financial year ended 30 June 2021.

39. SUBSEQUENT EVENT

On 31 August 2022, the Group through its subsidiary company, Wing Tai China Pte. Ltd., acquired the remaining 50% shareholding in Winnoma Investment Pte. Ltd. for a consideration of USD18.3 million ($25.4 million). Following the acquisition, Winnoma Investment Pte. Ltd. has become a wholly-owned subsidiary company of the Group. The disclosure of the effect of the business combination on the financial statements cannot be made as the purchase price allocation has not commenced at the date of these financial statements.

40. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors of Wing Tai Holdings Limited on 29 September 2022.

Shareholding Statistics

As at 5 September 2022

SHARE CAPITAL

No. of Issued Shares:	793,927,260
No. of Issued Shares (excluding Treasury Shares):	760,841,960
No./percentage of Treasury Shares:	33,085,300 (4.3%)
No./percentage of subsidiary holdings:	0
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	197	1.82	5,366	0.00
100 to 1,000	1,290	11.92	1,007,470	0.14
1,001 to 10,000	7,185	66.39	32,983,002	4.33
10,001 to 1,000,000	2,126	19.64	89,644,503	11.78
1,000,001 and above	25	0.23	637,201,619	83.75
Total	**10,823**	**100.00**	**760,841,960**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	Name	No. of Shares	%
1	Wing Sun Development Private Limited	222,235,490	29.21
2	UOB Kay Hian Pte Ltd	98,802,401	12.99
3	Winlyn Investment Pte Ltd	72,717,436	9.56
4	DBS Vickers Securities (Singapore) Pte Ltd	70,925,262	9.32
5	HSBC (Singapore) Nominees Pte Ltd	38,670,762	5.08
6	Citibank Nominees Singapore Pte Ltd	30,607,383	4.02
7	DBS Nominees Pte Ltd	20,463,752	2.69
8	Empire Gate Holdings Limited	19,539,572	2.57
9	Raffles Nominees (Pte) Limited	15,867,935	2.09
10	United Overseas Bank Nominees Pte Ltd	9,160,396	1.20
11	OCBC Securities Private Ltd	6,936,304	0.91
12	Morgan Stanley Asia (Singapore) Securities Pte Ltd	6,201,418	0.82
13	DBSN Services Pte Ltd	4,935,331	0.65
14	OCBC Nominees Singapore Pte Ltd	3,914,892	0.51
15	Tan Hwee Bin	2,488,335	0.33
16	Maybank Securities Pte. Ltd.	1,709,341	0.22
17	Phillip Securities Pte Ltd	1,643,550	0.22
18	Nanyang Gum Benjamin Manufacturing (Pte) Ltd	1,609,000	0.21
19	Cheng Kar-Yee Carol	1,485,750	0.20
20	Chan Chee Weng	1,471,300	0.19
	Total	**631,385,610**	**82.99**

PERCENTAGE OF SHAREHOLDING HELD IN THE HANDS OF PUBLIC

As at 5 September 2022, approximately 38.61% 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 5 September 2022

SUBSTANTIAL SHAREHOLDERS AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest (No. of Ordinary Shares)	Deemed Interest (No. of Ordinary Shares)
Cheng Wai Keung	214,400	462,783,459[1]
Edmund Cheng Wai Wing	-	385,766,467[2]
Christopher Cheng Wai Chee	134,750	385,766,467[2]
Edward Cheng Wai Sun	-	385,766,467[2]
Edgar Cheng Wai-Kin	-	385,766,467[2]
Butterfield Fiduciary Services (Cayman) Limited	-	385,766,467[2]
Butterfield Trust (Guernsey) Limited (formerly Butterfield Fiduciary Services (Guernsey) Limited)	-	385,766,467[2]
Wing Sun Development Private Limited	222,235,490	-
Empire Gate Holdings Limited	90,813,541	-
Wing Tai Asia Holdings Limited	-	313,049,031[3]
Winlyn Investment Pte Ltd	72,717,436	-
Terebene Holdings Inc	-	72,717,436[4]
Metro Champion Limited	-	72,717,436[5]
Ascend Capital Limited	68,207,092	-

[1] Includes 462,783,459 shares beneficially owned by Wing Sun Development Private Limited, Empire Gate Holdings Limited, Winlyn Investment Pte Ltd, Ascend Capital Limited and Wilma Enterprises Limited.

[2] Includes 385,766,467 shares beneficially owned by Wing Sun Development Private Limited, Empire Gate Holdings Limited and Winlyn Investment Pte Ltd.

[3] Includes 313,049,031 shares beneficially owned by Wing Sun Development Private Limited and Empire Gate Holdings Limited.

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

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

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Living Art, Living Heritage

At the grounds of The Tembusu stands "**The Place of Birth**" by Shintaro Otsuka, formed by two works – Element and Bloom. Element is primordial and carries something embryonic; it represents the core of potential. Bloom rises straight up and covers the sky like a veil; it signifies development. Together, the two works denote birth and development, the beginning and the future.