WingTai Asia

Of Excellence & Elegance

Wing Tai Holdings Limited

Annual Report 2015

Contents

Printed on environmentally friendly paper

" All other elements that come into this 'super-white' structure will become elements of identifiable life, they will play and interact with the white grid and its green figures."

——— **Jean Nouvel**

Pritzker Prize-winning architect of the Le Nouvel Ardmore, freehold luxury residences par excellence

CHAIRMAN'S MESSAGE

The Group has demonstrated resilience and fortitude. It is committed to achieving business excellence... it consistently delivers premier products and services of uncompromised quality and design elegance to its customers.

OVERVIEW

The lackluster performance of global economies this year resulted in a decline in overall property transaction volume for the Group. Under prevailing business conditions and with cooling measures still in place, the Group braced itself for moderate success in a trying operating environment.

The Singapore economy grew by 2.8% in 2014. In the second quarter of 2015, it reported weak growth of 1.7% on a year-on-year basis, lower than the 2.8% growth in the previous quarter. Faced with economic volatility in global market conditions, the Ministry of Trade and Industry has maintained its economic growth forecast at 2.0% to 2.5% for 2015.

URA's private residential property index decreased by 0.9% in the second quarter of 2015; this is the seventh straight quarter of price decline across all segments of the private residential property market. In the first half of 2015, the total number of new residential units sold in Singapore was 3,427, as compared to 4,409 units a year ago.

In Malaysia, cautious buying sentiment in the property market remains as a result of credit tightening rules by Bank Negara. In China, although residential sales are expected to improve with some relaxation of home purchase restrictions in certain cities, the government is expected to maintain its policy of ensuring stability of the real estate market.

GROUP PERFORMANCE

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

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

The Group's share of profits of associated and joint venture companies decreased by 23% to S$119.3 million in the current year. This decrease is primarily due to the lower share of profit from Wing Tai Properties Limited in Hong Kong.

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

The Group's net asset value per share as at 30 June 2015 was S$4.07 as compared to S$3.78 as at 30 June 2014.

The Group's net gearing ratio has been reduced to 0.10 times as at 30 June 2015 from 0.16 times as at 30 June 2014.

DIVIDEND

The Board recommended a first and final dividend of 3 cents per share. This payout is consistent with the Group's dividend policy in the exercise of financial discipline. The Group aims to maximise shareholder value in a balanced measure of profitability and prudence.

OF EXCELLENCE AND ELEGANCE

Despite the weak economic climate during the year in review, the Group achieved a total sales value of S$417 million with 436 homes transacted in Singapore, Malaysia and China.

The Group has exposure in the mid and high-end segments with properties of exceptional qualities that are especially rare in Asia, such as the Le Nouvel Ardmore and The Crest in Singapore. In Malaysia and China, it has maintained a mindful exposure across different segments of the growth markets.

The Group remains committed to the strategies it has mapped out. It has a strong balance sheet with low net gearing, poised to take advantage of arising opportunities in the region.

In its investment property portfolio, the Group's commercial developments and serviced apartments continued to do well, earning revenue of S$37.5 million. Through its branded chain of hotels and serviced apartments, Lanson Place has achieved consistently high occupancies and expanded its management contracts.

The Group is consolidating its retail business to stay relevant and focus on stores that yield positive returns. It will further streamline operations and develop the knowledge and skills of its staff, to be even more competitive in the evolving retail landscape.

In the face of unprecedented challenges, the Group has demonstrated resilience and fortitude. It is committed to achieving business excellence. Upholding its brand promise, it consistently delivers premier products and services of uncompromised quality and design elegance to its customers.

PROSPECTS

The Wing Tai Asia brand is thus strengthened across its key markets. The Group will continue to work with its valued partners to capitalise on expertise and insights in the growth markets. It will also strengthen its talent pool and staff capability to adroitly respond to new challenges ahead.

CORPORATE CITIZENRY

The Group cares for its community through corporate citizenry programmes of the Wing Tai Foundation, which grants financial aid to the needy elderly and needy young. It will continue to build on its community partnerships to give back to society.

APPRECIATION

On behalf of the Board, I thank our customers, tenants, bankers and business partners for their patronage and support. To our directors, management and staff, I thank them for their dedication, commitment and perseverance.

I especially appreciate the confidence and support of our shareholders as we push ahead to transform the business in these challenging times. With your encouragement, the Group shall make steady strides on its continuing growth strategy.

CHENG WAI KEUNG
Chairman
16 September 2015

BOARD OF DIRECTORS

CHENG WAI KEUNG

Cheng Wai Keung is the Chairman of the Board of Wing Tai Holdings Limited (the "Company"), appointed since 1994. He is also the Managing Director of the Company and a member of the Nominating Committee. Mr Cheng is also the Deputy Chairman of Temasek Holdings (Private) Limited, Vice Chairman of Singapore-Suzhou Township Development Pte Ltd, and Managing Director of Wing Tai Malaysia Berhad, a company listed on the Bursa Malaysia Securities Berhad. He holds directorships in public and private companies, including Singapore Health Services Pte Ltd, and has served on the boards of several government organisations. He was awarded the Distinguished Service Order (DUBC) by the Singapore Government in August 2007, Public Service Star (Bar) (BBM-Lintang) in 1997 and Public Service Star (BBM) in 1987. He has been appointed Justice of The Peace by the Singapore President since 2000. Mr Cheng graduated with Masters of Business Administration from the University of Chicago, after obtaining his Bachelor of Science degree from Indiana University. Mr Cheng was re-elected a director on 30 October 2012.

EDMUND CHENG WAI WING

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

BOEY TAK HAP

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

CHENG MAN TAK

Cheng Man Tak has served as a Non-Executive Director since 11 May 1981. He is the Vice Chairman of the Federation of Hong Kong Industries – Group 24 and a Director of the Federation of Hong Kong Garment Manufacturers. He is also an authority member of the Clothing Industry Training Authority and a committee member of the Federation of Hong Kong Industries in Hong Kong. Mr Cheng graduated from the University of Southern California with a Bachelor of Science degree and holds a Master's degree in Business Administration from Pepperdine University, USA. Mr Cheng was re-elected a director on 25 October 2013.

CHRISTOPHER LAU LOKE SAM

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

LEE KIM WAH

Lee Kim Wah has been appointed the Senior Advisor to the Company since 5 December 2008 and remains on the Board as a Non-Executive Director. He is the Chairman of the Nominating Committee and a member of the Remuneration Committee. He serves as the Treasurer of the Singapore National Employers Federation. Educated in Accountancy in Australia, Mr Lee was a manager in a public accounting firm before joining the Company, where he has served for over 40 years, as the Finance Director from May 1977 to December 2008. Mr Lee was conferred the Public Service Medal (PBM) by the Singapore Government in 2000. In 2009, he was awarded the prestigious Medal of Commendation (Gold) for his significant contribution towards the Singapore Labour Movement. Mr Lee was re-elected a director on 28 October 2014.

BOARD OF DIRECTORS

LOH SOO ENG

Loh Soo Eng has served as a Non-Executive Director since 1 June 2004, after retiring as the Director-Property of the Company. He is the Chairman of the Remuneration Committee and a member of the Audit & Risk Committee. He has experience in power, oil, shipbuilding and ship repair industries as well as in banking, where he had been for 17 years with the DBS Group as the Executive Director of Raffles City Pte Ltd and the General Manager of DBS Land. Mr Loh has served on government committees, including the SAFTI Military College and Temasek Polytechnic. He was the Chairman of SLF Properties Pte Ltd and SLF Management Services Pte Ltd, and was the President of the Real Estate Developers' Association of Singapore (REDAS) from 2001 to 2003. He graduated with a Bachelor of Engineering (Mechanical) degree from the University of Adelaide, Australia. Mr Loh was re-elected a director on 28 October 2014.

PAUL HON TO TONG

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

TAN HWEE BIN

Tan Hwee Bin has been appointed as an Executive Director of the Company since 5 December 2008. Prior to her appointment to the Board, Ms Tan was the Chief Operating Officer of the Company. Ms Tan is the Chairman of NTUC Health Co-operative Ltd. She serves as a Director of the Singapore Labour Foundation and Agency for Integrated Care Pte Ltd. She is a Council Member of Singapore National Employers Federation. She has also served in the Chinese Development Assistance Council and the Central Singapore Community Development Council, as well as on the board of NTUC Fairprice Co-operative Ltd. She was awarded the Public Service Medal (PBM) by the Singapore Government in 2011. Ms Tan is a Certified Public Accountant and holds a Bachelor of Accountancy degree from the National University of Singapore. She has also completed the Advanced Management Program at Harvard Business School in Boston, USA. Ms Tan was re-elected a director on 30 October 2012.

KEY MANAGEMENT

DATO' ROGER CHAN WAN CHUNG
Dato' Roger Chan Wan Chung joined Wing Tai Malaysia Berhad as the General Manager in June 1971 and is a pioneer staff of the Company. With over 40 years of business experience in Malaysia, he assists the Managing Director in overseeing the day-to-day operation of the Wing Tai Malaysia Berhad group. He was appointed to the board of Wing Tai Malaysia Berhad in August 1988 and currently sits on the boards of several subsidiaries of the group.

HOON TECK MING
Hoon Teck Ming joined Wing Tai Property Management Pte Ltd as the Property Director in October 2013. He is responsible for the project and property management of the Company's development projects. A Professional Engineer (Civil) with close to 30 years' experience, he was named Outstanding Leader in Creation of Urban Real Estate Value and Real Estate Meritorious Character of the Year by Chengdu TV (2010–2012). Mr Hoon graduated from the National University of Singapore with a Bachelor of Civil Engineering (First Class Honours) degree and a Master's degree in Science (Civil Engineering). He is a senior member of The Institution of Engineers, Singapore.

HELEN CHOW
Helen Chow is a Director of Wing Tai Property Management Pte Ltd appointed since November 1991, having held various positions in the Company since 1975. She is responsible for marketing and sales functions in the property division. She develops and implements strategies to achieve optimal marketing mix for property products, as well as manages sales operations across geographies to achieve revenue goals. She holds a Bachelor of Arts degree from Mills College, Oakland, California, USA.

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

LEN SIEW LIAN
Len Siew Lian is the General Manager (Property) of Wing Tai Holdings Limited. She oversees the commercial properties and serviced apartments in Singapore and Malaysia. She is also responsible for sales and marketing of residential development projects in Suzhou and Shanghai. Ms Len graduated with a Bachelor of Science (Estate Management) degree from the National University of Singapore and, in 2008, completed the Advanced Management Program at Harvard Business School. She has been with the company since 1989.

STACEY OW YEONG SUIT YENG
Stacey Ow Yeong Suit Yeng joined Wing Tai Property Management Pte Ltd as the General Manager, Marketing in August 2014. She is responsible for the sales and marketing of the Company's portfolio of residential properties in Singapore and Malaysia. She has over 25 years of sales and marketing experience, including 10 years in the residential and integrated properties industry in Asia and the Middle East. Ms Ow Yeong graduated with a Bachelor of Arts degree from the National University of Singapore.

NG KIM HUAT
Ng Kim Huat is the Chief Financial Officer of Wing Tai Holdings Limited. He has been with the Company since December 2003 and oversees financial reporting and controls, treasury, information technology and tax functions. He has more than 10 years' auditing experience with an international public accounting firm in Singapore as a Certified Public Accountant. He graduated with a Bachelor of Accountancy (Honours) degree from the National University of Singapore.

KARINE LIM
Karine Lim is the General Manager, Group Human Resource of Wing Tai Holdings Limited. She has been with the Company since March 2004 and has more than 20 years' human resource management experience in the retail, property and public transport industries. Ms Lim graduated with a Bachelor of Arts (Honours) degree from the National University of Singapore and acquired a Diploma in Human Resource Management from the Singapore Human Resource Institute.

CORPORATE DATA

BOARD OF DIRECTORS

Executive
Cheng Wai Keung
Chairman/ Managing Director

Edmund Cheng Wai Wing
Deputy Chairman/Deputy Managing Director

Tan Hwee Bin
Executive Director

Non-Executive
Boey Tak Hap
Independent

Cheng Man Tak

Christopher Lau Loke Sam
Independent

Lee Kim Wah
Independent

Loh Soo Eng
Independent

Paul Hon To Tong
Lead Independent Director
Independent

AUDIT & RISK COMMITTEE

Christopher Lau Loke Sam
Chairman

Boey Tak Hap

Loh Soo Eng

Paul Hon To Tong

NOMINATING COMMITTEE

Lee Kim Wah
Chairman

Cheng Wai Keung

Christopher Lau Loke Sam

Paul Hon To Tong

REMUNERATION COMMITTEE

Loh Soo Eng
Chairman

Boey Tak Hap

Lee Kim Wah

COMPANY SECRETARIES

Gabrielle Tan

Ooi Siew Poh

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Public Accountants and Certified Public Accountants
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#17-00 PWC Building
Singapore 048424
Audit Partner:
Choo Eng Beng
(Year of Appointment: 2011)

PRINCIPAL BANKERS

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DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

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

Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

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

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

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

PROPERTY

SINGAPORE

In the year under review, the Group's residential properties continued to generate buyer interest and fair sales; remaining units at Foresque Residences, L'Viv and Helios Residences were all successfully sold.

Le Nouvel Ardmore, designed by Pritzker Prize laureate Jean Nouvel, is a 43-unit freehold development at Ardmore Park. Private previews of the development commenced in March 2015 and four units were sold as at 30 June 2015; marketing activities have been planned for the next financial year.

The adjacent development also designed by Jean Nouvel, Nouvel 18 at Anderson Road, a joint venture freehold development with City Developments Limited, obtained its Temporary Occupation Permit in November 2014. The launch strategy is currently being assessed.

Resembling elevated bungalows, each of the 43 apartments at the Le Nouvel Ardmore features spacious interiors and its own unique orientation, maintaining a heightened sense of privacy and exclusiveness.

PROPERTY

Low-rise island villas nestled amid lush greenery and the waterscape of The Crest, connecting private living space to natural elements.

The Group's investment properties Winsland House I and Winsland House II achieved average occupancy of around 95%.

The Crest, located at Prince Charles Crescent in the tranquil Jervois precinct fronting the good class bungalows of Chatsworth and Bishopsgate estates, is a leasehold development with 469 units comprising three 23-storey towers and four 5-storey island villas. Designed by Toyo Ito, who was awarded the Pritzker Prize in 2013, the development was almost 20% sold as at 30 June 2015. Previews are being conducted in Singapore and regional markets viz. Malaysia, China, Indonesia and Hong Kong. Temporary Occupation Permit for this premier residential development is expected to be obtained in the fourth quarter of 2016.

The Tembusu, a 337-unit freehold development comprising five 18-storey towers and one commercial unit, is situated at the Company's former headquarter site on Tampines Road. The project was over 90% sold. Temporary Occupation Permit is expected to be obtained in the fourth quarter of 2016.

The Group's investment properties Winsland House I and Winsland House II achieved average occupancy of around 95%.

Comprising 25 exclusive residential apartments, Nobleton Crest is located in Jalan U-Thant, the diplomatic enclave of Kuala Lumpur, minutes from the iconic Petronas Twin Towers.

Verticas Residensi, a 423-unit freehold development at Bukit Ceylon in Kuala Lumpur, was 95% sold.

MALAYSIA

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

Le Nouvel KLCC, a high-end 195-unit freehold development at Jalan Ampang in Kuala Lumpur also designed by Jean Nouvel, is currently under construction. Completion is expected in the first quarter of 2016. A launch strategy dovetailing with that of the Le Nouvel Ardmore in Singapore is tentatively scheduled after the completion.

Also in Kuala Lumpur, Verticas Residensi, a 423-unit freehold development comprising three 43-storey towers and one 9-storey tower at Bukit Ceylon in Kuala Lumpur, was 95% sold as at 30 June 2015. Nobleton Crest, a 25-unit freehold development located within the prestigious Ampang and Jalan U-Thant district was close to 20% sold.

In Penang, Phase 4 of Taman Bukit Minyak Utama, comprising 98 units of 2-storey terrace houses and 3-storey semi-detached houses, was close to 90% and 100% completed, respectively, for Phase 4A and Phase 4B, and 45% sold. Phase 5 will comprise 97 units of 2-storey terrace houses and 2-storey semi-detached houses, and is yet to be launched.

Mahkota Impian comprises three high-rise blocks of 360 units located within a 7.36-acre mixed development. As at 30 June 2015, the first block comprising 112 units was more than 60% sold and the second block comprising 136 units was 30% sold. The third block comprising 112 units is not yet launched.

Impiana Commercial Hub comprises 2- and 3-storey shop offices along Jalan Rozhan namely Impiana Boulevard, Impiana Avenue and Impiana Gallery. These were 80%, 95% and close to 60% sold, respectively, as at 30 June 2015.

PROPERTY

Horizon Lakeview in the Sino-Singapore Guangzhou Knowledge City will be built and launched in phases.

CHINA

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

In Suzhou, Phase 3 of The Lakeview, which comprises 190 units in two residential towers, was 90% sold as at 30 June 2015. The final tranche of remaining units has been released for sale.

In Shanghai, planning approval was obtained for the choice residential site in Luodian New Town of Baoshan District to be developed into 301 units of low- to mid-rise housing comprising terraced houses, duplexes and apartments. Piling work has commenced, and a sales launch is planned towards the second half of 2016, subject to the prevailing market sentiment.

The commercial site at Madang Road and Jian Guo Dong Road, in the vicinity of Huai Hai Middle Road in Shanghai Huangpu District will be developed into a destination retail and office development with over 473,000 square feet of construction floor area. Construction is expected to commence in the first quarter of 2016 and scheduled to be completed by end 2019.

In Guangzhou, Horizon Lakeview in the Sino-Singapore Guangzhou Knowledge City comprising 2,185 apartments and 24 terraced units will be built and launched in phases. Of the initial release of 182 units, 45% have been sold. The first batch of units is expected to be ready for handover to owners by June 2016.

Horizon Lakeview comprises 2,185 apartments and 24 terraced units.

> *The investment properties viz. Landmark East in Kowloon East and W Square in Wan Chai continued to record positive results, achieving average occupancy of 95%.*

HONG KONG

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

As at 30 June 2015, The Warren, The Pierre, Providence Bay, Providence Peak and The Graces were between 80% to 95% sold; Seymour was fully sold.

Homantin Hillside is a residential site in Hung Hom, in close proximity to the future Ho Man Tin MTR interchange station. The development comprises 173 units with gross saleable area of 128,000 square feet. Construction is in progress and completion is expected in 2016.

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

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

The Group's luxury project located in Pudong, Shanghai, is undergoing interior fitting out works scheduled for completion in 2015. Upper Riverside is a joint venture project with Nan Fung Group comprising 97 apartment units with a gross floor area of 210,000 square feet.

The investment properties viz. Landmark East in Kowloon East and W Square in Wan Chai continued to record positive results, achieving average occupancy of 95%.

Completion of the interior fitting out works at Upper Riverside, located in Shanghai's Pudong district, is expected in 2015.

HOSPITALITY

In Singapore, Lanson Place Winsland Serviced Residences achieved occupancy of 85%.

HOSPITALITY

The Group's hospitality business under the Lanson Place management continues to record steady growth in terms of rental rate and occupancy.

In Singapore, Lanson Place Winsland Serviced Residences achieved occupancy of 85%.

In Malaysia, Lanson Place Bukit Ceylon Serviced Residences officially opened in December 2014. Recognised as the first "Small Luxury Hotels of the World" in Kuala Lumpur's central business district, rates and occupancy have been increasing gradually. Ambassador Row Hotel Suites (renamed in March 2015, formerly known as Ambassador Row Serviced Suites) achieved an occupancy of over 80%.

In Hong Kong, Lanson Place Hotel received a 5 Stars Award from International Hotel Awards 2014-2015 for Hotel Renovation/ Refurbishment in the Asia Pacific region.

In China, the Aroma Garden Serviced Suites in Shanghai opened in April 2015. Lanson Place Central Park Serviced Residences in Beijing and Lanson Place Jinlin Tiandi Serviced Residences in Shanghai maintained good occupancy.

In November 2014, a new management contract was signed for Parkside Serviced Suites in the Huangpu District, located near Xintiandi. The development comprises 186 units and is scheduled to open in the first quarter of 2016. With this latest and fourth addition in Shanghai, Lanson Place operates a total of 10 management contracts across Singapore, Malaysia, China and Hong Kong.

Located in Shanghai's Puxi neighbourhood, the newly-opened Aroma Garden Serviced Suites comprises 79 elegant and spacious one- to three-bedroom serviced suites.

> *The Group's retail footage spanned over 924,000 square feet with 255 stores, with a portfolio of 17 brands in Singapore and 12 in Malaysia.*

Dorothy Perkins' e-commerce success generated profit returns, brand visibility and customer appeal and engagement.

RETAIL

The Group's retail division continued to keep its place as a leading retailer in Singapore and Malaysia. As at 30 June 2015, the Group's retail footage spanned over 924,000 square feet with 255 stores, with a portfolio of 17 brands in Singapore and 12 in Malaysia.

A new loyalty programme wt+ was launched in April 2015, creating an innovative new platform for customers to enjoy cross-brand privileges of the Group's fashion and lifestyle brands.

In October 2014, high street fashion brand, Dorothy Perkins embarked on an e-commerce initiative with Zalora, an Asia online fashion retailer. Its success viz. profit returns, brand visibility, customer engagement and ability to attract new customers on e-commerce platform for Singapore and Malaysia markets saw the possibility and opportunity to include additional brands on Zalora. This will be rolled out progressively in the second half of 2015.

Japanese brand Uniqlo continued to expand its footprint in both Singapore and Malaysia, from 18 in each to 23 and 25 stores, respectively. The launch of Uniqlo's e-commerce platform in September 2014 further heightened the brand's visibility in the market.

With the shift in consumption habits and falling tourist arrivals in Singapore, the Group's retail division is focused on allocating resources in markets, brands and business activities that remain relevant.

CALENDAR OF EVENTS

JULY 2014

Awarded Arts Supporter Award conferred by National Arts Council, Singapore

Winsland House II accorded Gold^{Plus} in BCA Green Mark Award, Singapore

Retail brand Yoshinoya awarded Outstanding Business with Families Mark Certification, Singapore

AUGUST 2014

Announcement of full-year results for year ended 30 June 2014, Singapore

L'Viv accorded Star rating for BCA Quality Mark for Good Workmanship, Singapore

SEPTEMBER 2014

Retail brand Uniqlo launched e-commerce platform, Singapore

OCTOBER 2014

50th Annual General Meeting, Singapore

Awarded Runner-up in Most Transparent Company Award (Real Estate) at SIAS Investors' Choice Awards, Singapore

Retail brand Dorothy Perkins launched e-commerce initiative on Zalora, followed by Warehouse in June 2015, Singapore

NOVEMBER 2014

Received Extraordinary Employer Award from National Kidney Foundation, Singapore

Nouvel 18 obtained Temporary Occupation Permit, Singapore

DECEMBER 2014

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

MARCH 2015

Participated in Earth Hour to support environmental sustainability, Singapore

The Tembusu accorded Gold in BCA Green Mark Award, Singapore

APRIL 2015

Retail division launched its new rewards programme wt+, Singapore

Lanson Place Hospitality Management Limited unveiled Aroma Garden Serviced Suites, Shanghai

JUNE 2015

Group corporate social responsibility event held at Willing Hearts soup kitchen, where staff prepared meals for the needy in the community, Singapore

CORPORATE SOCIAL RESPONSIBILITY

WING TAI FOUNDATION

The Group is committed to fulfilling its corporate social responsibility (CSR) through the Wing Tai Foundation, which extends assistance to the community through financial aid and donations to the needy elderly and needy young. By this, it recognises the contributions of the elderly to Singapore's progress and nation-building, and aspires to nurture the younger generation.

The Wing Tai Foundation funds the needy elderly at Kidney Dialysis Foundation and contributed towards educational development for needy students through the Chinese Development Assistance Council, among others.

In the year under review, the Group participated in the Wing Tai-Boys' Brigade Share-A-Gift project aimed at collecting food and daily necessities for the less fortunate young and old. Additionally, over 100 staff volunteered at the Willing Hearts soup kitchen, a wholly volunteer-based non-profit organisation which provides daily meals and support services to the needy elderly in the community.

The Group believes in giving back and caring for its society. Through the Wing Tai Foundation, the Group continues to fulfil its corporate citizenry role in improving the lives of the less privileged young and elderly in the community.

Staff volunteered at the Willing Hearts soup kitchen, helping with the cooking, cleaning, packing and delivery of meals to almost 5,000 beneficiaries.

CORPORATE GOVERNANCE REPORT

The Company recognises the importance of good corporate governance and is committed to continuously maintaining high standards of corporate governance, which is essential to ensuring the sustainability of the Company's businesses and performance as well as safeguarding shareholders' interests and maximise long-term shareholder value. The principles, structures and processes of corporate governance as adopted by the Company are set out in this report which is in line with the principles and guidelines of the Code of Corporate Governance 2012 (the "Code").

BOARD MATTERS

The Board's Conduct of its Affairs

The board of directors (the "Board" or "Directors") is responsible for the overall management of the Company, and the Directors objectively make decisions in the interests of the Company. The Board continues to set the Company's values and standards to ensure obligations to shareholders and other stakeholders are properly understood and met. The principal functions of the Board include approving strategic business plans and major acquisitions or disposal of assets, reviewing Management performance, reviewing the Group's corporate policies and financial performance, approving quarterly and annual financial results of the Group, and establishing a framework of prudent and effective controls to assess and manage risk. The Board conducts regular meetings on a quarterly basis and as necessary when circumstances arise. A total of four Board meetings were held in FY2015. Details of attendance of the Directors at the Board and Board Committee meetings for the year are as follows:

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

The Board is responsible for the overall strategy and direction of the Group and is regularly updated on changes to regulations and accounting standards. Where regulatory changes have an important bearing on the Company's or Directors' disclosure obligations, Directors are briefed during Board meetings. Newly appointed Directors are given orientations/briefings by the Management on their duties as a director and how to discharge those duties and the Group's business, directions and policies, and are encouraged to attend courses organised by the Singapore Institute of Directors as well as other relevant organisations. For first-time directors, the Company provides training in areas such as accounting, legal and industry-specific knowledge as appropriate. It is important that every Director receives further relevant training, particularly on relevant new laws, regulations and changing commercial risks from time to time. The Company Secretary keeps the Directors informed as and when there are appropriate courses, conferences and seminars such as those conducted by the Singapore Institute of Directors. The Directors are encouraged to attend

Directors' Attendance at Board and Board Committee Meetings for FY2015

Name	Board	Audit & Risk Committee	Remuneration Committee	Nominating Committee
	Meetings Held: 4	Meetings Held: 4	Meetings Held: 2	Meetings Held: 1
	Meetings Attended	Meetings Attended	Meetings Attended	Meetings Attended
Cheng Wai Keung	4			1
Edmund Cheng Wai Wing	4			
Boey Tak Hap	4	4	2	
Cheng Man Tak	4			
Christopher Lau Loke Sam	4	4		1
Lee Kim Wah	4		2	1
Loh Soo Eng	4	4	2	
Paul Tong	4	4		1
Tan Sri Dato' Mohamed Noordin bin Hassan#	2		1	1
Tan Hwee Bin	4			

Retired on 28 October 2014

such training at the Company's expense. During FY2015, the Directors attended the "ACRA-SGX-SID: Audit Committee Seminar - Preparing for 2015", a session on "Hay Group Director & Executive Remuneration Survey Re-evaluating Rewards" and a training session conducted by KPMG on "Risk Management". Upon appointment of each Director, the Company will provide a formal letter to the Director, setting out the Directors' duties and obligations.

Board Composition and Balance

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

When considering the independence of the Directors, the NC also reviews the annual declaration by the independent non-executive Directors regarding their independence and the Directors' disclosures of interests in transactions. There are currently nine members on the Board, three of whom are executive Directors and five are independent non-executive Directors. Although three of the independent Directors have served for more than nine years on the Board, the Board has reviewed their appointments and considers each of them to be independent as the NC placed more emphasis on whether each of the Directors has demonstrated independent judgment, integrity, professionalism and objectivity in the discharge of his duties, rather than imposing a maximum number of years that he should serve, which can be arbitrary. The Board is satisfied as to the performance and continued independence of judgment of each of these Directors. Further, the Board does not consider it to be in the interests of the Company or shareholders to require all Directors who have served for nine years or longer to retire at the same time and strongly favours ensuring continuity and stability through orderly succession.

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

Chairman and Managing Director

The Chairman of the Board is also the Managing Director ("MD") of the Group and has overall responsibility for the management and operation of the Group supported by the respective Heads of Departments. To address the issue of independence since the Chairman and MD is the same person, the Board has appointed Mr Paul Tong as Lead Independent Director to serve as a sounding board for the Chairman and also as an intermediary between the non-executive Directors and the Chairman. In addition, Mr Paul Tong is available to shareholders where they have concerns and for which contact through the normal channels of the executive Directors or the chief financial officer (the "CFO") has failed to resolve or is inappropriate.

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

BOARD COMMITTEES

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

Nominating Committee

Board Membership

The Nominating Committee ("NC") comprises four members, namely, Mr Lee Kim Wah - Chairman of the NC, Mr Christopher Lau Loke Sam, Mr Paul Tong (all of whom are independent non-executive Directors, and Mr Paul Tong is the Lead Independent Director) and Mr Cheng Wai Keung.

CORPORATE GOVERNANCE REPORT

On 28 October 2014, Tan Sri Dato' Mohamed Noordin bin Hassan retired and ceased to be a member of the NC. The NC has adopted specific written terms of reference. The principal functions of the NC are to make recommendations to the Board for the appointment and re-appointment of Directors to the Board and to review the independence of each Director annually and as and when circumstances require. The NC will review board succession plans for Directors (in particular, for the Chairman and the MD) and the composition of the Board from time to time, and to search for and identify suitable candidates with the right qualifications, expertise and experience. Each candidate will be evaluated based on his ability to enhance the Board through his contributions in his area of expertise and to improve the Group's business strategies, controls or corporate governance.

All Directors are required to submit themselves for re-nomination and re-election once every three years. At least one-third of the Directors retire at each Annual General Meeting ("AGM") subject to re-election annually. Directors above the age of 70 are also required under the Companies Act to retire and offer themselves for re-appointment by the shareholders at every AGM. Since 2014, local Directors who reach the age of 80 years old and overseas Directors who reach the age of 75 years old will automatically retire from the Board. Key information on the Directors are set out on pages 4 to 6 of this Annual Report.

Multiple Board Representation

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

Board Performance

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

Access to Information

Prior to each meeting and when the need arises, the Board is furnished with complete and adequate information in a timely manner to enable full deliberation of issues to be considered. To ensure that the Board is able to fulfill its responsibilities, the Management provides the Board with board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, periodic management reports, forecasts/budgets, financial statements and other relevant information of the Group. The Board has separate and independent access to the Management and the Company Secretary at all times. Directors are entitled to request from Management and are provided with such additional information as needed to make informed decisions. The Board 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 followed. The Company Secretary, together with the Management, also ensures that the Company complies with all applicable statutory and regulatory rules.

REMUNERATION MATTERS

Remuneration Committee

The Remuneration Committee ("RC") comprises three members, all of whom, including the Chairman, are independent non-executive Directors. The RC members are Mr Loh Soo Eng - Chairman of the RC, Mr Boey Tak Hap and Mr Lee Kim Wah. On 28 October 2014, Tan Sri Dato' Mohamed Noordin bin Hassan retired and ceased to be a member of the RC. The RC reviews and recommends to the Board the remuneration of Directors and key executives of the Group and obtains advice on remuneration matters (including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind) as and when required from human resource advisers and Carrots Consulting Pte Ltd ("Carrots"). Carrots has no relationship with the Company. The RC reviews the structure of the remuneration package for the Directors and key executives to ensure that the package is competitive and sufficient to attract, retain and motivate key executives. No Director is involved in deciding his/her own remuneration. The Company's remuneration framework for executive Directors and key executives comprises a fixed component (in the form of a base salary, annual wage supplement, fixed allowances where applicable, together with other benefits-in-kind in accordance with the Company's human resource policies), a variable component in the form of variable bonuses, as well as a share-based component. The remuneration packages take into account the individual's performance, the Group's overall performance, as well as practices and employment conditions within the industry. Carrots performs a benchmarking exercise on the remuneration packages of the executive Directors and key executives on an annual basis. Non-executive Directors are paid a fixed fee. Directors who participate in Board Committees receive higher fees for the additional responsibilities. All Directors' fees are approved by shareholders at the AGM of the Company before they are paid. The RC reviews the Company's obligations arising in the event of termination of the executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The Company uses the Wing Tai Performance Share Plan ("Wing Tai PSP") and the Wing Tai Restricted Share Plan ("Wing Tai RSP") to incentivise employees and Directors. The performance conditions in the Wing Tai PSP are stretched targets aimed at sustaining longer-term growth. The performance conditions under the Wing Tai RSP are shorter term targets aimed at encouraging continued service. Under the Wing Tai PSP, performance conditions are set over a three-year performance period. Under the Wing Tai RSP, the shares have a vesting schedule of three years. Other than the restricted shares and performance shares ("Shares") granted to Ms Tan Hwee Bin, no Shares nor share options were granted to the rest of the Directors during the financial year. The RC has the discretion not to award variable incentive in any year if an executive Director or a key management personnel is involved in exceptional circumstances of misstatement of financial statements or of misconduct resulting in financial loss to the Company.

Directors' and key executives' remuneration packages are a competitive advantage of the Group. Given the sensitivity and confidentiality of such information, the Company has chosen to make disclosure in relation thereto in bands of $250,000 (except for key management where there is no upper limit for the top band) with a breakdown in terms of base salary, bonus, allowance/benefits and share awards. The Company is of the view that such disclosures would provide adequate information on the remuneration policies and practice for Directors and key executives. There are no termination, retirement and post-employment benefits granted to the Directors and key executives. The breakdown (in percentage terms) of the Directors' remuneration for FY2015 are as follows:-

Remuneration Bands	**Fees (%)**	**Salary (%)**	**Bonus (%)**	**Other benefits (%)**	**Total (%)**	**Shares granted during the year**
\$3,000,001 to \$3,250,000						
Cheng Wai Keung	-	43	44	13#	100	-
\$2,750,001 to \$3,000,000						
Edmund Cheng Wai Wing	-	43	44	13#	100	-
\$1,250,001 to \$1,500,000						
Tan Hwee Bin	-	40	39	21^	100	160,000
Below \$250,000						
Boey Tak Hap	100	-	-	-	100	-
Cheng Man Tak	100	-	-	-	100	-
Christopher Lau Loke Sam	100	-	-	-	100	-
Lee Kim Wah	75	-	-	25	100	-
Loh Soo Eng	100	-	-	-	100	-
Paul Tong	100	-	-	-	100	-
Tan Sri Dato' Mohamed Noordin bin Hassan#+	60	-	-	40	100	-

Includes fees, allowance and other benefits from Wing Tai Malaysia Berhad (where applicable)
^ Includes the fair value of restricted shares and performance shares
+ Retired on 28 October 2014

CORPORATE GOVERNANCE REPORT

Remuneration Bands	Salary (%)	Bonus (%)	Share awards^ (%)	Other benefits (%)	Total (%)
Above $500,000					
Dato' Roger Chan Wan Chung#	34	46	3	17	100
Hoon Teck Ming	48	32	14	6	100
Helen Chow	42	51	-	7	100
Helen Khoo	50	37	9	4	100
Len Siew Lian	40	37	18	5	100
Ng Kim Huat	43	39	13	5	100
Karine Lim	43	38	14	5	100
$250,001 to $500,000					
Stacey Ow Yeong*	70	20	-	10	100

Includes allowance, other benefits and fair value of restricted shares from Wing Tai Malaysia Berhad
^ Includes the fair value of restricted shares and performance shares (where applicable)
* Joined on 4 August 2014

The breakdown of the remuneration of the top eight key executives (Ms Helen Chow is the spouse of the MD) in bands of $250,000 for FY2015 is set out above. The total remuneration paid to the top eight key executives for FY2015 amounted to $6.7 million.

Mrs Kit Cheng, who is the spouse of the Deputy Chairman, received remuneration that is between $300,000 and $350,000 during FY2015.

ACCOUNTABILITY AND AUDIT

Accountability

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

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

Audit & Risk Committee

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

The Board considers the members of the ARC appropriately qualified to discharge the responsibilities of the ARC. The majority of the members of the ARC, including the Chairman, have sufficient accounting and financial management expertise and experience. The ARC held four meetings in FY2015. The ARC meetings were held with the internal and external auditors without the presence of the Management during FY2015.

The ARC is guided by the written terms of reference setting out its authority and duties. The ARC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meeting, and reasonable resources to enable it to discharge its functions properly. The ARC maintains a high standard of corporate governance and risk management by reviewing the annual audit plan, internal audit process, the adequacy of internal controls and interested person transactions. The ARC also reviews the quarterly and annual financial statements before submitting to the Board for its approval. Any changes to accounting standards and issues which have a direct impact on financial statements will be raised at such meetings.

The ARC takes measures to keep abreast of the changes to accounting standards and issues which have impact on financial statements, by participating in training conducted and regular updates provided by professionals or external auditors/consultants. The ARC meets on a periodic basis to perform, *inter alia*, the following: (i) recommend the appointment, reappointment and removal of the external auditor; (ii) review the scope, results of the audit and its cost effectiveness; and (iii) review the independence and objectivity of the external auditors. Having reviewed the value of non-audit services by the external auditors to the Group, the ARC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The aggregate amount of fees, broken down into audit and non-audit services provided by the auditors to the Company for FY2015 is disclosed on page 57 of this Annual Report.

The Group has complied with Rule 712 and 715 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited in relation to its external auditors.

Risk Management/Internal Controls

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

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

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

As part of its continuing efforts to improve the risk management policies and systems, the Group, with the assistance of KPMG Services Pte Ltd ("KPMG"), reviews the Group's existing internal controls and the risk registers on a regular basis. Risk workshops are carried out with the risk owners to identify, assess and prioritise the 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 to align with the Group's risk appetite and are subject to review annually. Operating within risk tolerances provides the Management with greater assurance that the Group remains within its risk appetite.

The Board has received assurance from the Managing Director and the Chief Financial Officer 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 internal controls and procedures is adequate to provide reasonable assurance of the adequacy and effectiveness of internal controls addressing financial, operational, compliance and information technology risks and system of risk management.

Based on the internal controls established and the reviews conducted by the internal and external auditors and the existing management controls in place, the Board, with the concurrence of the ARC, is satisfied that there are adequate internal controls and risk management systems in place within the Group addressing the key material risks relating to, financial, operational, compliance, and information technology risks areas, to meet the needs of the Group in its current business environment as at 30 June 2015. The system of internal controls established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board, however, notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

Whistle-blowing Policy

The Group has put in place a policy on whistle-blowing to facilitate the reporting of activities or practices which are in violation of the Group's work rules. The Group encourages employees or any other parties with whom the Group has a business relationship to report unlawful, unethical or fraudulent activities or practices in confidence. All whistle-blowing reports are submitted either to the internal auditor (the "IA") or chairman of the ARC so that independent

CORPORATE GOVERNANCE REPORT

investigation and appropriate follow-up action can be carried out. The ARC has the responsibility of overseeing this whistle-blowing policy, which is administered with the assistance of the internal auditors. The process of raising the concerns about possible improprieties in matters of financial reporting or other matters has been communicated to all employees. It is believed that this will encourage openness, promote transparency and act as a form of check and balance against the internal controls and risk management practices of the Group.

Interested Person Transaction

The Company has established an internal policy for transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions ("IPT"). The Company did not obtain any shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual. During FY2015, there was no discloseable IPT.

Internal Audit

The ARC approves the hiring, removal, evaluation and compensation of the head of the internal audit function of the Group, which is carried out by KPMG. The internal auditors meet and carry out their work based on the standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The IA is provided unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC. The IA reports directly to the Chairman of the ARC. The ARC ensures that the internal auditors are adequately resourced and has appropriate standing within the Company and reviews, on an annual basis, the adequacy and effectiveness of the internal audit function through a review of activities carried out by the IA on a quarterly basis and is satisfied that there are adequate internal controls in the Company. The Company has adopted a set of internal controls which sets out approval limits for expenditure, investments and divestments and cheque signatory arrangements. The IA assists the ARC in its functions by reporting their audit findings to the ARC and to the Management. The scope of the IA is to perform detailed work to assist the ARC and the Board in the evaluation of internal controls and risk management. The IA submits its plans and recommendations to the ARC for approval.

COMMUNICATION WITH SHAREHOLDERS

In line with the disclosure obligations under the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules and the Companies Act, the Company promptly informs shareholders of all major developments that impact the Group. Shareholders are updated on the business and affairs of the Company through the quarterly release of the Company's results. Material and price-sensitive information is publicly released by the Company via the Singapore Exchange Network ("SGXNET") on an immediate basis where required by SGX-ST. The Company does not practise selective disclosure. Timely and detailed disclosure of pertinent corporate information is communicated via SGXNET and the Company's website. All shareholders receive the annual report of the Company and notice of the AGM. The notice (which is also advertised in the press) and results are published via SGXNET. To address shareholders' concerns and share views, the Company also conducts media and analysts briefing for its full-year results to provide market updates on the Group's business. Shareholders are given the opportunity to raise relevant questions and communicate their views at general meetings and these are minuted accordingly and available upon request. The Company practices having separate resolutions at general meetings on each distinct issue. A shareholder can vote in person or by way of proxy at general meetings.

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

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

DEALINGS IN SECURITIES

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

FINANCIAL REPORTS

For the Financial Year 2015

FIVE-YEAR FINANCIAL SUMMARY

	2015 $'000	2014 $'000	2013 $'000	2012 $'000	2011 $'000
Revenue	**676,715**	803,393	1,332,500	624,888	751,109
Property	**467,720**	581,497	1,115,041	401,810	540,185
Retail	**199,012**	213,519	210,020	216,462	202,350
Investment and others	**9,983**	8,377	7,439	6,616	8,574
Profit before income tax	**175,295**	312,471	690,817	317,821	465,675
Total profit	**165,943**	276,342	587,891	284,134	407,691
Profit attributable to equity holders of the Company	**150,304**	254,390	531,126	262,366	371,377
Shareholders' equity	**3,173,169**	2,969,655	2,840,640	2,230,989	1,996,704
Total assets	**4,887,560**	4,883,414	4,977,772	4,008,341	3,785,992
Total liabilities and non-controlling interests	**1,714,391**	1,913,759	2,137,132	1,777,352	1,789,288
Earnings per share[1] (cents)	**19.16**	32.39	67.81	33.60	47.66
Net tangible assets per share ($)	**4.07**	3.78	3.62	2.85	2.56
Cash dividends per share (cents)	**3.00**	6.00	12.00	7.00	7.00

Note:

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

	'000
2015	**784,455**
2014	785,482
2013	783,216
2012	780,803
2011	779,181

DIRECTORS' REPORT

For the Financial Year Ended 30 June 2015

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 30 June 2015 and the statement of financial position of the Company as at 30 June 2015.

DIRECTORS

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

Cheng Wai Keung *(Chairman and Managing Director)*
Edmund Cheng Wai Wing *(Deputy Chairman and Deputy Managing Director)*
Boey Tak Hap
Cheng Man Tak
Christopher Lau Loke Sam
Lee Kim Wah
Loh Soo Eng
Paul Hon To Tong
Tan Hwee Bin

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Holdings registered in the name of director			**Holdings in which a director is deemed to have an interest**		
Name of director	**As at 01.07.2014**	**As at 30.06.2015**	**As at 21.07.2015**	**As at 01.07.2014**	**As at 30.06.2015**	**As at 21.07.2015**
Ordinary Shares						
Cheng Wai Keung	-	**-**	-	395,038,656	**395,038,656**	395,038,656
Edmund Cheng Wai Wing	-	**-**	-	310,601,664	**318,021,664**	318,021,664
Lee Kim Wah	796,960	**849,760**	849,760	-	**-**	-
Loh Soo Eng	412,800	**412,800**	412,800	-	**-**	-
Tan Hwee Bin	1,058,135	**1,286,835**	1,286,835	-	**-**	-
Share Options						
Lee Kim Wah	409,200	**356,400**	356,400	-	**-**	-
Tan Hwee Bin	203,500	**203,500**	203,500	-	**-**	-
Performance Share Plan *						
Tan Hwee Bin	185,000	**181,000**	181,000	-	**-**	-
Restricted Share Plan						
Tan Hwee Bin	282,600	**222,600**	222,600	-	**-**	-

* Shares awarded are contingent upon achievement of threshold targets.

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

	Holdings registered in the name of director			Holdings in which a director is deemed to have an interest		
Name of director	**As at 01.07.2014**	**As at 30.06.2015**	**As at 21.07.2015**	**As at 01.07.2014**	**As at 30.06.2015**	**As at 21.07.2015**
Related Corporation						
Wing Tai Malaysia Berhad						
Ordinary shares						
Cheng Wai Keung	15,900	**848,900**	848,900	191,384,062	**191,384,062**	191,384,062
Edmund Cheng Wai Wing	15,900	**848,900**	848,900	191,384,062	**191,384,062**	191,384,062
Share Options						
Cheng Wai Keung	800,000	**-**	-	-	**-**	-
Edmund Cheng Wai Wing	800,000	**-**	-	-	**-**	-
Restricted Share Plan						
Cheng Wai Keung	94,100	**61,100**	61,100	-	**-**	-
Edmund Cheng Wai Wing	94,100	**61,100**	61,100	-	**-**	-

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

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

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

SHARE OPTIONS

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

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

SHARE OPTIONS *(continued)*

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

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

Name of participant	Aggregate options since commencement of the Scheme to 30.06.2015 Number of options granted	Number of options exercised	Number of options forfeited	Aggregate number of outstanding options as at 30.06.2015
Directors of the Company				
Lee Kim Wah	877,200	520,800	-	**356,400**
Tan Hwee Bin	645,500	442,000	-	**203,500**
	1,522,700	962,800	-	**559,900**
Group Executives	11,686,600	6,125,400	3,659,900	**1,901,300**
Total	**13,209,300**	**7,088,200**	**3,659,900**	**2,461,200**

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

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

Date of grant	As at 01.07.2014	Number of options exercised	Number of options forfeited	As at 30.06.2015	Exercise price ($)	Expiry date
19.11.2004	103,400	103,400	-	-	0.849	18.11.2014
30.09.2005	315,800	48,400	37,400	**230,000**	1.300	29.09.2015
05.09.2006	825,400	46,200	77,000	**702,200**	1.645	04.09.2016
06.09.2007	1,688,500	-	159,500	**1,529,000**	3.136	05.09.2017
Total	**2,933,100**	**198,000**	**273,900**	**2,461,200**		

(b) The Wing Tai Malaysia Berhad ("WTM") Employees' Share Option Scheme (the "ESOS")

WTM, a subsidiary company of the Group, implemented the ESOS approved by the shareholders of WTM at an EGM held on 11 May 2005. The ESOS is administered by a committee comprising two directors of WTM, namely Cheng Wai Keung and Tan Sri Dato' Paduka Dr. Mazlan bin Ahmad.

The directors (including non-executive directors) and employees of WTM who as at the date of offer are confirmed with at least one year of continuous service in WTM and its subsidiary companies are eligible to participate in the scheme. The ESOS will allow granting of options to all eligible directors and employees by giving them the right to subscribe for new shares of RM1.00 each, subject to the terms and conditions of the by-laws of the ESOS. The details of the ESOS have been disclosed in the Directors' Report of WTM.

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

Date of grant	As at 01.07.2014	Number of options exercised	Number of options forfeited	As at 30.06.2015	Exercise price (RM)	Expiry date
01.12.2005	1,005,000	1,000,000	5,000	-	1.00	15.05.2015
31.01.2007	46,600	4,200	42,400	-	1.00	15.05.2015
19.05.2010	774,600	720,000	54,600	-	1.20	15.05.2015
Total	**1,826,200**	**1,724,200**	**102,000**	-		

DIRECTORS' REPORT

For the Financial Year Ended 30 June 2015

SHARE OPTIONS *(continued)*

(b) The Wing Tai Malaysia Berhad ("WTM") Employees' Share Option Scheme (the "ESOS") *(continued)*

Except for the above, no other options were granted by the Company or any subsidiary companies during the financial year and there were no unissued shares under options at the end of the financial year.

SHARE PLANS

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

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

(i) Wing Tai PSP

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

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

Under the Wing Tai PSP, performance conditions are set over a three-year performance period. A specified number of shares will be released by the Committee to the participants at the end of the performance period, provided the threshold targets are achieved. The total number of shares released varies depending on the achievement of pre-set performance targets over the performance period. The achievement factor ranges from 0% to 200%.

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

Date of grant	As at 01.07.2014	Number of shares granted	Additional shares awarded arising from targets achieved	Number of shares released	As at 30.06.2015
08.09.2011	183,000	-	11,200	194,200	-
19.09.2012	147,000	-	-	-	**147,000**
25.09.2013	115,000	-	-	-	**115,000**
26.09.2014	-	210,000	-	-	**210,000**
Total	**445,000**	**210,000**	**11,200**	**194,200**	**472,000**

SHARE PLANS *(continued)*

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

(ii) Wing Tai RSP

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

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

Under the Wing Tai RSP, performance conditions are set over a one-year performance period. A specified number of shares will be awarded to eligible participants at the end of the performance period depending on the extent of achievement of the performance conditions established. These shares have a vesting schedule of three years. The participant will receive fully paid shares, without any cash consideration payable by the participant.

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

Date of grant	As at 01.07.2014	Number of shares granted	Number of shares released	Number of shares forfeited	As at 30.06.2015
08.09.2011	744,800	-	738,000	6,800	**-**
19.09.2012	1,139,500	-	523,600	21,500	**594,400**
25.09.2013	1,336,500	-	420,000	28,900	**887,600**
26.09.2014	-	1,089,000	-	26,000	**1,063,000**
Total	**3,220,800**	**1,089,000**	**1,681,600**	**83,200**	**2,545,000**

The 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	73,000	351,000	209,800	181,000
Wing Tai RSP	87,000	1,180,000	957,400	222,600

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

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

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

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

SHARE PLANS *(continued)*

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

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

Date of grant	As at 01.07.2014	Number of shares granted	Number of shares released	Number of shares forfeited	As at 30.06.2015
01.03.2013	340,900	-	146,100	5,200	**189,600**
23.09.2013	537,000	-	161,100	16,100	**359,800**
18.09.2014	-	230,000	-	9,000	**221,000**
Total	**877,900**	**230,000**	**307,200**	**30,300**	**770,400**

AUDIT & RISK COMMITTEE

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

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

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

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

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

(c) the quarterly results and the full year consolidated financial statements of the Group for the financial year ended 30 June 2015 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
16 September 2015

EDMUND CHENG WAI WING
Director

STATEMENT BY DIRECTORS

For the Financial Year Ended 30 June 2015

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 35 to 112 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2015 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; 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.

On behalf of the directors

CHENG WAI KEUNG
Director
16 September 2015

EDMUND CHENG WAI WING
Director

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

REPORT ON THE FINANCIAL STATEMENTS

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

PRICEWATERHOUSECOOPERS LLP
Public Accountants and Chartered Accountants

Singapore
16 September 2015

CONSOLIDATED INCOME STATEMENT
For the Financial Year Ended 30 June 2015

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

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

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

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2015

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2015

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2015

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2015

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2015

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

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

Amendments and interpretations to published standards effective in 2015
On 1 July 2014, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

FRS 112 *Disclosure of Interests in Other Entities*

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Revenue recognition

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

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

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

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

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

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

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

2.3 Group accounting

(a) Subsidiary companies

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Group accounting *(continued)*

(a) Subsidiary companies *(continued)*

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

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

(b) Transactions with non-controlling interests

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Group accounting *(continued)*

(c) Associated and joint venture companies

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

(i) Acquisitions

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

(ii) Equity method of accounting

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

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

(iii) Disposals

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Goodwill on acquisitions

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

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

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

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

2.5 Investments in subsidiary, associated and joint venture companies

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

2.6 Property, plant and equipment

(a) Measurement

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Property, plant and equipment *(continued)*

(a) Measurement *(continued)*

(iii) Components of costs

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

(b) Depreciation

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

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

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

(c) Subsequent expenditure

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

(d) Disposal

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.7 Investment properties

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

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

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

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

2.8 Development Properties

(a) Properties under development

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

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

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

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

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

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

(b) Properties held for sale

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Impairment of non-financial assets

(a) Goodwill

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

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

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

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

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Financial assets

(a) Classification

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

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

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

(ii) Loans and receivables

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

(iii) Available-for-sale financial assets

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

(b) Recognition and derecognition

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

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

(c) Initial measurement

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Financial assets *(continued)*

(d) Subsequent measurement

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

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

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

(e) Impairment

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

(i) Loans and receivables

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

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

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

(ii) Available-for-sale financial assets

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Financial guarantees

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

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

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

Intra-group transactions are eliminated on consolidation.

2.12 Inventories

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

2.13 Borrowings and borrowing costs

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

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

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

2.14 Derivative financial instruments and hedging activities

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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

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

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

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

2.15 Fair value estimation of financial assets and liabilities

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

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

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

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

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

2.16 Offsetting financial instruments

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Operating leases

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

Contingent rents are recognised in the income statement when incurred.

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

Contingent rents are recognised in the income statement when earned.

2.18 Income taxes

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

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

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

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

Deferred income tax is measured:

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

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

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

2.19 Provisions

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.20 Trade and other payables

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

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

2.21 Employee compensation

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

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

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

2.22 Currency translation

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.22 Currency translation *(continued)*

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

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

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

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

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

2.23 Segment reporting

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

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

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

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

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

2.24 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.25 Share capital and treasury shares

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

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

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

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

2.26 Dividends to the equity holders of the Company

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

3. REVENUE

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

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

4. OTHER GAINS – NET

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

5. EXPENSES BY NATURE

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

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

6. EMPLOYEE COMPENSATION

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

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

7. FINANCE COSTS

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

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

8. INCOME TAXES

(a) Income tax expense

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

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

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

	Group 2015 %	Group 2014 %
Singapore standard rate of income tax	**17.0**	17.0
Different tax rates in other countries	**7.7**	3.3
Expenses not deductible for tax purposes	**34.7**	12.7
Income not subject to tax	**(9.7)**	(2.6)
Overprovision of tax	**(17.7)**	(8.1)
Tax losses not recognised	**(15.3)**	0.6
	16.7	22.9

8. INCOME TAXES *(continued)*

(a) Income tax expense *(continued)*

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

	Group		
	Before tax $'000	Tax charge $'000	After tax $'000
2015			
Cash flow hedges	11,743	-	11,743
Currency translation differences	86,534	-	86,534
Share of other comprehensive expense of associated and joint venture companies	(1,645)	-	(1,645)
Revaluation gains on property, plant and equipment	3,109	-	3,109
	99,741	**-**	**99,741**
2014			
Cash flow hedges	2,979	-	2,979
Currency translation differences	(43,208)	-	(43,208)
Share of other comprehensive income of associated and joint venture companies	1,202	-	1,202
Revaluation gains on property, plant and equipment	1,569	-	1,569
Share of revaluation gains on property, plant and equipment of an associated company	394	-	394
	(37,064)	-	(37,064)

(b) Deferred income taxes

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

	Group	
	2015 $'000	**2014 $'000**
Deferred income tax liabilities to be settled:		
– within one year	**117**	-
– after one year	**63,893**	72,694
	64,010	72,694

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group had unrecognised tax losses of $161.0 million (2014: $157.1 million) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unutilised tax losses in their respective countries of incorporation. These tax losses have no expiry date.

8. INCOME TAXES *(continued)*

(b) Deferred income taxes *(continued)*

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

Deferred income tax liabilities – Group

	Accelerated tax depreciation $'000	Revaluation gains $'000	Recognition of profits on percentage of completion $'000	Others $'000	Total $'000
2015					
Beginning of financial year	4,067	27,592	31,019	10,471	73,149
Currency translation differences	(30)	258	-	1,003	1,231
(Credited)/charged to income statement	(128)	23	(16,881)	7,250	(9,736)
End of financial year	**3,909**	**27,873**	**14,138**	**18,724**	**64,644**
2014					
Beginning of financial year	4,531	27,362	27,637	3,174	62,704
Currency translation differences	(14)	(168)	-	(285)	(467)
(Credited)/charged to income statement	(450)	398	3,382	7,582	10,912
End of financial year	4,067	27,592	31,019	10,471	73,149

Deferred income tax assets – Group

	Provisions $'000	Tax losses $'000	Others $'000	Total $'000
2015				
Beginning of financial year	19	343	93	455
Currency translation differences	(3)	(28)	(22)	(53)
Credited to income statement	-	4	228	232
End of financial year	**16**	**319**	**299**	**634**
2014				
Beginning of financial year	19	328	90	437
Currency translation differences	-	(8)	(2)	(10)
Credited to income statement	-	23	5	28
End of financial year	19	343	93	455

9. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2015	**2014**
	$'000	**$'000**
Net profit before fair value gains on investment properties attributable to equity holders of the Company	**49,207**	130,119
Fair value gains on investment properties	**101,097**	124,271
Net profit after fair value gains on investment properties attributable to equity holders of the Company	**150,304**	254,390

	2015	**2014**
	'000	**'000**
Weighted average number of ordinary shares in issue for basic earnings per share	**784,455**	785,482
Basic earnings per share (cents) based on:		
Net profit before fair value gains on investment properties	**6.27**	16.57
Net profit after fair value gains on investment properties	**19.16**	32.39

(b) Diluted earnings per share

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

	Group	
	2015	**2014**
	$'000	**$'000**
Net profit before fair value gains on investment properties attributable to equity holders of the Company	**49,207**	130,119
Adjustments for share options and share plans of:		
– a subsidiary company	**(32)**	(58)
– an associated company	**(76)**	(125)
Net profit before fair value gains on investment properties used to determine diluted earnings per share	**49,099**	129,936
Net profit after fair value gains on investment properties attributable to equity holders of the Company	**150,304**	254,390
Adjustments for share options and share plans of:		
– a subsidiary company	**(35)**	(65)
– an associated company	**(395)**	(606)
Net profit after fair value gains on investment properties used to determine diluted earnings per share	**149,874**	253,719

9. EARNINGS PER SHARE *(continued)*

(b) Diluted earnings per share *(continued)*

	2015 '000	2014 '000
Weighted average number of ordinary shares in issue for basic earnings per share	**784,455**	785,482
Adjustments for:		
– share plans	**2,805**	3,424
– share options	**138**	313
Number of ordinary shares used to determine diluted earnings per share	**787,398**	789,219
Diluted earnings per share (cents) based on:		
Net profit before fair value gains on investment properties	**6.24**	16.46
Net profit after fair value gains on investment properties	**19.03**	32.15

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Fixed deposits with financial institutions	**575,561**	521,676	**269,000**	210,000
Cash and bank balances	**305,050**	313,086	**194,078**	197,620
	880,611	834,762	**463,078**	407,620

Included in cash and cash equivalents of the Group are amounts held under project accounts totalling $128.5 million (2014: $182.9 million), withdrawals of which are restricted to payments for expenditures incurred on projects.

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

Significant restrictions
Cash and short-term deposits of $110.1 million (2014: $70.8 million) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Disposal of subsidiary companies
On 5 September 2014, the Group disposed of its effective interests of 70% in PT Windas Development for a cash consideration of $27.1 million (net of withholding tax).

On 25 June 2014, the Group disposed of its effective interests of 50% in Winnoma Investment Pte. Ltd., Winzen Investment Pte. Ltd. and Yong Yao (Shanghai) Property Development Co., Ltd for a cash consideration of $4.9 million. The Group retained effective interests of 50% in these entities as at 30 June 2014.

10. CASH AND CASH EQUIVALENTS *(continued)*

Disposal of subsidiary companies *(continued)*

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

	Group	
	2015	**2014**
	$'000	**$'000**
Carrying amount of assets and liabilities disposed of:		
Cash and cash equivalents	**-**	4,527
Development properties	**-**	110,879
Other current assets	**73**	108
Property, plant and equipment	**-**	105
Shareholders' loans	**(39,450)**	-
Trade and other payables	**(34)**	(117,363)
Net liabilities derecognised	**(39,411)**	(1,744)
Equity interests retained as joint venture company	**-**	872
Non-controlling interests	**11,823**	-
Net liabilities disposed of	**(27,588)**	(872)
Re-classification of currency translation reserve	**3,229**	(1,288)
Novation of shareholders' loans	**30,529**	-
Gain on disposal of subsidiary companies	**20,963**	7,080
Cash proceeds from disposal	**27,133**	4,920
Repayment of shareholder's loan	**-**	58,503
Cash and cash equivalents in subsidiary companies disposed of	**-**	(4,527)
Net cash inflow on disposal	**27,133**	58,896

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	Contract notional amount $'000	Fair value asset/ (liability) $'000	Contract notional amount $'000	Fair value asset $'000
Non-current				
2015				
Cash flow hedges				
– Interest rate and cross currency swaps	151,020	4,635	131,970	3,231
Non-hedging instruments				
– Currency forwards	10,684	134	-	-
		4,769		**3,231**
2014				
Cash flow hedges				
– Interest rate and cross currency swaps	-	-	-	-
Non-hedging instruments				
– Currency forwards	-	-	-	-
		-		-
Current				
2015				
Cash flow hedges				
– Interest rate and cross currency swaps	-	-	-	-
Non-hedging instruments				
– Currency forwards	-	-	-	-
		-		**-**
2014				
Cash flow hedges				
– Interest rate and cross currency swaps	119,960	(8,580)	-	-
Non-hedging instruments				
– Currency forwards	12,289	16	-	-
		(8,564)		-

As at 30 June 2015, the fixed interest rate on SGD interest rate swap is 3.1% (2014: 2.5%) per annum, the fixed interest rate on USD interest rate swap is 3.1% (2014: 2.8%) per annum and the fixed interest rate on HKD interest rate swap is Nil (2014: 5.5%) per annum. The main floating rates are Singapore Swap Offered Rate, London Interbank Offered Rate and Hong Kong Interbank Offered Rate.

Interest rate swaps are entered into to hedge floating rate borrowings and will mature in November 2019 (2014: October 2014). Fair value gains and losses on the interest rate swaps recognised in the cash flow hedge reserve are reclassified to the income statement as part of finance costs.

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

12. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	**17,320**	67,886	**-**	-
Allowance for impairment of receivables	**(122)**	(224)	**-**	-
	17,198	67,662	**-**	-
Due from subsidiary companies				
– non-trade [Note 12(i)]	**-**	-	**605,977**	750,750
Allowance for impairment of receivables	**-**	-	**(244,207)**	(215,314)
	-	-	**361,770**	535,436
Due from associated and joint venture companies				
– non-trade [Note 12(ii)]	**11,439**	12,310	**227**	314
Total current receivables	**28,637**	79,972	**361,997**	535,750

(i) Amounts due from subsidiary companies are unsecured and repayable on demand. Included in the amounts due from subsidiary companies are fixed-interest loan receivables of $304.3 million (2014: $274.1 million).

(ii) Amounts due from associated and joint venture companies are unsecured and repayable on demand. Included in the amounts due from associated and joint venture companies are fixed-interest loan receivables of $9.0 million (2014: $9.0 million).

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

13. INVENTORIES

	Group	
	2015	**2014**
	$'000	**$'000**
Raw materials	**257**	359
Work-in-progress	**66**	74
Finished goods	**19,692**	27,606
	20,015	28,039

The cost of inventories recognised as expense and included in "cost of sales" amounted to $90.0 million (2014: $90.5 million).

14. DEVELOPMENT PROPERTIES

	Group 2015 $'000	Group 2014 $'000
Properties under development		
– Land, at cost	**818,500**	1,007,857
– Development costs	**543,514**	612,550
– Overhead expenditure capitalised	**29,563**	76,532
	1,391,577	1,696,939
– Attributable profits	**307,892**	237,382
– Allowance for foreseeable losses	**(13,213)**	(72,343)
	1,686,256	1,861,978
– Progress billings	**(852,061)**	(491,047)
	834,195	1,370,931
Properties held for sale	**430,908**	111,943
	1,265,103	1,482,874
Value of development properties mortgaged to secure long term banking facilities granted (Note 24)	**271,620**	670,453
Total interest capitalised during the financial year	**4,605**	4,988

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

	Group 2015 $'000	Group 2014 $'000
Aggregate amount of costs incurred	**731,593**	594,883
Attributable profits	**307,892**	237,382
Progress billings	**(821,694)**	(476,467)
	217,791	355,798

14. DEVELOPMENT PROPERTIES *(continued)*

The major development properties are as follows:

Location	Type of development	Tenure		% of completion at 30.06.2015	Expected completion date	Land area (Sq m)	Gross floor area (Sq m)	Group's interest in property (%)
Singapore								
Le Nouvel Ardmore at Ardmore Park	43 units of condominium housing	Freehold		100	n/a	5,624	15,746	100
The Tembusu at Tampines Road	337 units of condominium housing and 1 unit of shop	Freehold		57	2016	13,149	27,614	100
Malaysia								
Le Nouvel KLCC at Section 43, Town of Kuala Lumpur	195 units of condominium housing	Freehold		61	2016	6,084	50,033	60.4
Nobleton Crest at Section 89, Town of Kuala Lumpur	25 units of condominium housing	Freehold		100	n/a	4,047	8,640	60.4
Verticas Residensi at Section 57, Town of Kuala Lumpur	423 units of condominium housing	Freehold	Towers A, B, C, D	100	n/a	9,764	21,542	60.4
Sering Ukay at Mukim of Ulu Klang, Gombak, Selangor	152 units of semi-detached houses and bungalows	Freehold	Phase 3	-	-	188,151	52,955	60.4
Taman Bukit Minyak Utama at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	692 units of terrace and semi-detached houses and shop houses	Freehold	Phases 1-3 Phase 4A Phase 4B Phase 5	100 87 100 -	n/a 2016 n/a -	51,642	40,579	60.4
Impiana Boulevard and Impiana Gallery at Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	81 units of shop houses and vacant land	Freehold		100	n/a	8,312	8,919	60.4

14. DEVELOPMENT PROPERTIES *(continued)*

Location	Type of development	Tenure		% of completion at 30.06.2015	Expected completion date	Land area (Sq m)	Gross floor area (Sq m)	Group's interest in property (%)
Malaysia *(continued)*								
Jesselton Hills at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	950 units of terrace and semi-detached houses and vacant land	Freehold	Phase 1 Phase 2 Phase 3-5 Vacant land	100 98 - -	n/a 2015 - -	381,276	44,900	60.4
Mahkota Impian at Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang	386 units of shophouses and service apartments	Freehold		15	2017	29,793	69,072	60.4
Vacant land at Pekan Penaga, District of Petaling, Selangor	-	99-year lease expiring 2093		-	-	38,155	n/a	60.4
Vacant land at Section 89A, Town of Kuala Lumpur	-	Freehold		-	-	8,645	n/a	60.4
Vacant land at Mukim 14-16, Daerah Seberang Perai Tengah, Pulau Pinang	-	Freehold		-	-	476,390	n/a	60.4
The People's Republic of China								
The Lakeview at No. 63 Xinggang Street, Suzhou Industrial Park	193 units of apartments and shops	70-year lease expiring 2066	Phase 3	100	n/a	9,740	41,337	75
The Lakeside at No. 1 Xingzhou Street, Suzhou Industrial Park	-	70-year lease expiring 2066	Phase 2	-	-	19,518	n/a	75
Vacant land at 17/2 Huai Hai Middle Road, Precinct No. 45, Huangpu District, Shanghai	-	40 and 50-year leases expiring 2054 and 2064 respectively		-	-	8,594	n/a	100

n/a: not applicable

15. OTHER CURRENT ASSETS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Deposits	**10,552**	11,620	**218**	22
Prepayments	**24,345**	26,946	**5,807**	3,404
Sundry receivables	**5,580**	5,145	**1,241**	1,148
	40,477	43,711	**7,266**	4,574

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

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Beginning of financial year	**3,189**	3,189	**3,189**	3,189
Additions	**3,078**	-	**-**	-
End of financial year	**6,267**	3,189	**3,189**	3,189

The available-for-sale financial assets comprised unquoted equity shares in Singapore and Hong Kong SAR.

17. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Loans to subsidiary companies [Note 17(i)]	**-**	-	**1,060,578**	934,635
Allowance for impairment of receivables	**-**	-	**-**	(13,905)
	-	-	**1,060,578**	920,730
Loans to joint venture companies [Note 17(ii)]	**383,103**	369,347	**-**	-
Allowance for impairment of receivables	**(199)**	(186)	**-**	-
	382,904	369,161	**-**	-
Loans to non-controlling interests [Note 17(iii)]	**17,207**	12,907	**-**	-
Total non-current receivables	**400,111**	382,068	**1,060,578**	920,730

(i) Loans to subsidiary companies are unsecured, have no fixed terms of repayment and are not expected to be repayable within the next 12 months. Included in the loans to subsidiary companies are fixed-interest loan receivables of $364.3 million (2014: $350.0 million) and floating-interest loan receivables of Nil (2014: $11.9 million).

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

(ii) Loans to joint venture companies are unsecured, have no fixed terms of repayment and are not expected to be repayable within the next 12 months. Included in the loans to joint venture companies are fixed-interest loan receivables of $317.0 million (2014: $311.6 million), which are subordinated to banking facilities of $967.8 million (2014: $967.8 million) granted by banks to the said joint venture companies.

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

The carrying amounts of non-current trade and other receivables approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy (Note 32).

18. INVESTMENT IN AN ASSOCIATED COMPANY

	Group	
	2015	**2014**
	$'000	**$'000**
Carrying amount of quoted investment in an associated company	**1,353,952**	1,162,428

Details of the Group's associated company are listed in Note 35 to the financial statements.

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18. INVESTMENT IN AN ASSOCIATED COMPANY *(continued)*

The summarised financial information of an associated company, not adjusted for the proportionate ownership interest held by the Group, is as follows:

	Wing Tai Properties Limited	
	2015	**2014**
	$'000	**$'000**
Summarised statement of financial position		
Current assets	**670,677**	697,719
Non-current assets	**4,095,476**	3,540,464
Current liabilities	**(107,577)**	(344,537)
Non-current liabilities	**(737,297)**	(530,887)
Net assets	**3,921,279**	3,362,759
Net assets attributable to:		
– Non-controlling interests	**191**	226
– Associated company's equity holders	**3,921,088**	3,362,533
Summarised statement of comprehensive income		
Revenue	**310,817**	337,135
Total profit	**332,010**	432,971
Other comprehensive (expense)/income	**(4,811)**	4,585
Total comprehensive income	**327,199**	437,556
Total comprehensive income attributable to:		
– Non-controlling interests	**(51)**	(17)
– Associated company's equity holders	**327,250**	437,573
Dividends received from an associated company	**10,508**	10,158
Reconciliation of summarised financial information		
Net assets		
Beginning of financial year	**3,362,533**	3,012,683
Dividends paid	**(30,427)**	(29,366)
Profit for the year	**332,010**	432,955
Other comprehensive (expense)/income	**(4,760)**	4,618
Currency translation differences	**261,732**	(58,357)
End of financial year	**3,921,088**	3,362,533
Carrying value of Group's interest in an associated company	**1,353,952**	1,162,428

	Group	
	2015	**2014**
	$'000	**$'000**
Share of an associated company's contingent liabilities and financial guarantees incurred jointly with other investors	**171,099**	159,756
Market value of quoted equity shares	**404,987**	354,347

As at 30 June 2015, the carrying value of quoted equity shares is higher than the market value. The directors consider the carrying value of the investment in an associated company appropriate, after having evaluated various qualitative and quantitative factors including the historical financial performance of the associated company.

The fair value of the investment in an associated company is determined by reference to the published market bid price at the end of the reporting period and is categorised under Level 1 of the fair value measurement hierarchy (Note 32).

19. INVESTMENTS IN JOINT VENTURE COMPANIES

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

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

	Uniqlo (Singapore) Pte. Ltd. $'000	Uniqlo (Malaysia) Sdn. Bhd. $'000	Optima Investment & Development Pte. Ltd. $'000	G2000 Apparel (S) Pte. Ltd. $'000	Total $'000
2015					
Summarised statement of financial position					
Current assets	99,308	41,859	215,101	22,270	378,538
Non-current assets	18,332	25,677	53,591	1,612	99,212
Current liabilities	(44,866)	(30,898)	(32,862)	(5,505)	(114,131)
Non-current liabilities	-	(543)	(19,485)	(121)	(20,149)
Net assets	72,774	36,095	216,345	18,256	343,470
Included in net assets are:					
– Cash and cash equivalents	56,961	5,996	15,479	13,671	92,107
– Financial liabilities (excluding trade and other payables and provisions)					
– Current	-	(2,857)	(92)	(198)	(3,147)
– Non-current	-	-	(19,485)	-	(19,485)
Summarised statement of comprehensive income					
Revenue	205,620	146,785	-	49,331	401,736
Expenses	(191,525)	(134,304)	(2,552)	(47,087)	(375,468)
Profit/(loss) before income tax	14,095	12,481	(2,552)	2,244	26,268
Income tax (expense)/credit	(2,525)	(3,996)	-	250	(6,271)
Total profit/(loss)	11,570	8,485	(2,552)	2,494	19,997
Other comprehensive income	-	-	8,837	-	8,837
Total comprehensive income	11,570	8,485	6,285	2,494	28,834
Included in total comprehensive income are:					
– Interest income	191	155	337	19	702
– Depreciation	(6,123)	(7,240)	(69)	(1,535)	(14,967)
– Interest expense	-	(247)	-	-	(247)
Dividends received from joint venture companies	-	-	-	2,250	2,250
Reconciliation of summarised financial information					
Net assets					
Beginning of financial year	61,204	30,606	165,310	20,762	277,882
Additions	-	-	44,750	-	44,750
Dividends paid	-	-	-	(5,000)	(5,000)
Profit/(loss) for the year	11,570	8,485	(2,552)	2,494	19,997
Other comprehensive income	-	-	8,837	-	8,837
Currency translation differences	-	(2,996)	-	-	(2,996)
End of financial year	72,774	36,095	216,345	18,256	343,470
Carrying value	**35,659**	**16,243**	**86,538**	**8,215**	**146,655**
Add: Carrying value of individually immaterial joint venture companies					29,644
Carrying value of Group's interests in joint venture companies					**176,299**

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

	Uniqlo (Singapore) Pte. Ltd. $'000	Uniqlo (Malaysia) Sdn. Bhd. $'000	Optima Investment & Development Pte. Ltd. $'000	G2000 Apparel (S) Pte. Ltd. $'000	Total $'000
2014					
Summarised statement of financial position					
Current assets	79,957	30,035	162,182	25,049	297,223
Non-current assets	17,876	25,626	35,738	3,204	82,444
Current liabilities	(35,911)	(24,757)	(21,572)	(7,370)	(89,610)
Non-current liabilities	(718)	(298)	(11,038)	(121)	(12,175)
Net assets	61,204	30,606	165,310	20,762	277,882
Included in net assets are:					
– Cash and cash equivalents	41,144	5,009	20,762	14,414	81,329
– Financial liabilities (excluding trade and other payables and provisions)					
– Current	(476)	(3,881)	(40)	(83)	(4,480)
– Non-current	-	-	(11,038)	-	(11,038)
Summarised statement of comprehensive income					
Revenue	177,755	111,079	-	55,136	343,970
Expenses	(162,020)	(97,338)	(2,117)	(58,155)	(319,630)
Profit/(loss) before income tax	15,735	13,741	(2,117)	(3,019)	24,340
Income tax expense	(2,527)	(4,091)	-	-	(6,618)
Total profit/(loss)	13,208	9,650	(2,117)	(3,019)	17,722
Other comprehensive expense	-	-	(2,582)	-	(2,582)
Total comprehensive income/(expense)	13,208	9,650	(4,699)	(3,019)	15,140
Included in total comprehensive income/(expense) are:					
– Interest income	75	66	211	18	370
– Depreciation	(5,236)	(4,625)	(57)	(1,734)	(11,652)
– Interest expense	-	(14)	-	-	(14)
Reconciliation of summarised financial information					
Net assets					
Beginning of financial year	47,996	21,531	108,085	23,781	201,393
Additions	-	-	61,924	-	61,924
Profit/(loss) for the year	13,208	9,650	(2,117)	(3,019)	17,722
Other comprehensive expense	-	-	(2,582)	-	(2,582)
Currency translation differences	-	(575)	-	-	(575)
End of financial year	61,204	30,606	165,310	20,762	277,882
Carrying value	29,990	13,773	66,124	9,343	119,230
Add: Carrying value of individually immaterial joint venture companies					31,855
Carrying value of Group's interests in joint venture companies					151,085

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

	Group	
	2015	**2014**
	$'000	**$'000**
Capital commitments in relation to interest in a joint venture company	**16,603**	19,209
Share of joint venture companies' capital commitments	**70,440**	78,444

20. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2015	**2014**
	$'000	**$'000**
Beginning and end of financial year	**252,392**	252,392

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

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

	Effective interest held by non-controlling interests	
	2015	**2014**
Name of company	**%**	**%**
Wing Tai Malaysia Berhad	**39.6**	39.2
Suzhou Property Development Pte Ltd	**25**	25

There were no significant transactions with non-controlling interests for the financial years ended 30 June 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS

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20. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

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

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

20. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

	Wing Tai Malaysia Berhad $'000	Suzhou Property Development Pte. Ltd. $'000	Total $'000
2014			
Summarised statement of financial position			
Current assets	500,377	102,926	603,303
Non-current assets	118,860	20,192	139,052
Current liabilities	(115,527)	(19,560)	(135,087)
Non-current liabilities	(110,988)	(45,255)	(156,243)
Net assets	392,722	58,303	451,025
Net assets attributable to non-controlling interests	153,829	14,576	168,405
Add: Carrying value of individually immaterial non-controlling interests of other subsidiary companies			4,754
Carrying value of non-controlling interests			173,159
Summarised statement of comprehensive income			
Revenue	172,351	47,735	220,086
Total profit	31,491	16,184	47,675
Other comprehensive expense	(271)	(2,113)	(2,384)
Total comprehensive income	31,220	14,071	45,291
Total comprehensive income attributable to non-controlling interests	12,229	3,518	15,747
Dividends paid to non-controlling interests	4,793	-	4,793

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For the Financial Year Ended 30 June 2015

21. INVESTMENT PROPERTIES

	Group	
	2015	**2014**
	$'000	**$'000**
Beginning of financial year	**575,263**	562,153
Fair value gains recognised in income statement	**12,522**	11,054
Transfer from property, plant and equipment	**-**	4,032
Additions	**649**	-
Currency translation differences	**(2,907)**	(1,976)
End of financial year	**585,527**	575,263

The following amounts are recognised in the income statement:

	Group	
	2015	**2014**
	$'000	**$'000**
Rental income	**30,928**	30,032
Direct operating expenses arising from investment properties that generated rental income	**(10,542)**	(10,437)

The major investment properties are as follows:

Name of building/ location	**Description**	**Tenure of land**	**Lettable area (Sq m)**	**Group's interest in property (%)**
Singapore				
Winsland House I at 3 Killiney Road (1st to 9th floor)	10-storey commercial building	99-year lease expiring 2082	13,405	100
Winsland House II at 163 Penang Road	8-storey commercial building	99-year lease expiring 2093	7,311	100
Winsland House II at 165 Penang Road	Conservation house	99-year lease expiring 2093	584	100
Lanson Place Winsland Serviced Residences at 167 Penang Road	67 units of serviced apartments in a 9-storey building	99-year lease expiring 2093	6,030	100
Malaysia				
Kondominium No. 8 at Section 89A, Town of Kuala Lumpur	132 units of condominium housing	Freehold	22,702	60.4
Sering Ukay at Jalan SU1E, Ampang, Selangor	10 units of shop offices	Freehold	2,872	60.4

21. INVESTMENT PROPERTIES *(continued)*

Name of building/ location	Description	Tenure of land	Lettable area (Sq m)	Group's interest in property (%)
Malaysia *(continued)*				
Taman Bukit Minyak Utama at Lorong Bukit Minyak Utama 2, Daerah Seberang Perai Tengah, Pulau Pinang	8 units of shop offices	Freehold	3,265	60.4
The People's Republic of China				
Singa Plaza at No. 8 Jinji Hu Road, Suzhou Industrial Park	8-storey commercial building	50-year lease expiring 2046	8,255	75

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

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

Investment properties with a total valuation of $554.3 million (2014: $547.2 million) were mortgaged to banks to secure long term banking facilities granted to certain subsidiary companies (Note 24).

22. PROPERTY, PLANT AND EQUIPMENT

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

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

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Group						
2014						
Cost or valuation						
Beginning of financial year						
Cost	-	-	6,277	21,164	56,054	83,495
Valuation	34,176	62,376	-	-	-	96,552
	34,176	62,376	6,277	21,164	56,054	180,047
Additions	3,310	21	485	4,438	12,113	20,367
Disposals	-	(1,986)	(274)	(25)	-	(2,285)
Disposal of subsidiary companies	-	-	(75)	(16)	(20)	(111)
Write-off	-	-	-	(353)	(3,016)	(3,369)
Revaluation gains	-	498	-	-	-	498
Transfer to investment properties	-	(4,032)	-	-	-	(4,032)
Currency translation differences	(870)	(245)	(99)	(267)	(558)	(2,039)
End of financial year	36,616	56,632	6,314	24,941	64,573	189,076
Representing:						
Cost	-	-	6,314	24,941	64,573	95,828
Valuation	36,616	56,632	-	-	-	93,248
	36,616	56,632	6,314	24,941	64,573	189,076
Accumulated depreciation and impairment losses						
Beginning of financial year	607	1,163	4,133	10,125	32,326	48,354
Depreciation charge	307	1,216	773	3,330	8,728	14,354
Disposals	-	(551)	(174)	(21)	-	(746)
Disposal of subsidiary companies	-	-	(1)	(2)	(3)	(6)
Write-off	-	-	-	(319)	(2,590)	(2,909)
Impairment loss	-	-	-	85	280	365
Revaluation adjustments	-	(1,071)	-	-	-	(1,071)
Currency translation differences	(16)	(33)	(69)	(238)	(400)	(756)
End of financial year	898	724	4,662	12,960	38,341	57,585
Net book value						
End of financial year	35,718	55,908	1,652	11,981	26,232	131,491

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

	Motor vehicles $'000	Office equipment $'000	Furniture and fittings $'000	Total $'000
Company				
2015				
Cost				
Beginning of financial year	1,841	8,622	2,491	12,954
Additions	-	1,691	12	1,703
Disposals	(97)	(104)	(4)	(205)
Write-off	-	-	(11)	(11)
End of financial year	1,744	10,209	2,488	14,441
Accumulated depreciation				
Beginning of financial year	1,615	1,083	1,469	4,167
Depreciation charge	151	433	319	903
Disposals	(97)	(97)	(1)	(195)
Write-off	-	-	(10)	(10)
End of financial year	1,669	1,419	1,777	4,865
Net book value				
End of financial year	**75**	**8,790**	**711**	**9,576**
2014				
Cost				
Beginning of financial year	2,014	7,289	2,348	11,651
Additions	-	1,333	153	1,486
Disposals	(173)	-	-	(173)
Write-off	-	-	(10)	(10)
End of financial year	1,841	8,622	2,491	12,954
Accumulated depreciation				
Beginning of financial year	1,622	848	1,161	3,631
Depreciation charge	166	235	314	715
Disposals	(173)	-	-	(173)
Write-off	-	-	(6)	(6)
End of financial year	1,615	1,083	1,469	4,167
Net book value				
End of financial year	226	7,539	1,022	8,787

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

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

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

	Group	
	2015	**2014**
	$'000	**$'000**
Freehold land and buildings	**28,385**	31,262
Leasehold land and buildings	**39,025**	40,251

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

Name of building/ location	**Description**	**Tenure of land**	**Lettable area (Sq m)**
Singapore			
Winsland House I at 3 Killiney Road (Basement 1 and 10th floor)	10-storey commercial building	99-year lease expiring 2082	2,668
Malaysia			
166-A, Rifle Range Road, Pulau Pinang	5-storey commercial building	99-year lease expiring 2109	11,136
Ambassador Row Serviced Suites at 1 Jalan Ampang Hilir, Kuala Lumpur	221 units of serviced apartments in a 20-storey building	Freehold	17,452

Property, plant and equipment with net book values amounting to $83.0 million (2014: $84.3 million) were mortgaged to banks to secure long term banking facilities granted to subsidiary companies (Note 24).

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 **$'000**	**2014** **$'000**	**2015** **$'000**	**2014** **$'000**
Due to subsidiary companies – non-trade [Note 23(i)]	**-**	-	**83,333**	133,860
Due to associated and joint venture companies – non-trade [Note 23(ii)]	**15,709**	14,774	**-**	-
Due to non-controlling interests – non-trade [Note 23(iii)]	**23,262**	23,262	**-**	-
Accrued project costs	**75,263**	113,285	**-**	-
Accrued operating expenses	**26,663**	45,762	**9,029**	12,075
Trade creditors	**20,232**	27,498	**-**	-
Other creditors	**13,099**	32,510	**1,747**	1,656
Tenancy deposits	**2,650**	3,278	**-**	-
	137,907	222,333	**10,776**	13,731
Total trade and other payables	**176,878**	260,369	**94,109**	147,591

(i) Non-trade amounts due to subsidiary companies are unsecured and repayable on demand. Included in the amounts due to subsidiary companies are fixed-interest payables of Nil (2014: $17.7 million) and floating-interest payables of $40.7 million (2014: $23.0 million).

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

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

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

24. BORROWINGS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Current				
– Secured term loans	**30,628**	55,886	**-**	-
– Unsecured term loans	**5,356**	10,479	**-**	-
– Unsecured medium term notes due in 2015	**-**	120,000	**-**	120,000
	35,984	186,365	**-**	120,000
Non-current				
– Secured bank loans	**315,951**	372,449	**-**	-
– Unsecured bank loans	**359,424**	318,409	**257,796**	125,000
– Unsecured medium term notes due in 2016	**-**	65,000	**-**	65,000
– Unsecured medium term notes due in 2018	**60,000**	60,000	**60,000**	60,000
– Unsecured medium term notes due in 2021	**120,000**	-	**120,000**	-
– Unsecured medium term notes due in 2022	**100,000**	100,000	**100,000**	100,000
– Unsecured medium term notes due in 2023	**100,000**	100,000	**100,000**	100,000
– Unsecured medium term notes due in 2024	**100,000**	100,000	**100,000**	100,000
	1,155,375	1,115,858	**737,796**	550,000
Total borrowings	**1,191,359**	1,302,223	**737,796**	670,000

The carrying amounts of borrowings approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy (Note 32).

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Less than one year	**558,386**	877,223	**125,000**	245,000
Between two and five years	**212,973**	125,000	**192,796**	125,000
Over five years	**420,000**	300,000	**420,000**	300,000
	1,191,359	1,302,223	**737,796**	670,000

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

25. DIVIDENDS

	Group and Company 2015 $'000	2014 $'000
Dividends paid in respect of the preceding financial year		
First and final dividend of 3 cents per share (2014: 3 cents per share)	**23,634**	23,582
Special dividend of 3 cents per share (2014: 9 cents per share)	**23,633**	70,746
	47,267	94,328

The directors have recommended a first and final dividend in respect of the financial year ended 30 June 2015 of 3 cents per share. These financial statements do not reflect these proposed dividends, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 June 2016.

The proposed first and final dividend and special dividend in respect of the financial year ended 30 June 2014 have been accounted for in the shareholders' equity as an appropriation of retained earnings in the current financial year.

26. OTHER NON-CURRENT LIABILITIES

	Group 2015 $'000	2014 $'000
Tenancy deposits	**5,572**	4,376
Loans from non-controlling interests	**7,894**	8,912
Retention payable	**25,345**	23,202
Others	**3,079**	3,054
	41,890	39,544

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

The carrying amounts of other non-current liabilities approximated their fair values and are categorised under Level 3 of the fair value measurement hierarchy (Note 32).

27. SHARE CAPITAL

	Group and Company *Issued share capital* Number of ordinary shares '000	Amount $'000
2015		
Beginning and end of financial year	**793,927**	**838,250**
2014		
Beginning and end of financial year	793,927	838,250

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

27. SHARE CAPITAL *(continued)*

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

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

Date of grant	Beginning of financial year	Number of options exercised	Number of options forfeited	End of financial year	Exercise price ($)	Expiry date
2015						
19.11.2004	103,400	103,400	-	**-**	0.849	18.11.2014
30.09.2005	315,800	48,400	37,400	**230,000**	1.300	29.09.2015
05.09.2006	825,400	46,200	77,000	**702,200**	1.645	04.09.2016
06.09.2007	1,688,500	-	159,500	**1,529,000**	3.136	05.09.2017
Total	**2,933,100**	**198,000**	**273,900**	**2,461,200**		
2014						
19.11.2004	234,300	130,900	-	103,400	0.849	18.11.2014
30.09.2005	524,800	198,000	11,000	315,800	1.300	29.09.2015
05.09.2006	911,200	52,800	33,000	825,400	1.645	04.09.2016
06.09.2007	1,826,000	-	137,500	1,688,500	3.136	05.09.2017
Total	3,496,300	381,700	181,500	2,933,100		

All the outstanding share options are exercisable.

The Company reissued 222,200 (2014: 357,500) treasury shares at an average price of $1.19 (2014: $1.17) per share during the financial year for the fulfilment of share options. Of the 222,200 treasury shares reissued, 198,000 treasury shares were reissued for the fulfilment of share options exercised during the financial year. The weighted average share price at the time of exercise was $1.89 (2014: $2.16) per share.

27. SHARE CAPITAL *(continued)*

(b) Share Plans

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

Wing Tai PSP

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

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

Date of grant	Beginning of financial year	Number of shares granted	Additional shares awarded arising from targets achieved	Number of shares released	End of financial year
2015					
08.09.2011	183,000	-	11,200	194,200	**-**
19.09.2012	147,000	-	-	-	**147,000**
25.09.2013	115,000	-	-	-	**115,000**
26.09.2014	-	210,000	-	-	**210,000**
Total	**445,000**	**210,000**	**11,200**	**194,200**	**472,000**
2014					
01.09.2010	121,000	-	82,100	203,100	-
08.09.2011	183,000	-	-	-	183,000
19.09.2012	147,000	-	-	-	147,000
25.09.2013	-	115,000	-	-	115,000
Total	451,000	115,000	82,100	203,100	445,000

Wing Tai RSP

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

27. SHARE CAPITAL *(continued)*

(b) Share Plans *(continued)*

Wing Tai RSP (continued)
Details of the movement in the awards of the Company during the year were as follows:

Date of grant	Beginning of financial year	Number of shares granted	Number of shares released	Number of shares forfeited	End of financial year
2015					
08.09.2011	744,800	-	738,000	6,800	**-**
19.09.2012	1,139,500	-	523,600	21,500	**594,400**
25.09.2013	1,336,500	-	420,000	28,900	**887,600**
26.09.2014	-	1,089,000	-	26,000	**1,063,000**
Total	**3,220,800**	**1,089,000**	**1,681,600**	**83,200**	**2,545,000**
2014					
01.09.2010	751,200	-	751,200	-	-
08.09.2011	1,329,300	-	569,700	14,800	744,800
19.09.2012	1,809,000	-	542,700	126,800	1,139,500
25.09.2013	-	1,546,000	-	209,500	1,336,500
Total	3,889,500	1,546,000	1,863,600	351,100	3,220,800

The fair values of the awards granted pursuant to the Wing Tai PSP and the Wing Tai RSP on 26 September 2014 (2014: 25 September 2013) determined using the Monte Carlo simulation model was $0.2 million (2014: $0.2 million) and $1.9 million (2014: $3.1 million) respectively. The significant inputs into the model were share price at grant date of $1.77 (2014: $2.09) per share, standard deviation of expected share price returns of 28.4% (2014: 28.0%), dividend yield of 1.5% (2014: 2.4%) and annual risk-free one-year, two-year and three-year interest rates of 0.4%, 0.6% and 0.9% respectively (2014: 0.3% each). The volatility measured at the standard deviation of expected share price returns is based on the statistical analysis of monthly share prices over the past three years.

28. OTHER RESERVES

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Share-based payment reserve	**12,360**	12,420	**11,368**	11,549
Cash flow hedge reserve	**3,437**	(8,306)	**2,528**	-
Asset revaluation reserve	**82,224**	163,660	**-**	-
Share of capital reserves of associated and joint venture companies	**61,043**	62,634	**-**	-
Currency translation reserve	**(66,507)**	(164,950)	**-**	-
Treasury shares reserve	**(19,584)**	(9,445)	**(19,584)**	(9,445)
Statutory reserve	**3,282**	972	**-**	-
Capital redemption reserve	**462**	-	**-**	-
	76,717	56,985	**(5,688)**	2,104

(a) Share-based payment reserve

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Beginning of financial year	**12,420**	11,867	**11,549**	11,233
Employee share plans and share option schemes:				
– Value of employee services (Notes 6 and 27)	**2,267**	3,002	**1,966**	2,612
– Reissuance of treasury shares	**(2,147)**	(2,296)	**(2,147)**	(2,296)
Transfer to retained earnings upon expiry of share options	**(101)**	-	**-**	-
Attributable to non-controlling interests	**(79)**	(153)	**-**	-
End of financial year	**12,360**	12,420	**11,368**	11,549

(b) Cash flow hedge reserve

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Beginning of financial year	**(8,306)**	(11,285)	**-**	(257)
Fair value gains/(losses)	**8,625**	(2,782)	**1,695**	93
Reclassify to income statement	**3,118**	5,761	**833**	164
End of financial year	**3,437**	(8,306)	**2,528**	-

(c) Asset revaluation reserve

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Beginning of financial year	**163,660**	162,147	**-**	-
Revaluation gains on property, plant and equipment	**3,109**	1,569	**-**	-
Transfer to retained earnings upon realisation	**(84,545)**	(70)	**-**	-
Attributable to non-controlling interests	**-**	14	**-**	-
End of financial year	**82,224**	163,660	**-**	-

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

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Beginning of financial year	**62,634**	61,090	**-**	-
Share of capital reserves of an associated company	**(1,645)**	1,596	**-**	-
Attributable to non-controlling interests	**54**	(52)	**-**	-
End of financial year	**61,043**	62,634	**-**	-

28. OTHER RESERVES *(continued)*

		Group		Company	
		2015	2014	**2015**	2014
		$'000	$'000	**$'000**	$'000
(e)	**Currency translation reserve**				
	Beginning of financial year	**(164,950)**	(125,406)	**-**	-
	Translation of financial statements of foreign subsidiary, associated and joint venture companies	**76,358**	(40,711)	**-**	-
	Translation of foreign currency denominated loans which form part of net investment in subsidiary companies	**10,176**	(2,497)	**-**	-
	Disposal of subsidiary companies	**3,229**	(1,288)	**-**	-
	Attributable to non-controlling interests	**8,680**	4,952	**-**	-
	End of financial year	**(66,507)**	(164,950)	**-**	-
(f)	**Treasury shares reserve**				
	Beginning of financial year	**(9,445)**	(11,466)	**(9,445)**	(11,466)
	Purchase of treasury shares	**(12,550)**	(693)	**(12,550)**	(693)
	Reissuance of treasury shares	**2,411**	2,714	**2,411**	2,714
	End of financial year	**(19,584)**	(9,445)	**(19,584)**	(9,445)
(g)	**Statutory reserve**				
	Beginning of financial year	**972**	972	**-**	-
	Transfer to revenue reserves	**3,080**	-	**-**	-
	Attributable to non-controlling interests	**(770)**	-	**-**	-
	End of financial year	**3,282**	972	**-**	-
(h)	**Capital redemption reserve**				
	Beginning of financial year	**-**	-	**-**	-
	Redemption of preference shares by a subsidiary company	**764**	-	**-**	-
	Attributable to non-controlling interests	**(302)**	-	**-**	-
	End of financial year	**462**	-	**-**	-
	Total	**76,717**	56,985	**(5,688)**	2,104

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

The total number of treasury shares held by the Company as at 30 June 2015 was 13,379,900 (2014: 8,218,500). The Company reissued 2,098,000 (2014: 2,424,200) treasury shares during the financial year pursuant to the Wing Tai PSP, Wing Tai RSP and share options. The purchase cost of the treasury shares reissued amounted to $2.4 million (2014: $2.7 million). The total consideration for the treasury shares reissued which comprised the value of employee services amounted to $2.1 million (2014: $2.3 million).

29. RETAINED EARNINGS

(a) Retained earnings of the Group are distributable except for accumulated retained earnings of associated and joint venture companies amounting to $947.7 million (2014: $846.4 million) and the amount of $19.6 million (2014: $9.4 million) utilised to purchase treasury shares. Retained earnings of the Company are distributable except for the amount of $19.6 million (2014: $9.4 million) utilised to purchase treasury shares.

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

	Company	
	2015	**2014**
	$'000	**$'000**
Beginning of financial year	**472,161**	258,982
Net profit	**71,260**	307,507
Dividends paid (Note 25)	**(47,267)**	(94,328)
End of financial year	**496,154**	472,161

30. COMMITMENTS

(a) Capital commitments

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

	Group	
	2015	**2014**
	$'000	**$'000**
Commitments in respect of contracts placed	**55,851**	106,082

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

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

	Group	
	2015	**2014**
	$'000	**$'000**
Not later than one year	**49,506**	59,011
Between one and five years	**46,281**	85,532
	95,787	144,543

30. COMMITMENTS *(continued)*

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

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

	Group	
	2015	**2014**
	$'000	**$'000**
Not later than one year	**22,398**	20,871
Between one and five years	**23,889**	19,701
Later than five years	**88**	-
	46,375	40,572

31. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

The details and estimates of the maximum amounts of contingent liabilities and financial guarantees, excluding those relating to investment in an associated company (Note 18), are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Financial guarantees issued to banks for credit facilities granted to:				
– subsidiary companies	**-**	-	**109,228**	201,010
– joint venture companies	**19,935**	21,028	**8,280**	8,280
	19,935	21,028	**117,508**	209,290

The Company has given financial guarantees for all liabilities incurred under a tender bond facility of a subsidiary company amounting to $15.0 million (2014: $15.0 million) granted by a bank to the subsidiary company.

32. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2015

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk

(i) Currency risk

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

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

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

	SGD $'000	RM $'000	USD $'000	HKD $'000	Other $'000	Total $'000
Group						
2015						
Financial assets						
Cash and cash equivalents	667,566	92,362	13,714	8,042	98,927	880,611
Available-for-sale financial assets	3,189	-	3,078	-	-	6,267
Trade and other receivables (current and non-current)	389,552	21,064	636	17,211	285	428,748
Other financial assets	11,257	2,976	194	4	1,701	16,132
	1,071,564	116,402	17,622	25,257	100,913	1,331,758
Financial liabilities						
Trade and other payables	(124,196)	(39,238)	(1,657)	(459)	(11,328)	(176,878)
Borrowings	(990,000)	(152,935)	(48,424)	-	-	(1,191,359)
Other financial liabilities	(26,579)	(12,016)	(3,295)	-	-	(41,890)
	(1,140,775)	(204,189)	(53,376)	(459)	(11,328)	(1,410,127)
Net financial (liabilities)/ assets	(69,211)	(87,787)	(35,754)	24,798	89,585	(78,369)
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	1,487	128,602	30,583	(17,261)	(91,957)	51,454
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	(2,817)	(155)	(6,477)	(9,449)
Currency forwards and cross currency swaps	(19,138)	-	17,714	-	7,871	6,447
Currency exposure	**(86,862)**	**40,815**	**9,726**	**7,382**	**(978)**	**(29,917)**

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

	SGD $'000	RM $'000	USD $'000	HKD $'000	Other $'000	Total $'000
Group						
2014						
Financial assets						
Cash and cash equivalents	645,913	107,071	16,506	5,148	60,124	834,762
Available-for-sale financial assets	3,189	-	-	-	-	3,189
Trade and other receivables (current and non-current)	405,726	42,662	725	12,911	16	462,040
Other financial assets	11,271	3,403	1	18	2,072	16,765
	1,066,099	153,136	17,232	18,077	62,212	1,316,756
Financial liabilities						
Trade and other payables	(190,261)	(46,692)	(2,143)	(1,077)	(20,196)	(260,369)
Borrowings	(1,035,871)	(161,943)	(43,760)	(60,649)	-	(1,302,223)
Other financial liabilities	(18,112)	(14,064)	(4,314)	-	-	(36,490)
	(1,244,244)	(222,699)	(50,217)	(61,726)	(20,196)	(1,599,082)
Net financial (liabilities)/ assets	(178,145)	(69,563)	(32,985)	(43,649)	42,016	(282,326)
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	89,045	88,842	45,420	(12,957)	(46,948)	163,402
Firm commitments and highly probable forecast transactions in foreign currencies	-	-	(2,422)	(1,522)	(3,271)	(7,215)
Currency forwards and cross currency swaps	(68,344)	-	3,829	62,576	7,189	5,250
Currency exposure	(157,444)	19,279	13,842	4,448	(1,014)	(120,889)

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

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

	SGD $'000	RM $'000	HKD $'000	Other $'000	Total $'000
Company					
2015					
Financial assets					
Cash and cash equivalents	414,483	40,798	7,771	26	463,078
Available-for-sale financial assets	3,189	-	-	-	3,189
Trade and other receivables (current and non-current)	618,031	-	108,239	-	726,270
Other financial assets	1,263	-	-	196	1,459
	1,036,966	40,798	116,010	222	1,193,996
Financial liabilities					
Trade and other payables	(92,866)	-	(760)	(483)	(94,109)
Borrowings	(723,000)	-	-	(14,796)	(737,796)
	(815,866)	-	(760)	(15,279)	(831,905)
Net financial assets/(liabilities)	221,100	40,798	115,250	(15,057)	362,091
Net financial assets denominated in the Company's functional currency	(221,100)	-	-	-	(221,100)
Cross currency swap	-	-	-	14,836	14,836
Currency exposure	**-**	**40,798**	**115,250**	**(221)**	**155,827**
2014					
Financial assets					
Cash and cash equivalents	383,305	19,316	4,861	138	407,620
Available-for-sale financial assets	3,189	-	-	-	3,189
Trade and other receivables (current and non-current)	841,344	-	41,346	3,097	885,787
Other financial assets	1,164	-	5	1	1,170
	1,229,002	19,316	46,212	3,236	1,297,766
Financial liabilities					
Trade and other payables	(144,207)	-	(706)	(2,678)	(147,591)
Borrowings	(670,000)	-	-	-	(670,000)
	(814,207)	-	(706)	(2,678)	(817,591)
Net financial assets	414,795	19,316	45,506	558	480,175
Net financial assets denominated in the Company's functional currency	(414,795)	-	-	-	(414,795)
Currency exposure	-	19,316	45,506	558	65,380

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

If the RM, USD and HKD change against the SGD by 1% (2014: 1%) each with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit before tax		Increase/(decrease) Other comprehensive income	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Group				
RM against SGD				
– strengthened	**408**	192	**-**	-
– weakened	**(408)**	(192)	**-**	-
USD against SGD				
– strengthened	**997**	1,061	**(191)**	-
– weakened	**(997)**	(1,061)	**191**	-
HKD against SGD				
– strengthened	**75**	737	**-**	(677)
– weakened	**(75)**	(737)	**-**	677
Company				
RM against SGD				
– strengthened	**408**	193	**-**	-
– weakened	**(408)**	(193)	**-**	-
HKD against SGD				
– strengthened	**1,153**	455	**-**	-
– weakened	**(1,153)**	(455)	**-**	-

32. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

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

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

The Group's borrowings at floating rates on which effective hedges have not been entered into are denominated mainly in SGD, RM and USD. If the SGD, RM and USD interest rates increase/decrease by 1% (2014: 1%) with all other variables being held constant, the profit before tax would have been lower/higher by $5.5 million (2014: $5.0 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $6.2 million (2014: $0.2 million) as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of floating rate borrowings.

The Company's borrowings at floating rates on which effective hedges have not been entered into are denominated in SGD. If the SGD interest rates increase/decrease by 1% (2014: 1%) with all other variables being held constant, the profit before tax would have been lower/higher by $1.3 million (2014: $1.2 million) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by $5.3 million (2014: Nil) as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of floating rate borrowings.

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

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

The credit risk for trade receivables is as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
By business segments		
Development properties	**12,739**	62,096
Investment properties	**718**	837
Retail	**2,234**	3,435
Others	**1,507**	1,294
	17,198	67,662

32. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Credit risk *(continued)*

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

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

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

	Group	
	2015 $'000	**2014 $'000**
Past due less than 3 months	**2,026**	3,040
Past due 3 to 6 months	**257**	80
Past due over 6 months	**551**	808
	2,834	3,928

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

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Gross amount	**321**	410	**467,343**	449,941
Less: Allowance for impairment	**(321)**	(410)	**(244,207)**	(229,219)
	-	-	**223,136**	220,722
Beginning of financial year	**410**	391	**229,219**	205,601
Allowance made	**23**	79	**28,893**	23,618
Allowance utilised	**(84)**	(50)	**(13,905)**	-
Currency translation differences	**(28)**	(10)	**-**	-
End of financial year	**321**	410	**244,207**	229,219

The impaired trade and other receivables arose mainly from loans to subsidiary companies for which recoverability is uncertain.

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

32. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity risk *(continued)*

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

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Group				
2015				
Net-settled interest rate swaps	658	656	1,546	-
Gross-settled cross currency swaps				
– Receipts	(631)	(629)	(36,455)	-
– Payments	1,073	1,070	35,541	-
Gross-settled currency forwards				
– Receipts	(10,749)	-	-	-
– Payments	10,684	-	-	-
Trade and other payables	176,878	-	-	-
Borrowings	78,344	264,901	520,638	535,914
Other financial liabilities	-	37,791	3,835	264
	256,257	**303,789**	**525,105**	**536,178**
2014				
Net-settled interest rate swaps	408	-	-	-
Gross-settled cross currency swaps				
– Receipts	(61,284)	-	-	-
– Payments	68,873	-	-	-
Gross-settled currency forwards				
– Receipts	(12,309)	-	-	-
– Payments	12,289	-	-	-
Trade and other payables	260,369	-	-	-
Borrowings	226,926	184,909	555,180	538,727
Other financial liabilities	-	34,487	1,980	23
	495,272	219,396	557,160	538,750

32. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity risk *(continued)*

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Company				
2015				
Net-settled interest rate swaps	658	656	1,546	-
Gross-settled cross currency swaps				
– Receipts	(267)	(266)	(15,423)	-
– Payments	454	453	15,037	-
Trade and other payables	95,135	-	-	-
Borrowings	27,583	27,507	386,619	464,920
	123,563	**28,350**	**387,779**	**464,920**
2014				
Trade and other payables	148,389	-	-	-
Borrowings	144,523	21,002	301,454	352,305
	292,912	21,002	301,454	352,305

In addition to the above, the Group and the Company issued financial guarantees of $19.9 million (2014: $21.0 million) and $117.5 million (2014: $209.3 million) respectively (Note 31).

(d) Capital risk

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

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

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Borrowings	**1,191,359**	1,302,223	**737,796**	670,000
Less: Cash and cash equivalents	**(880,611)**	(834,762)	**(463,078)**	(407,620)
Net debt	**310,748**	467,461	**274,718**	262,380
Shareholders' equity	**3,173,169**	2,969,655	**1,328,716**	1,312,515
Debt-equity ratio	**10%**	16%	**21%**	20%

The Group and the Company are required by certain banks to maintain a certain level of the debt-equity ratio. The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2015 and 2014.

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements

(i) Fair value measurement hierarchy

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

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2015				
Assets				
Derivative financial instruments	-	4,769	-	4,769
Available-for-sale financial assets	-	-	6,267	6,267
Investment properties	-	-	585,527	585,527
Property, plant and equipment	-	-	91,869	91,869
Total assets	**-**	**4,769**	**683,663**	**688,432**
2014				
Assets				
Available-for-sale financial assets	-	-	3,189	3,189
Investment properties	-	-	575,263	575,263
Property, plant and equipment	-	-	93,248	93,248
Total assets	-	-	671,700	671,700
Liabilities				
Derivative financial instruments	-	8,564	-	8,564

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

(i) Fair value measurement hierarchy *(continued)*

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company				
2015				
Assets				
Derivative financial instruments	-	3,231	-	3,231
Available-for-sale financial assets	-	-	3,189	3,189
Total assets	**-**	**3,231**	**3,189**	**6,420**
2014				
Assets				
Available-for-sale financial assets	-	-	3,189	3,189

(ii) Level 2 fair value measurements

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

(iii) Level 3 fair value measurements

(a) Valuation techniques and inputs used in Level 3 fair value measurements

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

Type	Valuation Techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Commercial buildings, serviced apartments, condominium housing and shop offices in Singapore, Malaysia and the People's Republic of China	Direct Comparison Approach	Market value per square metre	$353 - $20,778 per square metre	The higher the adjusted valuation per square metre, the higher the fair value
	Capitalisation Approach	Estimated rental rate	$94 - $105 per square metre per month	The higher the rental value per square metre, the higher the fair value
		Capitalisation rate	4.25% - 4.35%	The higher the capitalisation rate, the lower the fair value

32. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Fair value measurements *(continued)*

(iii) Level 3 fair value measurements *(continued)*

(a) Valuation techniques and inputs used in Level 3 fair value measurements *(continued)*

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

The valuation technique for available-for-sale financial assets is based on unobservable inputs, as such, these assets are classified as Level 3. Any changes to these unobservable inputs will not have a material impact on the fair value of the available-for-sale financial assets.

(b) Valuation processes of the Group

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

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

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and in Notes 11 and 16 to the financial statements, except for the following:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Loans and receivables	**1,543,282**	1,669,365	**1,190,806**	1,294,577
Financial liabilities at amortised cost	**1,410,127**	1,599,082	**831,905**	817,591

33. RELATED PARTY TRANSACTIONS

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

(a) Sale of goods and rendering of services

	Group	
	2015	**2014**
	$'000	**$'000**
Commission income received from joint venture companies	**1,418**	-
Management and service fees received from joint venture companies	**4,838**	4,704
Management fees paid to an associated company	**414**	659
Payments on behalf of joint venture companies	**5,845**	6,864

(b) Key management personnel compensation

	Group	
	2015	**2014**
	$'000	**$'000**
Salaries and other short term employee benefits	**9,435**	10,555
Share-based payment	**951**	1,077
	10,386	11,632

Included in the above is compensation to directors of the Company which amounted to $5.6 million (2014: $6.5 million).

34. SEGMENT INFORMATION

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

2015	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Group $'000
Revenue	430,191	37,529	199,012	9,983	**676,715**
EBIT	92,356	34,210	(8,809)	(21,971)	**95,786**
Interest income					**7,561**
Operating profit					**103,347**
Finance costs					**(47,335)**
Share of profits/(losses) of associated and joint venture companies	4,036	111,566	10,610	(6,929)	**119,283**
Profit before income tax					**175,295**
Income tax expense					**(9,352)**
Total profit					**165,943**
Segment assets	2,134,168	666,092	68,872	87,352	**2,956,484**
Investment in an associated company	208,359	1,206,278	-	(60,685)	**1,353,952**
Investments in joint venture companies	95,862	-	60,117	20,320	**176,299**
Due from associated and joint venture companies	384,071	9,087	568	617	**394,343**
	2,822,460	1,881,457	129,557	47,604	**4,881,078**
Tax recoverable					**6,482**
Consolidated total assets					**4,887,560**
Segment liabilities	131,512	11,320	17,819	58,117	**218,768**
Borrowings	138,142	213,793	-	839,424	**1,191,359**
	269,654	225,113	17,819	897,541	**1,410,127**
Current income tax liabilities					**51,222**
Deferred income tax liabilities					**64,010**
Consolidated total liabilities					**1,525,359**
Capital expenditure	208	1,147	3,785	2,489	**7,629**
Depreciation	289	1,566	8,974	3,561	**14,390**

34. SEGMENT INFORMATION *(continued)*

2014	Development properties $'000	Investment properties $'000	Retail $'000	Others $'000	Group $'000
Revenue	545,563	35,934	213,519	8,377	803,393
EBIT	170,712	31,462	(2,567)	(14,718)	184,889
Interest income					12,705
Operating profit					197,594
Finance costs					(39,897)
Share of profits/(losses) of associated and joint venture companies	10,416	136,690	9,456	(1,788)	154,774
Profit before income tax					312,471
Income tax expense					(36,129)
Total profit					276,342
Segment assets	2,320,269	671,384	86,926	101,319	3,179,898
Investment in an associated company	200,892	999,072	-	(37,536)	1,162,428
Investments in joint venture companies	71,044	-	53,105	26,936	151,085
Due from associated and joint venture companies	370,577	9,020	1,156	718	381,471
	2,962,782	1,679,476	141,187	91,437	4,874,882
Tax recoverable					8,532
Consolidated total assets					4,883,414
Segment liabilities	185,195	11,806	27,624	83,852	308,477
Borrowings	218,574	220,240	-	863,409	1,302,223
	403,769	232,046	27,624	947,261	1,610,700
Current income tax liabilities					57,206
Deferred income tax liabilities					72,694
Consolidated total liabilities					1,740,600
Capital expenditure	219	5,109	12,898	2,141	20,367
Depreciation	276	1,465	8,800	3,813	14,354

34. SEGMENT INFORMATION *(continued)*

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

	Revenue		Non-current assets	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**522,637**	583,307	**972,023**	960,961
Malaysia	**103,624**	172,351	**114,475**	119,387
PRC	**50,454**	47,735	**183,998**	149,751
Hong Kong SAR	**-**	-	**1,375,739**	1,175,425
	676,715	803,393	**2,646,235**	2,405,524

35. COMPANIES IN THE GROUP

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

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2015 %	2014 %
(a) Wing Tai Holdings Limited		Singapore-Quoted on Singapore Exchange Securities Trading Limited	Investment holding	**n/a**	n/a
(b) Subsidiary companies					
Wing Tai Malaysia Berhad	!	Malaysia-Quoted on Bursa Malaysia Securities Berhad	Investment holding	**60.4**	60.8
Angel Wing (M) Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Angkasa Indah Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Bergendale Investments Limited	*,#	British Virgin Islands (“BVI”)	Investment holding	**100**	100
Brave Dragon Ltd	*, #	BVI/Hong Kong SAR	Investment holding	**89.4**	89.4
Chanlai Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Crossbrook Group Ltd	#	BVI/Hong Kong SAR	Investment holding	**100**	100
DNP Hartajaya Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
DNP Jaya Sdn. Bhd.	*, !	Malaysia	Property investment	**60.4**	60.8
DNP Land Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
DNP Property Management Sdn. Bhd.	*, !	Malaysia	Project management and maintenance of properties	**60.4**	60.8
D & P-Ejenawa Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Grand Eastern Realty & Development Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8

n/a: not applicable

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2015 %	2014 %
(b) Subsidiary companies *(continued)*					
Harta-Aman Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Hartamaju Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Jiaxin (Suzhou) Property Development Co., Ltd	*, >	The People's Republic of China ("PRC")	Property development, investment and management	**75**	75
Quality Frontier Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Seniharta Sdn. Bhd.	*, !	Malaysia	Property investment	**60.4**	60.8
Sri Rampaian Sdn. Bhd.	*, !	Malaysia	Manufacture of textile garments	**60.4**	60.8
Starpuri Development Sdn. Bhd.	*, !	Malaysia	Property development	**60.4**	60.8
Suzhou Property Development Pte Ltd	*	Singapore	Property development and investment holding	**75**	75
Wincheer Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Wingold Investment Pte Ltd	*	Singapore	Investment holding	**100**	100
Wingstar Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Winmax Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winnervest Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winnorth Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winquest Investment Pte Ltd	*	Singapore	Property investment and development	**60**	60
Winrose Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100
Winshine Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winsland Investment Pte Ltd	*	Singapore	Property investment	**100**	100
Winsmart Investment Pte Ltd	*	Singapore	Property investment and development	**100**	100

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2015 %	2014 %
(b) Subsidiary companies *(continued)*					
Wing Mei (M) Sdn. Bhd.	*, !	Malaysia	Property investment	**60.4**	60.8
Wing Tai China Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wing Tai (China) Investment Pte. Ltd.	*	Singapore	Investment holding	**100**	100
Wing Tai Clothing Pte Ltd	*	Singapore	Retailing of garments	**100**	100
Wing Tai Clothing Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**60.4**	60.8
Wing Tai Fashion Apparel Pte. Ltd.	*	Singapore	Retailing of garments	**100**	100
Wing Tai Fashion Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**60.4**	60.8
Wing Tai Investment & Development Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Investment Management Pte Ltd	*	Singapore	Management of investment properties	**100**	100
Wing Tai Land Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Property Management Pte Ltd	*	Singapore	Project management and maintenance of properties	**100**	100
Wing Tai Retail Pte Ltd		Singapore	Investment holding	**100**	100
Wing Tai Retail Management Pte. Ltd.	*	Singapore	Management of retail operations	**100**	100
Wing Tai (Shanghai) Management Co., Ltd	*, @	PRC	Provision of consultancy and advisory services	**100**	-
Yong Yue (Shanghai) Property Development Co., Ltd	*, @	PRC	Property development	**100**	100
Yoshinoya (S) Pte Ltd	*	Singapore	Restaurant operator	**100**	100
(c) Associated company					
Wing Tai Properties Limited	*, %	Bermuda-Quoted on The Stock Exchange of Hong Kong Limited/ Hong Kong SAR	Property development, property investment and management and hospitality investment and management	**33.4**	33.5

35. COMPANIES IN THE GROUP *(continued)*

Name of company		Country of incorporation/ place of business	Principal activities	Effective interest held by the Group 2015 %	2014 %
(d) Joint venture companies					
G2000 Apparel (S) Pte Ltd	*	Singapore	Retailing of garments	**45**	45
Kualiti Gold Sdn. Bhd.	*, !	Malaysia	Property investment	**30.2**	30.4
Optima Investment & Development Pte. Ltd.	*, &	Singapore/PRC	Property development and investment holding	**40**	40
Summervale Properties Pte Ltd	*, &	Singapore	Property investment and development	**50**	50
Uniqlo (Malaysia) Sdn. Bhd.	*, !	Malaysia	Retailing of garments	**27.2**	27.4
Uniqlo (Singapore) Pte. Ltd.	*, ~	Singapore	Retailing of garments	**49**	49
Wingcrown Investment Pte. Ltd.	*	Singapore	Property investment and development	**40**	40
Winnoma Investment Pte. Ltd.	*	Singapore/PRC	Property investment and development and investment holding	**50**	50

* Held by Group companies.

! Audited by Ernst and Young, Malaysia.

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

% Audited by PricewaterhouseCoopers, Hong Kong SAR.

& Audited by KPMG LLP, Singapore.

~ Audited by Ernst and Young LLP, Singapore.

> Audited by RSM, PRC.

@ Audited by PricewaterhouseCoopers, PRC.

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

36. SUBSEQUENT EVENTS

On 3 September 2015, the Company and its wholly-owned subsidiary, Wing Tai Investment & Development Pte Ltd, in aggregate subscribed for 123.1 million ordinary shares pursuant to a 1 for 2 rights issue in Wing Tai Malaysia Berhad ("WTM"), a subsidiary company listed on the Bursa Malaysia Securities Berhad, at RM1.15 per share for a total consideration of RM141.6 million. Following the allotment of shares under the rights issue, the Group's shareholding in WTM has increased to 66.23%.

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2015 or later periods and which the Group has not early adopted:

(a) FRS 1 *Presentation of Financial Statements* (effective for annual periods beginning on or after 1 January 2016)

This amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. This amendment is not expected to have any significant impact on the financial statements of the Group.

(b) FRS 115 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2017)

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

(c) FRS 109 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018)

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

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

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 16 September 2015.

SHAREHOLDING STATISTICS

As at 14 September 2015

SHARE CAPITAL

No. of Issued Shares:	793,927,260
No. of Issued Shares (excluding Treasury Shares):	780,588,860
No./percentage of Treasury Shares:	13,338,400 (1.71%)
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	143	1.12	2,996	0.00
100 to 1,000	1,515	11.84	1,224,896	0.16
1,001 to 10,000	8,603	67.21	39,619,833	5.08
10,001 to 1,000,000	2,507	19.59	95,733,640	12.26
1,000,001 and above	31	0.24	644,007,495	82.50
Total	**12,799**	**100.00**	**780,588,860**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	Name	No. of Shares	%
1	Wing Sun Development Private Limited	222,235,490	28.47
2	DBS Vickers Securities (S) Pte Ltd	73,797,575	9.45
3	Winlyn Investment Pte Ltd	72,717,436	9.32
4	Citibank Nominees Singapore Pte Ltd	61,049,308	7.82
5	DBS Nominees Pte Ltd	41,606,100	5.33
6	HSBC (Singapore) Nominees Pte Ltd	38,941,045	4.99
7	UOB Kay Hian Pte Ltd	31,073,309	3.98
8	Empire Gate Holdings Limited	19,539,572	2.50
9	Raffles Nominees (Pte) Ltd	18,336,009	2.35
10	United Overseas Bank Nominees Pte Ltd	14,192,082	1.82
11	DBSN Services Pte Ltd	6,747,271	0.86
12	OCBC Nominees Singapore Pte Ltd	4,709,470	0.60
13	DB Nominees (S) Pte Ltd	4,534,917	0.58
14	Bank of Singapore Nominees Pte Ltd	3,593,950	0.46
15	Winway Investment Pte Ltd	3,529,166	0.45
16	OCBC Securities Private Ltd	2,984,269	0.38
17	Philip Securities Pte Ltd	2,631,063	0.34
18	Maybank Kim Eng Securities Pte Ltd	2,099,120	0.27
19	Liu Hing Yuen Patricia @ Liu Pui Yuk	2,072,409	0.27
20	Societe Generale Singapore Branch	1,922,900	0.25
	Total	**628,312,461**	**80.49**

PERCENTAGE OF SHAREHOLDING HELD IN THE HANDS OF PUBLIC

As at 14 September 2015, approximately 48.86% 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 14 September 2015

SUBSTANTIAL SHAREHOLDERS AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

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

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

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

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

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

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

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

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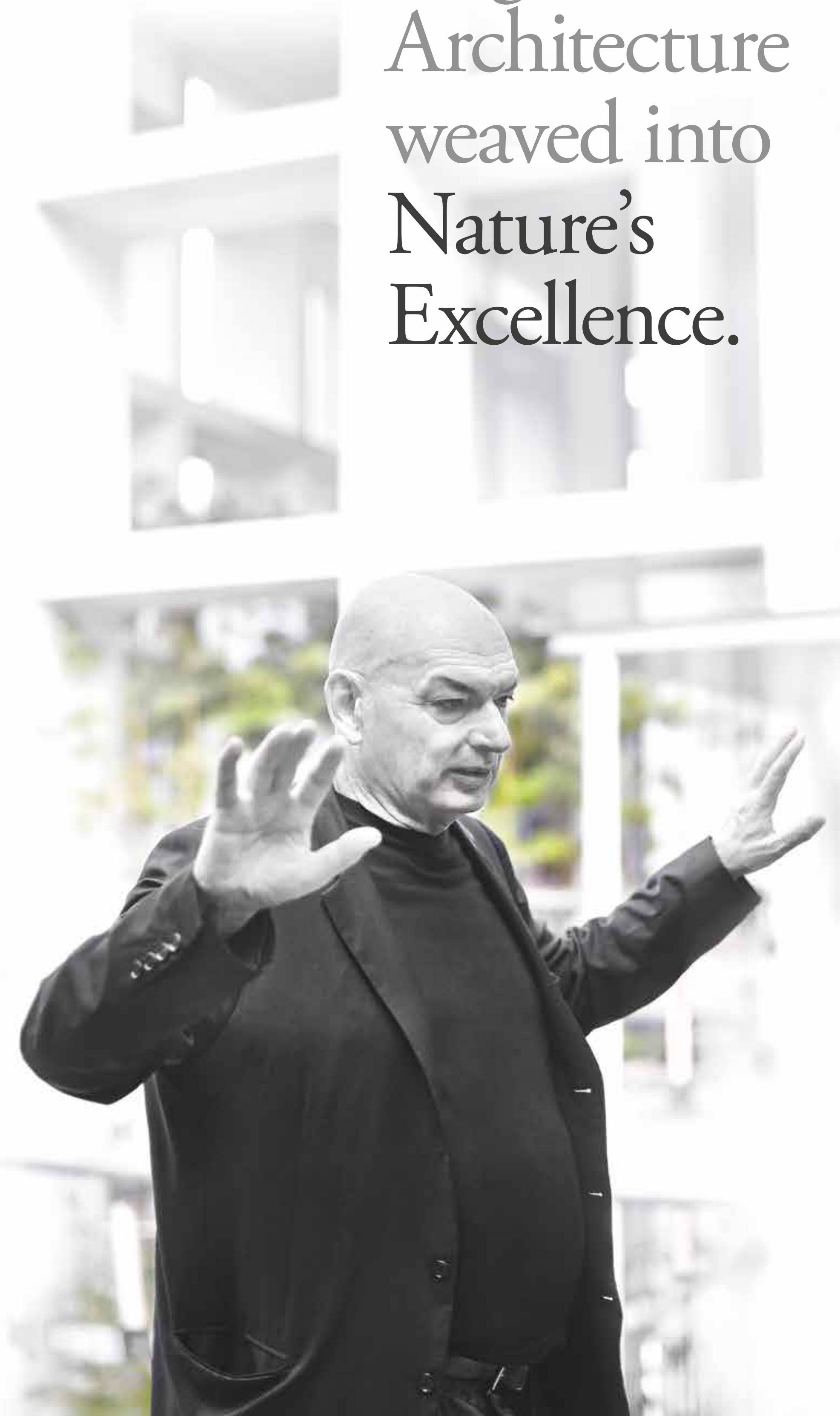
Winning Partnerships:

Elegant Architecture weaved into Nature's Excellence.



Jean Nouvel, the bold, enigmatic Pritzker Architecture Prize laureate has teamed with Wing Tai Asia to design the Nouvel collection which comprises the Le Nouvel Ardmore and Nouvel 18 in Singapore, and the Le Nouvel KLCC in Kuala Lumpur, Malaysia.

The exclusive Le Nouvel Ardmore is Jean Nouvel's debut residential development in Singapore and in Asia. By his expert interpretation of contextual specificity, textures and transparencies, Jean Nouvel masterfully blends the virtuous elements of air, wind and light with nature's greenery, to infuse energy into the purity of the architecture. As the white towering form soars into the sky, in harmony with its surrounding sophistication, residents embrace life at its finest.

With its unrivalled architectural majesty, the Nouvel collection offers discerning buyers a rare opportunity to own real estate investments of unsurpassed value.

Jean Nouvel, on site at the Le Nouvel Ardmore. He devotes himself to creating architecture that residents can easily enjoy. An architecture that generates joy. One that celebrates life.