

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2015

The Directors of Wing Tai Holdings Limited announce the unaudited consolidated results for the half year and second quarter ended 31 December 2015.

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

	Group			Group			
	Half Year ended 31-Dec-15 S\$'000	Half Year ended 31-Dec-14 S\$'000	+ / (-) %	Second Quarter ended 31-Dec-15 S\$'000	Second Quarter ended 31-Dec-14 S\$'000	+ / (-) %	Note
Revenue	290,867	286,675	1	120,611	126,582	(5)	
Cost of sales	<u>(173,375)</u>	<u>(166,171)</u>	4	<u>(63,003)</u>	<u>(68,222)</u>	(8)	
Gross profit	117,492	120,504	(2)	57,608	58,360	(1)	
Other gains - net	2,893	26,064	(89)	1,374	3,028	(55)	(a)
Expenses							
- Distribution	(47,168)	(54,603)	(14)	(22,175)	(27,739)	(20)	(b)
- Administrative and other	<u>(43,185)</u>	<u>(42,345)</u>	2	<u>(23,824)</u>	<u>(21,275)</u>	12	(c)
Operating profit	30,032	49,620	(39)	12,983	12,374	5	
Finance costs	(21,567)	(22,552)	(4)	(11,461)	(11,640)	(2)	
Share of profits of associated and joint venture companies	<u>15,842</u>	21,238	(25)	<u>8,474</u>	7,864	8	
Profit before income tax	24,307	48,306	(50)	9,996	8,598	16	
Income tax expense	<u>(14,604)</u>	(9,230)	58	<u>(6,204)</u>	332	n.m.	
Total profit	<u>9,703</u>	39,076	(75)	<u>3,792</u>	8,930	(58)	
Attributable to:							
Equity holders of the Company	3,111	31,488	(90)	1,082	7,325	(85)	
Non-controlling interests	<u>6,592</u>	7,588	(13)	<u>2,710</u>	1,605	69	
	<u>9,703</u>	39,076	(75)	<u>3,792</u>	8,930	(58)	

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

		Group			Group		
		Half Year ended 31-Dec-15 S\$'000	Half Year ended 31-Dec-14 S\$'000	+ / (-) %	Second Quarter ended 31-Dec-15 S\$'000	Second Quarter ended 31-Dec-14 S\$'000	+ / (-) %
(A)	Investment income	141	-	n.m.	141	-	n.m.
(B)	Interest income	4,054	3,293	23	2,359	1,967	20
(C)	Finance costs	(21,567)	(22,552)	(4)	(11,461)	(11,640)	(2)
(D)	Depreciation and amortisation	(5,604)	(7,188)	(22)	(2,585)	(3,567)	(28)
(E)	(Allowance)/write-back of allowance for doubtful debts	(28)	(10)	180	6	(90)	n.m.
(F)	(Allowance)/write-back of allowance for stock obsolescence	(640)	(158)	305	(379)	376	n.m.
(G)	Impairment in value of investments	-	-	-	-	-	-
(H)	Foreign exchange gain/(loss)	1,261	(615)	n.m.	1,147	(227)	n.m.
(I)	Adjustment for tax in respect of prior years	-	-	-	-	-	-
(J)	Gain on disposal of property, plant and equipment	149	58	157	3	26	(88)
(K)	Exceptional items						
	Gain on disposal of a subsidiary company	-	21,136	n.m.	-	-	-
(L)	Extraordinary items	-	-	-	-	-	-

Note:-

- The decrease in other gains - net for the current period is mainly due to the one-off gain on disposal of a subsidiary company recognised in the corresponding period.
- The decrease in distribution expenses is largely due to the lower rental and depreciation from retail outlets in Singapore.
- The increase in administrative and other expenses is primarily attributable to the closure of retail outlets in Singapore.

n.m. - not meaningful

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

	Group		Company		
	As at 31-Dec-15 S\$'000	As at 30-Jun-15 S\$'000	As at 31-Dec-15 S\$'000	As at 30-Jun-15 S\$'000	Note
ASSETS					
Current assets					
Cash and cash equivalents	594,442	880,611	97,609	463,078	
Trade and other receivables	46,483	28,637	349,051	361,997	
Inventories	18,825	20,015	-	-	
Development properties	1,184,024	1,265,103	-	-	(a)
Tax recoverable	4,905	6,482	-	-	
Other current assets	34,582	40,477	7,321	7,266	
	1,883,261	2,241,325	453,981	832,341	
Non-current assets					
Available-for-sale financial assets	6,404	6,267	3,189	3,189	
Trade and other receivables	653,096	400,111	1,370,054	1,060,578	(b),(f)
Derivative financial instruments	6,822	4,769	4,313	3,231	
Investment in an associated company	1,414,408	1,353,952	-	-	(c)
Investments in joint venture companies	170,602	176,299	-	-	
Investments in subsidiary companies	-	-	283,063	252,392	(g)
Investment properties	581,097	585,527	-	-	
Property, plant and equipment	111,811	119,310	10,416	9,576	
	2,944,240	2,646,235	1,671,035	1,328,966	
Total assets	4,827,501	4,887,560	2,125,016	2,161,307	
LIABILITIES					
Current liabilities					
Trade and other payables	161,502	176,878	139,434	94,109	(d)
Current income tax liabilities	45,642	51,222	1,164	686	
Borrowings	37,213	35,984	-	-	
	244,357	264,084	140,598	94,795	
Non-current liabilities					
Borrowings	1,109,230	1,155,375	678,455	737,796	(e)
Deferred income tax liabilities	60,658	64,010	-	-	
Other non-current liabilities	36,776	41,890	-	-	
	1,206,664	1,261,275	678,455	737,796	
Total liabilities	1,451,021	1,525,359	819,053	832,591	
NET ASSETS	3,376,480	3,362,201	1,305,963	1,328,716	
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	838,250	838,250	838,250	838,250	
Other reserves	79,950	76,717	(5,404)	(5,688)	
Retained earnings	2,275,679	2,258,202	473,117	496,154	
	3,193,879	3,173,169	1,305,963	1,328,716	
Non-controlling interests	182,601	189,032	-	-	
TOTAL EQUITY	3,376,480	3,362,201	1,305,963	1,328,716	

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

Note:-

- (a) The decrease in the Group's development properties is primarily attributable to the progress billings made partially offset by the development costs incurred and capitalised.
- (b) The increase in the Group's non-current trade and other receivables is largely due to the advancement of the loan to a joint venture company.
- (c) The increase in the Group's investment in an associated company is primarily due to the share of its profit and the currency translation gain.
- (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 and the Company's non-current borrowings is largely due to the repayment of medium term notes.
- (f) The increase in the Company's non-current trade and other receivables is largely due to the advancement of loans to its subsidiary companies.
- (g) The increase in the Company's investments in subsidiary companies is due to the subscription of shares pursuant to a rights issue by a subsidiary company.

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-15		As at 30-Jun-15	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
25,463	11,750	30,628	5,356

Amount repayable after one year

As at 31-Dec-15		As at 30-Jun-15	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
327,650	781,580	315,951	839,424

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-15	31-Dec-14	31-Dec-15	31-Dec-14
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit	9,703	39,076	3,792	8,930
Adjustments for:				
Non-cash items	25,898	(9,955)	11,457	(3,654)
Operating cash flow before working capital changes	35,601	29,121	15,249	5,276
Changes in operating assets and liabilities:				
Development properties	51,445	143,698	45,543	169,095
Other current assets/liabilities	(28,284)	1,811	(14,727)	(17,915)
Cash generated from operations	58,762	174,630	46,065	156,456
Income tax paid	(20,274)	(14,961)	(14,409)	(11,478)
Net cash generated from operating activities	38,488	159,669	31,656	144,978
Cash flows from investing activities				
Purchases of available-for-sale financial assets	-	(2,892)	-	-
Acquisition of additional interest in a subsidiary company	-	(2)	-	-
Disposal of a subsidiary company, net of cash disposed	-	27,338	-	-
Acquisition of additional interest in a joint venture company	(133)	(16,923)	(133)	(16,923)
Liquidation of joint venture companies	50	18	50	18
Distribution to non-controlling interests upon liquidation of subsidiary companies	(490)	-	(233)	-
Additions to investment property	-	(9)	-	(9)
Additions to property, plant and equipment	(2,485)	(4,065)	(456)	(2,676)
Disposal of property, plant and equipment	151	131	3	83
Advancement of the loans to joint venture companies	(255,507)	(4,860)	(253,177)	(1,266)
Dividends received	9,847	12,014	3,477	12,014
Interest received	4,268	3,385	2,491	2,028
Net cash (used in)/generated from investing activities	(244,299)	14,135	(247,978)	(6,731)
Cash flows from financing activities				
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	701	-	701
Issuance of rights shares by a subsidiary company to non-controlling interests	14,198	-	-	-
Reissuance of treasury shares	290	264	43	20
Purchase of treasury shares	(2,589)	(3,541)	(1,542)	(3,541)
Repayment of the loans from non-controlling interests	(1,067)	(984)	(1,065)	(984)
(Repayment of)/proceeds from borrowings	(32,822)	165,859	(36,727)	160,795
Ordinary and special dividends paid	(23,448)	(47,267)	(23,448)	(47,267)
Dividends paid to non-controlling interests	(1,638)	(3,414)	(1,638)	(3,414)
Interest paid	(25,115)	(24,096)	(11,081)	(8,720)
Net cash (used in)/generated from financing activities	(72,191)	87,522	(75,458)	97,590
Net (decrease)/increase in cash and cash equivalents	(278,002)	261,326	(291,780)	235,837
Cash and cash equivalents at beginning of financial period	880,611	834,762	889,439	860,689
Effects of currency translation on cash and cash equivalents	(8,167)	2,727	(3,217)	2,289
Cash and cash equivalents at end of financial period	594,442	1,098,815	594,442	1,098,815

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 medium term notes and the advancement of the loan to a joint venture company.

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

	Group			Group		
	Half Year ended 31-Dec-15 S\$'000	Half Year ended 31-Dec-14 S\$'000	+ / (-) %	Second Quarter ended 31-Dec-15 S\$'000	Second Quarter ended 31-Dec-14 S\$'000	+ / (-) %
Total profit	9,703	39,076	(75)	3,792	8,930	(58)
Other comprehensive income/(expense), net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges	1,949	11,746	(83)	977	9,839	(90)
Currency translation differences	18,621	78,676	(76)	(30,911)	48,160	n.m.
Share of other comprehensive (expense)/income of associated and joint venture companies	(676)	2,213	n.m.	(7,261)	(42)	n.m.
	19,894	92,635	(79)	(37,195)	57,957	n.m.
Total comprehensive income/(expense)	29,597	131,711	(78)	(33,403)	66,887	n.m.
Attributable to:						
Equity holders of the Company	33,389	124,761	(73)	(35,733)	68,040	n.m.
Non-controlling interests	(3,792)	6,950	n.m.	2,330	(1,153)	n.m.
	29,597	131,711	(78)	(33,403)	66,887	n.m.

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 2015	838,250	76,717	2,258,202	3,173,169	189,032	3,362,201
Total comprehensive income/(expense)	-	30,278	3,111	33,389	(3,792)	29,597
Realisation of reserves	-	(25,808)	25,808	-	-	-
Cost of share-based payment	-	1,062	-	1,062	32	1,094
Reissuance of treasury shares	-	290	-	290	-	290
Purchase of treasury shares	-	(2,589)	-	(2,589)	-	(2,589)
Ordinary and special dividends paid	-	-	(23,448)	(23,448)	-	(23,448)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	(1,638)	(1,638)
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(146)	(146)	146	-
Issuance of rights shares by a subsidiary company to non-controlling interests	-	-	12,152	12,152	(689)	11,463
Liquidation of subsidiary companies	-	-	-	-	(490)	(490)
Balance at 31 December 2015	838,250	79,950	2,275,679	3,193,879	182,601	3,376,480

	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 2014	838,250	56,985	2,074,420	2,969,655	173,159	3,142,814
Total comprehensive income	-	93,273	31,488	124,761	6,950	131,711
Realisation of reserves	-	(34,411)	34,411	-	-	-
Cost of share-based payment	-	1,343	-	1,343	65	1,408
Reissuance of treasury shares	-	264	-	264	-	264
Purchase of treasury shares	-	(3,541)	-	(3,541)	-	(3,541)
Ordinary and special dividends paid	-	-	(47,267)	(47,267)	-	(47,267)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	(3,414)	(3,414)
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(939)	(939)	1,640	701
Acquisition of additional interest in a subsidiary company	-	-	(1)	(1)	(1)	(2)
Disposal of a subsidiary company	-	3,215	-	3,215	11,823	15,038
Balance at 31 December 2014	838,250	117,128	2,092,112	3,047,490	190,222	3,237,712

* 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**

	Share capital S\$'000	Share-based payment reserve S\$'000	Cash flow hedge reserve S\$'000	Treasury shares reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 July 2015	838,250	11,368	2,528	(19,584)	496,154	1,328,716
Total comprehensive income	-	-	1,583	-	411	1,994
Cost of share-based payment	-	1,001	-	-	-	1,001
Reissuance of treasury shares	-	(2,212)	-	2,501	-	289
Purchase of treasury shares	-	-	-	(2,589)	-	(2,589)
Ordinary and special dividends paid	-	-	-	-	(23,448)	(23,448)
Balance at 31 December 2015	838,250	10,157	4,111	(19,672)	473,117	1,305,963
Balance at 1 July 2014	838,250	11,549	-	(9,445)	472,161	1,312,515
Total comprehensive income	-	-	2,107	-	4,784	6,891
Cost of share-based payment	-	1,245	-	-	-	1,245
Reissuance of treasury shares	-	(2,147)	-	2,411	-	264
Purchase of treasury shares	-	-	-	(3,541)	-	(3,541)
Ordinary and special dividends paid	-	-	-	-	(47,267)	(47,267)
Balance at 31 December 2014	838,250	10,647	2,107	(10,575)	429,678	1,270,107

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

	<u>Number of shares</u>
<u>Issued ordinary shares</u>	
Balance at 1 October and 31 December 2015	<u>793,927,260</u>

At 31 December 2015, the Company's issued share capital (excluding treasury shares) comprises 780,695,560 (30 June 2015: 780,547,360) ordinary shares. The total number of treasury shares held by the Company as at 31 December 2015 was 13,231,700 (31 December 2014: 8,284,500) which represents 1.7% (31 December 2014: 1.1%) of the total number of issued shares (excluding treasury shares). At 31 December 2015, the total number of unexercised options under the Share Option Scheme was 2,175,100 (31 December 2014: 2,494,200).

There were 1,700,500 (31 December 2014: 2,098,000) treasury shares reissued pursuant to the employee share plans and share options for the half year ended 31 December 2015.

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 2015.

- 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	Half Year ended	Second Quarter ended	Second Quarter ended
	<u>31-Dec-15</u>	<u>31-Dec-14</u>	<u>31-Dec-15</u>	<u>31-Dec-14</u>
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	0.40	4.00	0.14	0.93
(b) On a fully diluted basis (cents)	0.40	3.99	0.14	0.93

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

	Group		Company	
	As at	As at	As at	As at
	<u>31-Dec-15</u>	<u>30-Jun-15</u>	<u>31-Dec-15</u>	<u>30-Jun-15</u>
Net asset value per ordinary share based on issued share capital excluding treasury shares (S\$)	4.09	4.07	1.67	1.70

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

For the half year ended 31 December 2015 ("current period"), the Group recorded a total revenue of S\$290.9 million. This is a 1% increase from the S\$286.7 million revenue recorded for the half year ended 31 December 2014 ("corresponding period"). Revenue for the current period was mainly attributable to the progressive sales recognized from The Tembusu, the additional units sold in Le Nouvel Ardmore in Singapore and The Lakeview in China as well as the contribution from Phase 2 of Jesselton Hills in Penang.

The Group's operating profit decreased by 39% from S\$49.6 million in the corresponding period to S\$30.0 million in the current period. Included under "Other gains" in the Group's income statement of the corresponding period was a one-off gain of S\$21.1 million arising from the sale of shares in a property subsidiary in Indonesia.

The Group's share of profits from associated and joint venture companies decreased by 25% to S\$15.8 million in the current period mainly due to the lower share of operating profit from Wing Tai Properties Limited in Hong Kong.

The Group's net profit attributable to shareholders for the current period was S\$3.1 million, which is 90% lower than the net profit of S\$31.5 million recorded in the corresponding period.

The Group's net asset value per share as at 31 December 2015 was S\$4.09 as compared to S\$4.07 as at 30 June 2015. The Group's net gearing ratio as at 31 December 2015 was 0.17 times.

- 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 2015.

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

The URA's private residential property price index decreased by 3.7% in 2015, as compared to the 4.0% decline in 2014. The total number of new private residential units sold islandwide in 2015 was 7,440 units, a slight increase from the 7,316 new units sold in 2014. The effects of the cooling measures will continue to weigh on the Singapore property market sentiment in the current year.

In Malaysia, the property market will continue to be soft in light of the current economic conditions. In China, residential property sales are expected to improve with some relaxation of home purchase restrictions in certain cities.

The Group will monitor the market closely and will at appropriate times release more residential units for sale in the current year.

- 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 2015.

- 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 2015 to be false or misleading.

BY ORDER OF THE BOARD

Gabrielle Tan
Company Secretary
Singapore
4 February 2016