

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2013

The Directors of Wing Tai Holdings Limited are pleased to announce the unaudited consolidated results for the half year and second quarter ended 31 December 2013.

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

	Group			Group			Note
	Half Year ended 31-Dec-13 S\$'000	Half Year ended 31-Dec-12 S\$'000	+ / (-) %	Second Quarter ended 31-Dec-13 S\$'000	Second Quarter ended 31-Dec-12 S\$'000	+ / (-) %	
Revenue	470,389	568,908	(17)	247,551	321,792	(23)	
Cost of sales	<u>(271,504)</u>	<u>(336,911)</u>	(19)	<u>(141,054)</u>	<u>(197,144)</u>	(28)	
Gross profit	198,885	231,997	(14)	106,497	124,648	(15)	
Other gains - net	7,908	6,210	27	4,329	5,059	(14)	
Expenses							
- Distribution	(53,972)	(47,415)	14	(28,036)	(24,311)	15	(a)
- Administrative and other	(46,470)	(46,996)	(1)	(19,626)	(26,675)	(26)	(b)
Operating profit	106,351	143,796	(26)	63,164	78,721	(20)	
Finance costs	(19,674)	(18,733)	5	(9,361)	(9,954)	(6)	
Share of profits of associated and joint venture companies	13,606	79,599	(83)	5,703	39,697	(86)	
Profit before income tax	100,283	204,662	(51)	59,506	108,464	(45)	
Income tax expense	<u>(20,082)</u>	<u>(28,364)</u>	(29)	<u>(8,290)</u>	<u>(14,146)</u>	(41)	
Total profit	80,201	176,298	(55)	51,216	94,318	(46)	
Attributable to:							
Equity holders of the Company	72,952	160,739	(55)	48,444	88,673	(45)	
Non-controlling interests	<u>7,249</u>	<u>15,559</u>	(53)	<u>2,772</u>	<u>5,645</u>	(51)	
	80,201	176,298	(55)	51,216	94,318	(46)	

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

	Group			Group		
	Half Year ended 31-Dec-13 S\$'000	Half Year ended 31-Dec-12 S\$'000	+ / (-) %	Second Quarter ended 31-Dec-13 S\$'000	Second Quarter ended 31-Dec-12 S\$'000	+ / (-) %
(A) Investment income	125	104	20	125	-	n.m.
(B) Interest income	6,241	4,145	51	3,295	2,345	41
(C) Finance costs	(19,674)	(18,733)	5	(9,361)	(9,954)	(6)
(D) Depreciation and amortisation	(7,167)	(5,893)	22	(3,633)	(3,041)	19
(E) (Allowance)/write-back of allowance for doubtful debts	(1)	7	n.m.	2	-	n.m.
(F) Allowance for stock obsolescence	(279)	(1,437)	(81)	(447)	(677)	(34)
(G) Impairment in value of investments	-	-	-	-	-	-
(H) Foreign exchange gain/(loss)	74	(103)	n.m.	(211)	(335)	(37)
(I) Adjustment for tax in respect of prior years	-	-	-	-	-	-
(J) Gain on disposal of property, plant and equipment	146	134	9	62	6	933
(K) Exceptional items	-	-	-	-	-	-
(L) Extraordinary items	-	-	-	-	-	-

Note:-

- (a) The increase in distribution expenses in the current quarter and current period is mainly due to the opening of additional retail stores and the increase in rental costs.
- (b) The decrease in administrative and other expenses in the current quarter is attributable to the lower accrued operating expenses.

n.m. - not meaningful

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

	Group		Company		Note
	As at 31-Dec-13 S\$'000	As at 30-Jun-13 S\$'000	As at 31-Dec-13 S\$'000	As at 30-Jun-13 S\$'000	
ASSETS					
Current assets					
Cash and cash equivalents	663,707	1,024,541	360,094	606,280	
Trade and other receivables	81,830	166,159	267,943	300,447	(a), (f)
Inventories	24,703	21,796	-	-	
Development properties	1,460,510	1,463,073	-	-	
Tax recoverable	2,183	2,378	-	-	
Other current assets	87,626	59,525	4,163	4,602	
	2,320,559	2,737,472	632,200	911,329	
Non-current assets					
Available-for-sale financial assets	3,189	3,189	3,189	3,189	
Trade and other receivables	309,779	292,373	873,007	661,805	(g)
Investment in an associated company	1,029,862	1,043,593	-	-	(b)
Investments in joint venture companies	228,093	207,299	-	-	(c)
Investments in subsidiary companies	-	-	252,392	252,392	
Investment properties	561,269	562,153	-	-	
Property, plant and equipment	134,334	131,693	7,877	8,020	
	2,266,526	2,240,300	1,136,465	925,406	
Total assets	4,587,085	4,977,772	1,768,665	1,836,735	
LIABILITIES					
Current liabilities					
Trade and other payables	302,714	325,082	190,325	160,857	(d)
Current income tax liabilities	56,863	72,683	7,269	8,879	
Borrowings	43,557	88,249	-	-	(e)
	403,134	486,014	197,594	169,736	
Non-current liabilities					
Derivative financial instruments	9,173	11,786	-	257	
Borrowings	1,096,360	1,350,568	570,000	570,000	(e)
Deferred income tax liabilities	73,516	62,267	-	-	
Other non-current liabilities	41,845	40,057	-	-	
	1,220,894	1,464,678	570,000	570,257	
Total liabilities	1,624,028	1,950,692	767,594	739,993	
NET ASSETS	2,963,057	3,027,080	1,001,071	1,096,742	
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	838,250	838,250	838,250	838,250	
Other reserves	71,213	87,919	1,114	(490)	
Retained earnings	1,893,057	1,914,471	161,707	258,982	
	2,802,520	2,840,640	1,001,071	1,096,742	
Non-controlling interests	160,537	186,440	-	-	
TOTAL EQUITY	2,963,057	3,027,080	1,001,071	1,096,742	

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

Note:-

- (a) The decrease in the Group's current trade and other receivables is largely due to the receipt of progress billings for development projects and the repayment of loan by a joint venture company.
- (b) The decrease in the Group's investment in an associated company is largely due to the currency translation loss partially offset by the share of its profit.
- (c) The increase in the Group's investments in joint venture companies is primarily due to additional investments in a joint venture company.
- (d) The decrease in the Group's trade and other payables is mainly due to the settlement of project related costs.
- (e) The decrease in the Group's current and non-current borrowings is mainly attributable to the repayment of bank loans.
- (f) The decrease in the Company's current trade and other receivables is mainly due to the repayment of loans by its subsidiary companies.
- (g) The increase in the Company's non-current trade and other receivables is largely due to the advancement of loans to its subsidiary companies.

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

Amount repayable in one year or less, or on demand

As at 31-Dec-13		As at 30-Jun-13	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
32,668	10,889	81,083	7,166

Amount repayable after one year

As at 31-Dec-13		As at 30-Jun-13	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
332,929	763,431	585,187	765,381

Details of any collateral

Secured borrowings are generally secured by the borrowing companies' property, plant and equipment, investment properties, properties under development and assignment of all rights and benefits with respect to the properties.

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

	Group		Group	
	Half Year ended	Half Year ended	Second Quarter ended	Second Quarter ended
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit	80,201	176,298	51,216	94,318
Adjustments for:				
Non-cash items	27,725	(26,799)	12,721	(13,162)
Operating cash flow before working capital changes	107,926	149,499	63,937	81,156
Changes in operating assets and liabilities:				
Development properties	(1,105)	97,602	(45,750)	20,512
Other current assets/liabilities	30,674	8,770	42,558	59,540
Cash generated from operations	137,495	255,871	60,745	161,208
Income tax paid	(23,090)	(29,395)	(16,348)	(25,184)
Net cash generated from operating activities	114,405	226,476	44,397	136,024
Cash flows from investing activities				
Acquisition of additional interest in a subsidiary company	(10)	(7)	-	-
Acquisition of additional interest in joint venture companies	(24,081)	(5,600)	(24,081)	(5,600)
Additional expenditure on investment properties	(157)	-	(157)	-
Purchases of property, plant and equipment	(10,984)	(8,825)	(7,601)	(6,397)
Proceeds from disposal of property, plant and equipment	148	158	62	-
Advancement of the loans to joint venture companies	(11,910)	(118,942)	(6,841)	(104,344)
Dividends received	12,954	26,018	12,954	24,114
Interest received	1,818	1,401	1,134	945
Net cash used in investing activities	(32,222)	(105,797)	(24,530)	(91,282)
Cash flows from financing activities				
Proceeds from issue of ordinary shares by a subsidiary company to non-controlling interests	72	331	58	-
Reissuance of treasury shares	388	36	297	-
Repayment of the loans from non-controlling interests	(961)	(986)	(1,406)	(947)
(Repayment of)/proceeds from borrowings	(294,043)	130,424	12,516	16,535
Ordinary and special dividends paid	(94,328)	(54,838)	(94,328)	(54,838)
Dividends paid to non-controlling interests	(29,632)	(39,130)	(14,032)	(19,130)
Interest paid	(23,443)	(21,813)	(8,207)	(10,180)
Net cash (used in)/generated from financing activities	(441,947)	14,024	(105,102)	(68,560)
Net (decrease)/increase in cash and cash equivalents	(359,764)	134,703	(85,235)	(23,818)
Cash and cash equivalents at beginning of financial period	1,024,541	848,686	748,474	1,004,160
Effects of currency translation on cash and cash equivalents	(1,070)	(3,205)	468	(158)
Cash and cash equivalents at end of financial period	663,707	980,184	663,707	980,184

Note:-

- Cash and cash equivalents consist of fixed deposits, cash and bank balances.
- The decrease in the Group's cash and cash equivalents is mainly attributable to the repayment of bank loans and the payment of ordinary and special dividends.

1 (d) Statement of Comprehensive Income

	Group			Group		
	Half Year	Half Year	+ / (-)	Second	Second	+ / (-)
	ended	ended		Quarter	Quarter	
31-Dec-13	31-Dec-12	%	31-Dec-13	31-Dec-12	%	
	S\$'000	S\$'000		S\$'000	S\$'000	
Total profit	80,201	176,298	(55)	51,216	94,318	(46)
Other comprehensive income/(expense):						
Items that may be reclassified to profit or loss:						
Cash flow hedges	2,318	1,714	35	1,348	2,116	(36)
Currency translation differences	(24,222)	(35,606)	(32)	(360)	(3,495)	(90)
Share of other comprehensive income of associated and joint venture companies	36	4,382	(99)	3,394	439	673
	(21,868)	(29,510)	(26)	4,382	(940)	n.m.
Items that will not be reclassified to profit or loss:						
Revaluation gains on property, plant and equipment	29	-	n.m.	(1)	-	n.m.
Share of revaluation gains on property, plant and equipment of an associated company	-	1,485	n.m.	-	(15)	n.m.
	29	1,485	(98)	(1)	(15)	(93)
Other comprehensive (expense)/income, net of tax	(21,839)	(28,025)	(22)	4,381	(955)	n.m.
Total comprehensive income	58,362	148,273	(61)	55,597	93,363	(40)
Attributable to:						
Equity holders of the Company	54,798	134,410	(59)	52,694	88,125	(40)
Non-controlling interests	3,564	13,863	(74)	2,903	5,238	(45)
	58,362	148,273	(61)	55,597	93,363	(40)

Note:-

n.m. - not meaningful

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

	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves *	Retained earnings	Total		
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at 1 July 2013	838,250	87,919	1,914,471	2,840,640	186,440	3,027,080
Total comprehensive (expense)/income	-	(18,154)	72,952	54,798	3,564	58,362
Cost of share-based payment	-	1,060	-	1,060	65	1,125
Reissuance of treasury shares	-	388	-	388	-	388
Ordinary and special dividends paid	-	-	(94,328)	(94,328)	-	(94,328)
Dividends paid by subsidiary companies to non-controlling interests	-	-	-	-	(29,632)	(29,632)
Issue of shares by a subsidiary company to non-controlling interests	-	-	(32)	(32)	104	72
Acquisition of additional interest in a subsidiary company	-	-	(6)	(6)	(4)	(10)
Balance at 31 December 2013	838,250	71,213	1,893,057	2,802,520	160,537	2,963,057

	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves *	Retained earnings	Total		
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at 1 July 2012	838,250	(45,637)	1,438,376	2,230,989	166,838	2,397,827
Total comprehensive (expense)/ income	-	(26,329)	160,739	134,410	13,863	148,273
Realisation of reserves	-	(91)	91	-	-	-
Cost of share-based payment	-	1,409	-	1,409	-	1,409
Reissuance of treasury shares	-	36	-	36	-	36
Ordinary and special dividends paid	-	-	(54,838)	(54,838)	-	(54,838)
Dividends paid by subsidiary companies to non-controlling interests	-	-	-	-	(39,130)	(39,130)
Issue of shares by a subsidiary company to non-controlling interests	-	-	(227)	(227)	558	331
Acquisition of additional interest in a subsidiary company	-	-	(4)	(4)	(3)	(7)
Balance at 31 December 2012	838,250	(70,612)	1,544,137	2,311,775	142,126	2,453,901

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

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

	<u>Share capital</u> S\$'000	<u>Share-based payment reserve</u> S\$'000	<u>Cash flow hedge reserve</u> S\$'000	<u>Treasury shares reserve</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Total equity</u> S\$'000
Balance at 1 July 2013	838,250	11,233	(257)	(11,466)	258,982	1,096,742
Total comprehensive income/ (expense)	-	-	257	-	(2,947)	(2,690)
Cost of share-based payment	-	959	-	-	-	959
Reissuance of treasury shares	-	(2,304)	-	2,692	-	388
Ordinary and special dividends paid	-	-	-	-	(94,328)	(94,328)
Balance at 31 December 2013	838,250	9,888	-	(8,774)	161,707	1,001,071

	<u>Share capital</u> S\$'000	<u>Share-based payment reserve</u> S\$'000	<u>Cash flow hedge reserve</u> S\$'000	<u>Treasury shares reserve</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Total equity</u> S\$'000
Balance at 1 July 2012	838,250	10,392	(3,503)	(13,710)	225,204	1,056,633
Total comprehensive income/(expense)	-	-	1,646	-	(4,430)	(2,784)
Cost of share-based payment	-	1,409	-	-	-	1,409
Reissuance of treasury shares	-	(1,885)	-	1,921	-	36
Ordinary and special dividends paid	-	-	-	-	(54,838)	(54,838)
Balance at 31 December 2012	838,250	9,916	(1,857)	(11,789)	165,936	1,000,456

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

<u>Issued ordinary shares</u>	<u>Number of shares</u>
Balance at 1 October and 31 December 2013	793,927,260

At 31 December 2013, the Company's issued share capital (excluding treasury shares) comprises 786,088,960 (30 June 2013: 783,684,560) ordinary shares. The total number of treasury shares held by the Company as at 31 December 2013 was 7,838,300 (31 December 2012: 10,531,600) which represents 1.0% (31 December 2012: 1.3%) of the total number of issued shares (excluding treasury shares). At 31 December 2013, the total number of unexercised options under the Share Option Scheme was 3,098,100 (31 December 2012: 3,818,200).

There were 2,404,400 (31 December 2012: 1,715,400) treasury shares reissued pursuant to the employee share plans and share options for the half year ended 31 December 2013.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation as in the audited financial statements for the financial year ended 30 June 2013.

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

Not applicable.

- 6 **Earnings per ordinary share**

	Group		Group	
	Half Year ended 31-Dec-13	Half Year ended 31-Dec-12	Second Quarter ended 31-Dec-13	Second Quarter ended 31-Dec-12
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	9.29	20.53	6.17	11.32
(b) On a fully diluted basis (cents)	9.25	20.43	6.14	11.26

- 7 **Net asset value per ordinary share**

	Group		Company	
	As at 31-Dec-13	As at 30-Jun-13	As at 31-Dec-13	As at 30-Jun-13
Net asset value per ordinary share based on issued share capital excluding treasury shares (S\$)	3.57	3.62	1.27	1.40

- 8 **Review of performance of the group**

For the half year ended 31 December 2013 ("current period"), the Group recorded a total revenue of S\$470.4 million. This is a 17% decrease from the S\$568.9 million revenue recorded in the half year ended 31 December 2012 ("corresponding period"). The revenue for the current period was mainly attributable to the contribution from L'VIV; the progressive sales recognized from Foresque Residences; the additional units sold in Helios Residences in Singapore as well as the contributions from Jesselton Hills project in Penang and The Lakeview project in Suzhou. L'VIV obtained its Temporary Occupation Permit ("TOP") in the current period and the revenue for all the units sold under the deferred payment scheme was fully recognized.

The Group's operating profit decreased by 26% from S\$143.8 million in the corresponding period to S\$106.4 million in the current period, largely due to the lower contributions from development properties.

The Group's share of profits from associated and joint venture companies was S\$13.6 million in the current period as compared to S\$79.6 million in the corresponding period. In the corresponding period, the share of profit from Wing Tai Properties Limited included the one-off gains from the disposal of its apparel branded business and its listed subsidiary in Hong Kong.

8 **Review of performance of the group** (continued)

The Group's net profit attributable to shareholders for the current period is S\$73.0 million, which is 55% lower than the net profit of S\$160.7 million recorded in the corresponding period.

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

The current announced results are in line with the prospect statement previously disclosed to shareholders in the results announcement for the first quarter ended 30 September 2013.

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

After successive rounds of property cooling measures and the introduction of the Total Debt Servicing Ratio ("TDSR") in June 2013, the demand for new residential units in Singapore has been adversely impacted. The URA's residential property price index declined by 0.9% in the fourth quarter of 2013.

The total number of new residential units sold islandwide in the second half of 2013 fell to approximately 4,900 units, as compared to 9,950 new units sold in the first half of 2013. The Group will monitor the market closely and will at appropriate times launch new residential projects for sale in the current year.

In November 2013, the Group was awarded the tender for a plot of land in Huai Hai Middle Road Shanghai (上海市淮海中路). The plot has an approximate site area of 8,594 square metres and will be developed into an office cum retail development. The Group will continue to explore investment opportunities in the markets in which it operates.

11 **Dividend**

(a) **Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on?

None.

(b) **Corresponding Period of the immediately Preceding Financial Year**

None.

(c) **The date the dividend is payable.**

Not applicable.

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

Not applicable.

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

No dividend has been declared / recommended for the half year ended 31 December 2013.

13 **Interested Person Transactions**

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

14 **Confirmation by the Board of Directors**

The Directors confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the half year ended 31 December 2013 to be false or misleading.

BY ORDER OF THE BOARD

Gabrielle Tan
Company Secretary
Singapore
27 January 2014