

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

2019 FULL YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

The Company announces the unaudited consolidated results for the financial year and fourth quarter ended 30 June 2019.

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

	Group			Group			Note
	Year ended 30-Jun-19 S\$'000	Year ended 30-Jun-18 S\$'000	+ / (-) %	Fourth Quarter ended 30-Jun-19 S\$'000	Fourth Quarter ended 30-Jun-18 S\$'000	+ / (-) %	
Revenue	322,616	360,428	(10)	63,373	107,256	(41)	
Cost of sales	<u>(174,801)</u>	<u>(176,760)</u>	(1)	<u>(26,194)</u>	<u>(49,249)</u>	(47)	
Gross profit	147,815	183,668	(20)	37,179	58,007	(36)	
Other gains – net	27,125	38,368	(29)	17,474	21,616	(19)	(a)
Expenses							
- Distribution	(62,764)	(63,521)	(1)	(16,026)	(15,764)	2	(b)
- Administrative and other	(87,547)	<u>(88,563)</u>	(1)	(24,353)	<u>(26,267)</u>	(7)	(c)
Operating profit	24,629	69,952	(65)	14,274	37,592	(62)	
Finance costs	(30,849)	(32,533)	(5)	(7,119)	(7,385)	(4)	
Share of profits of associated and joint venture companies	52,498	208,478	(75)	10,576	114,251	(91)	
Profit before income tax	46,278	245,897	(81)	17,731	144,458	(88)	
Income tax credit/(expense)	2,479	<u>(18,580)</u>	n.m.	1,620	<u>(9,861)</u>	n.m.	
Total profit	48,757	<u>227,317</u>	(79)	19,351	<u>134,597</u>	(86)	
Attributable to:							
Equity holders of the Company	46,771	225,166	(79)	18,112	131,255	(86)	
Non-controlling interests	1,986	<u>2,151</u>	(8)	1,239	<u>3,342</u>	(63)	
	48,757	<u>227,317</u>	(79)	19,351	<u>134,597</u>	(86)	

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

	Group			Group		
	Year ended 30-Jun-19 S\$'000	Year ended 30-Jun-18 S\$'000	+ / (-) %	Fourth Quarter ended 30-Jun-19 S\$'000	Fourth Quarter ended 30-Jun-18 S\$'000	+ / (-) %
(A) Investment income	1,407	958	47	39	-	n.m.
(B) Interest income	10,292	7,724	33	2,031	2,119	(4)
(C) Finance costs	(30,849)	(32,533)	(5)	(7,119)	(7,385)	(4)
(D) Depreciation and amortisation	(8,063)	(7,557)	7	(1,999)	(1,921)	4
(E) Write-back of allowance/ (allowance) for doubtful debts	44	24	83	(18)	(3)	500
(F) Allowance for stock obsolescence	(799)	(1,404)	(43)	(482)	(907)	(47)
(G) Impairment in value of investments	-	-	-	-	-	-
(H) Foreign exchange (loss)/gain	(3,142)	(1,529)	105	1,127	(6,330)	n.m.
(I) Adjustment for tax in respect of prior years	5,295	3,142	69	5,295	3,142	69
(J) Gain on disposal of property, plant and equipment	2,213	716	209	99	654	(85)
(K) Fair value gains on investment properties	9,502	12,696	(25)	9,502	12,696	(25)
(L) (Allowance)/write-back of allowance for foreseeable losses on development properties	-	(4,498)	n.m.	-	4,944	n.m.
(M) Exceptional items						
Gain on disposal of subsidiary companies	-	22,705	n.m.	-	-	-

Note:-

- (a) The decrease in other gains – net as compared to the previous year is mainly due to the gain on disposal of subsidiary companies recognised in the previous year.
- (b) The decrease in distribution expenses as compared to the previous year is largely due to the lower rental for retail stores in Singapore.
- (c) The decrease in administrative and other expenses as compared to the previous year is largely due to the lower accrued operating expenses.

n.m. - not meaningful

1 (b)(i) Statements of Financial Position

	Group			Company		Note
	As at 30-Jun-19 S\$'000	As at 30-Jun-18 S\$'000	As at 30-Jun-17 S\$'000	As at 30-Jun-19 S\$'000	As at 30-Jun-18 S\$'000	
ASSETS						
Current assets						
Cash and cash equivalents	217,332	792,151	847,373	68,770	609,945	
Trade and other receivables	24,104	57,708	41,501	423,469	585,571	(a), (d)
Inventories	19,592	23,716	19,421	-	-	
Development properties	1,092,108	640,427	718,538	-	-	(b)
Tax recoverable	5,678	7,693	6,467	-	-	
Other assets	25,302	30,908	74,444	1,109	1,330	
Assets held for sale	-	-	252,208	-	-	
	1,384,116	1,552,603	1,959,952	493,348	1,196,846	
Non-current assets						
Trade and other receivables	278,558	278,098	203,619	1,162,002	533,454	
Investments in associated and joint venture companies	1,734,660	1,761,669	1,604,293	-	-	
Investments in subsidiary companies	-	-	-	282,063	282,063	
Investment properties	792,663	733,250	651,805	-	-	
Property, plant and equipment	112,441	115,099	115,922	13,015	10,549	
Deferred income tax assets	8,783	10,041	10,867	-	-	
Other assets	48,422	48,444	35,489	10,825	12,982	
	2,975,527	2,946,601	2,621,995	1,467,905	839,048	
Total assets	4,359,643	4,499,204	4,581,947	1,961,253	2,035,894	
LIABILITIES						
Current liabilities						
Trade and other payables	61,919	96,494	141,266	8,825	17,476	
Current income tax liabilities	22,426	42,609	36,834	1,179	293	
Borrowings	-	-	4,253	-	-	
Other liabilities	11,390	20,660	36,115	-	-	
Liabilities held for sale	-	-	2,147	-	-	
	95,735	159,763	220,615	10,004	17,769	
Non-current liabilities						
Borrowings	627,128	780,066	925,371	467,271	599,248	(c)
Deferred income tax liabilities	36,046	36,568	38,344	-	-	
Other liabilities	18,091	13,546	20,614	10,073	3,716	
	681,265	830,180	984,329	477,344	602,964	
Total liabilities	777,000	989,943	1,204,944	487,348	620,733	
NET ASSETS	3,582,643	3,509,261	3,377,003	1,473,905	1,415,161	
EQUITY						
Capital and reserves attributable to ordinary shareholders of the Company						
Share capital	838,250	838,250	838,250	838,250	838,250	
Other reserves	(27,577)	38,799	56,936	(40,758)	(31,644)	
Retained earnings	2,402,368	2,412,081	2,213,691	380,038	460,777	
	3,213,041	3,289,130	3,108,877	1,177,530	1,267,383	
Perpetual securities	296,375	147,778	147,778	296,375	147,778	
Non-controlling interests	73,227	72,353	120,348	-	-	
TOTAL EQUITY	3,582,643	3,509,261	3,377,003	1,473,905	1,415,161	

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.
- (b) The increase in the Group's development properties is primarily attributable to the purchase of land at Middle Road.
- (c) The decrease in the Group's and the Company's non-current borrowings is largely due to the repayment of bank borrowings.
- (d) The decrease in the Company's current trade and other receivables is mainly due to the repayment of loans from 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 30-Jun-19		As at 30-Jun-18	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 30-Jun-19		As at 30-Jun-18	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
83,004	544,124	84,199	695,867

Details of any collateral

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

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

	Group		Group	
	Year ended 30-Jun-19 S\$'000	Year ended 30-Jun-18 S\$'000	Fourth Quarter ended 30-Jun-19 S\$'000	Fourth Quarter ended 30-Jun-18 S\$'000
Cash flows from operating activities				
Total profit	48,757	227,317	19,351	134,597
Adjustments for:				
Non-cash items	(38,152)	(179,308)	(21,745)	(112,386)
Operating cash flows before working capital changes	10,605	48,009	(2,394)	22,211
Changes in operating assets and liabilities:				
Development properties	(471,033)	89,233	(559,009)	33,617
Other current assets/liabilities	13,860	(16,044)	31,555	(15,902)
Cash (used in)/generated from operations	(446,568)	121,198	(529,848)	39,926
Income tax paid	(13,488)	(15,982)	(690)	(781)
Net cash (used in)/generated from operating activities	(460,056)	105,216	(530,538)	39,145
Cash flows from investing activities				
Acquisition of additional interest in a subsidiary company	-	(70,667)	-	-
Acquisition of interest in a joint venture company	-	(1,600)	-	-
Additions to investment properties	(53,523)	(66,918)	(52,711)	(66,918)
Additions to property, plant and equipment	(9,512)	(9,438)	(2,427)	(3,936)
Purchase of available-for-sale financial assets	-	(9,774)	-	(7,039)
Purchase of financial investments at fair value through other comprehensive income	(11,343)	-	(1,070)	-
Disposal of subsidiary companies, net of cash disposed of	-	267,784	-	-
Disposal of property, plant and equipment	4,486	1,805	96	910
Proceeds from settlement of derivative financial instruments relating to net investment hedges	8,179	-	-	-
Advancement of the loans to joint venture companies	-	(79,326)	-	(3,780)
Advancement of the loans to non-controlling interests	(852)	(15,810)	(3,892)	(5,026)
Dividends received	52,698	39,795	33,071	18,999
Interest received	10,024	7,898	1,793	1,901
Net cash generated from/(used in) investing activities	157	63,749	(25,140)	(64,889)
Cash flows from financing activities				
Issuance of perpetual securities, net of transaction costs	147,897	-	147,897	-
Purchase of treasury shares	(10,716)	(4,479)	-	(4,479)
Net repayment of borrowings	(150,700)	(144,662)	(3,485)	(4,473)
Ordinary and special dividends paid	(61,418)	(46,468)	-	-
Perpetual securities distribution paid	(6,120)	(6,120)	(3,051)	(3,052)
Dividends paid to non-controlling interests	(280)	(720)	(280)	(720)
Interest paid	(28,324)	(31,424)	(5,826)	(6,587)
Net cash (used in)/generated from financing activities	(109,661)	(233,873)	135,255	(19,311)
Net decrease in cash and cash equivalents	(569,560)	(64,908)	(420,423)	(45,055)
Cash and cash equivalents at beginning of financial year/quarter	792,151	852,572	639,825	835,329
Effects of currency translation on cash and cash equivalents	(5,259)	4,487	(2,070)	1,877
Cash and cash equivalents at end of financial year	217,332	792,151	217,332	792,151

Note:-

- Cash and cash equivalents consist of fixed deposits, cash and bank balances.
- The decrease in the Group's cash and cash equivalents for the current year is mainly due to the repayment of bank borrowings and the purchase of land at Middle Road, partially offset by the issuance of perpetual securities.

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

	Group			Group		
	Year ended	Year ended	+ / (-) %	Fourth Quarter ended	Fourth Quarter ended	+ / (-) %
	30-Jun-19 S\$'000	30-Jun-18 S\$'000		30-Jun-19 S\$'000	30-Jun-18 S\$'000	
Total profit	48,757	227,317	(79)	19,351	134,597	(86)
Other comprehensive (expense)/income:						
Items that may be reclassified subsequently to profit or loss:						
Fair value losses on available-for-sale financial assets	-	(739)	n.m.	-	(41)	n.m.
Cash flow hedges	(3,401)	4,449	n.m.	(130)	792	n.m.
Currency translation differences	(33,646)	(13,242)	154	(3,962)	43,044	n.m.
Share of other comprehensive (expense)/income of associated and joint venture companies	(5,290)	6,048	n.m.	330	(2,164)	n.m.
	<u>(42,337)</u>	<u>(3,484)</u>	n.m.	<u>(3,762)</u>	<u>41,631</u>	n.m.
Items that will not be reclassified subsequently to profit or loss:						
Fair value (losses)/gains on financial investments at fair value through other comprehensive income	(3,951)	-	n.m.	468	-	n.m.
Currency translation differences	(837)	(648)	29	73	1,786	(96)
Share of other comprehensive income/(expense) of associated and joint venture companies	5	91	(95)	66	(183)	n.m.
	<u>(4,783)</u>	<u>(557)</u>	759	<u>607</u>	<u>1,603</u>	(62)
Other comprehensive (expense)/income, net of tax	<u>(47,120)</u>	<u>(4,041)</u>	n.m.	<u>(3,155)</u>	<u>43,234</u>	n.m.
Total comprehensive income	1,637	223,276	(99)	16,196	177,831	(91)
Attributable to:						
Equity holders of the Company	483	221,682	(100)	14,818	172,886	(91)
Non-controlling interests	<u>1,154</u>	<u>1,594</u>	(28)	<u>1,378</u>	<u>4,945</u>	(72)
	<u>1,637</u>	<u>223,276</u>	(99)	<u>16,196</u>	<u>177,831</u>	(91)

Note:-

n.m. - not meaningful

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

	Attributable to ordinary shareholders of the Company				Perpetual securities S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Other reserves * S\$'000	Retained earnings S\$'000	Total S\$'000			
Balance at 1 July 2018, as previously reported	838,250	(23,203)	2,514,733	3,329,780	147,778	72,514	3,550,072
Effects of transition to SFRS(I)s and adoptions of SFRS(I) 15 & 1-23	-	62,002	(102,652)	(40,650)	-	(161)	(40,811)
Balance at 1 July 2018, as adjusted	838,250	38,799	2,412,081	3,289,130	147,778	72,353	3,509,261
Effect of adoption of SFRS(I) 9	-	(11,549)	11,549	-	-	-	-
Balance at 1 July 2018, as reported	838,250	27,250	2,423,630	3,289,130	147,778	72,353	3,509,261
Total comprehensive (expense)/income	-	(46,288)	46,771	483	-	1,154	1,637
Issuance of perpetual securities, net of transaction costs	-	-	-	-	147,897	-	147,897
Cost of share-based payment	-	2,384	-	2,384	-	-	2,384
Reissuance of treasury shares	-	(205)	205	-	-	-	-
Purchase of treasury shares	-	(10,716)	-	(10,716)	-	-	(10,716)
Accrued perpetual securities distribution	-	-	(6,820)	(6,820)	6,820	-	-
Ordinary and special dividends paid	-	-	(61,418)	(61,418)	-	-	(61,418)
Perpetual securities distribution paid	-	-	-	-	(6,120)	-	(6,120)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	-	(280)	(280)
Liquidation of subsidiary companies	-	(2)	-	(2)	-	-	(2)
Balance at 30 June 2019	838,250	(27,577)	2,402,368	3,213,041	296,375	73,227	3,582,643

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

	Attributable to ordinary shareholders of the Company			Total S\$'000	Perpetual securities S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Other reserves * S\$'000	Retained earnings S\$'000				
Balance at 1 July 2017, as previously reported	838,250	(13,489)	2,321,935	3,146,696	147,778	121,233	3,415,707
Effects of transition to SFRS(I)s and adoptions of SFRS(I) 15 & 1-23	-	70,425	(108,244)	(37,819)	-	(885)	(38,704)
Balance at 1 July 2017, as adjusted	838,250	56,936	2,213,691	3,108,877	147,778	120,348	3,377,003
Total comprehensive (expense)/income	-	(3,484)	225,166	221,682	-	1,594	223,276
Expiry of share options	-	(9,634)	9,634	-	-	-	-
Cost of share-based payment	-	1,342	-	1,342	-	-	1,342
Reissuance of treasury shares	-	(110)	110	-	-	-	-
Purchase of treasury shares	-	(4,479)	-	(4,479)	-	-	(4,479)
Accrued perpetual securities distribution	-	-	(6,120)	(6,120)	6,120	-	-
Ordinary and special dividends paid	-	-	(46,468)	(46,468)	-	-	(46,468)
Perpetual securities distribution paid	-	-	-	-	(6,120)	-	(6,120)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	-	(720)	(720)
Acquisition of additional interest in a subsidiary company	-	(413)	16,068	15,655	-	(48,869)	(33,214)
Disposal of a subsidiary company	-	(1,359)	-	(1,359)	-	-	(1,359)
Balance at 30 June 2018	838,250	38,799	2,412,081	3,289,130	147,778	72,353	3,509,261

* 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, statutory reserve and fair value 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	Perpetual securities S\$'000	Total equity S\$'000
Balance at 1 July 2018	838,250	1,769	577	(33,990)	460,777	147,778	1,415,161
Total comprehensive expense	-	-	(577)	-	(12,706)	-	(13,283)
Issuance of perpetual securities, net of transaction costs	-	-	-	-	-	147,897	147,897
Cost of share-based payment	-	2,384	-	-	-	-	2,384
Reissuance of treasury shares	-	(1,992)	-	1,787	205	-	-
Purchase of treasury shares	-	-	-	(10,716)	-	-	(10,716)
Accrued perpetual securities distribution	-	-	-	-	(6,820)	6,820	-
Ordinary and special dividends paid	-	-	-	-	(61,418)	-	(61,418)
Perpetual securities distribution paid	-	-	-	-	-	(6,120)	(6,120)
Balance at 30 June 2019	838,250	2,161	-	(42,919)	380,038	296,375	1,473,905
Balance at 1 July 2017	838,250	10,486	(1,058)	(30,597)	485,687	147,778	1,450,546
Total comprehensive income	-	-	1,635	-	18,866	-	20,501
Expiry of share options	-	(8,702)	-	-	8,702	-	-
Cost of share-based payment	-	1,181	-	-	-	-	1,181
Reissuance of treasury shares	-	(1,196)	-	1,086	110	-	-
Purchase of treasury shares	-	-	-	(4,479)	-	-	(4,479)
Accrued perpetual securities distribution	-	-	-	-	(6,120)	6,120	-
Ordinary and special dividends paid	-	-	-	-	(46,468)	-	(46,468)
Perpetual securities distribution paid	-	-	-	-	-	(6,120)	(6,120)
Balance at 30 June 2018	838,250	1,769	577	(33,990)	460,777	147,778	1,415,161

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

	<u>Number of shares</u>
<u>Issued ordinary shares</u>	
Balance at 1 April and 30 June 2019	<u>793,927,260</u>

At 30 June 2019, the Company's issued share capital (excluding treasury shares) comprises 767,725,460 (30 June 2018: 772,195,860) ordinary shares. The total number of treasury shares held by the Company as at 30 June 2019 was 26,201,800 (30 June 2018: 21,731,400) which represents 3.4% (30 June 2018: 2.8%) of the total number of issued shares (excluding treasury shares).

There were 1,091,000 (30 June 2018: 715,600) treasury shares reissued pursuant to the employee share plans for the financial year ended 30 June 2019.

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.**

Except as disclosed in Note 5 below, 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 2018.

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.**

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Singapore Financial Reporting Standards (International) (SFRS(I)s), for annual periods beginning on or after 1 January 2018.

In adopting SFRS(I)s, the Group has applied all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I)s*. In addition, the Group has also adopted the following SFRS(I)s, and amendments and interpretations of SFRS(I)s that are relevant to the Group and the Company and effective for annual periods beginning on or after 1 January 2018 as follows:

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers*
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*
- SFRS(I) 1-23 *Borrowing Costs*

The adoption of the above standards did not have any significant impact on the financial performance or position of the Group and the Company except for the following:

(a) SFRS(I) 1 *First-time Adoption of SFRS(I)s*

The Group has applied SFRS(I)s on a retrospective basis and has adjusted the comparatives where applicable because SFRS(I) 1 requires both the opening statement of financial position as at 1 July 2017 and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application. The Group has elected the following optional exemptions which result in adjustments to the Group's financial statements prepared under SFRS(I)s as follows:

(i) Cumulative translation differences

The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I)s on 1 July 2017. As a result, currency translation reserve and share of capital reserves of associated and joint venture companies as at 1 July 2017 was increased by \$87,333,000 and \$7,339,000 respectively, and retained earnings decreased by \$94,672,000 on the same date.

(ii) Deemed cost exemption

The Group has elected and regarded the carrying amount of certain property, plant and equipment stated at valuation as their deemed cost at the date of transition to SFRS(I)s on 1 July 2017. As a result, \$24,247,000 of the Group's asset revaluation reserve was reclassified directly into retained earnings on that date.

(b) SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. The Group has elected to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 July 2018. Accordingly, requirements of SFRS(I) 39 *Financial Instruments: Recognition and Measurement* continued to apply to financial instruments of the Group up to the financial year ended 30 June 2018.

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.**
(continued)

(b) SFRS(I) 9 *Financial Instruments* (continued)

The Group has assessed the business models that are applicable on 1 July 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. The Group has elected to recognise changes in the fair value of certain equity investments not held for trading and previously classified as available-for-sale financial assets in other comprehensive income. The Group's associated company has reclassified its available-for-sale financial assets to financial investments at fair value through profit or loss as they do not meet the criteria for classification at amortised cost. As a result, the Group's share of the related fair value gains of \$11,549,000 was transferred from share of capital reserves of associated and joint venture companies directly to retained earnings on 1 July 2018.

The Group's existing hedges as at 1 July 2018 that were designated as effective hedging relationships continue to qualify for hedge accounting under SFRS(I) 9.

SFRS(I) 9 requires the Group and the Company to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group has adopted the simplified approach and records lifetime expected losses on all trade receivables. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

(c) SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces a new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group has applied all of the requirements of SFRS(I) 15 retrospectively, except for the practical expedients used for completed contracts. Under these practical expedients, completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not adjusted. The Group has also voluntarily changed the presentation of assets and liabilities related to contracts with customers.

The adoption of SFRS(I) 15 resulted in the following adjustments:

(i) Accounting for sale of development properties

Under SFRS(I) 15, the Group's revenue from the sale of development properties is recognised when or as the control of assets is transferred to the customers, depending on the terms of the contract and the laws that apply to the contract. The Group identified certain contracts relating to the sale of development properties where there are two distinct performance obligations which are satisfied at different timings (i.e. sale of properties, and sale of other items that are delivered on completion of the properties), and concluded that the revenue recognition for these contracts are affected by the change in accounting policy. For properties sold under these contracts, the Group has determined that they have no alternative use to the Group due to contractual restrictions, and the Group has enforceable rights to payment from the customers for performance completed to date. Accordingly, the Group recognises revenue as the performance obligation is satisfied over time by reference to the stage of completion of the properties. Revenue for the sale of the other items is recognised at a point in time when the control of those items is passed to the customer upon transfer of legal title of the completed property.

(ii) Accounting for costs to obtain a contract

Previously, sales commissions paid to property agents in the sale of development properties were expensed as they did not qualify for recognition as an asset under any of the accounting standards. However, these costs relate directly to the contract and are expected to be recovered. They were therefore capitalised as costs to obtain a contract following the adoption of SFRS(I) 15 and included in other current assets in the statement of financial position as at 1 July 2017. The asset is amortised over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

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.**
(continued)

(c) SFRS(I) 15 Revenue from Contracts with Customers (continued)

(iii) Equity accounting for share of results of associated company

In accordance with the requirements of SFRS(I) 1, the Group's associated company has applied the requirements of SFRS(I) 15 retrospectively. The Group has adjusted the carrying value of its investment in associated company and its share of profits of associated company in line with the adoption.

(d) SFRS(I) 1-23 Borrowing Costs

In 2018, the IFRS Interpretations Committee ("IFRIC"), which works with the IASB in supporting the application of IFRS standards, received a submission on whether a real estate developer capitalises borrowing costs as part of the cost of units for a residential multi-unit real estate development, for which the developer recognises revenue over time for the sale of individual units in the development based on IFRS 15 *Revenue from Contracts with Customers*.

In November 2018, the IFRIC issued a Tentative Agenda Decision containing explanatory material for the decision and how the applicable principles and requirements in International Accounting Standards ("IAS") 23 *Borrowing Costs* apply to the fact pattern in the submission. The IFRIC tentatively concluded that such an entity should not capitalise borrowing costs. This Tentative Agenda Decision was finalised in its original form on 20 March 2019.

As SFRS(I) 1-23 and SFRS(I) 15 are aligned to IAS 23 and IFRS 15 respectively, the above Agenda Decision has relevant impact to the Group's activities as a property developer. Following this Agenda Decision, borrowing costs which were previously capitalised for development projects over the period of development are now expensed as incurred to the income statement.

The effects on the comparatives arising from the adoption of the SFRS(I) 1, 15 and 1-23 are as follows:

Income Statement

	Group	
	Year ended 30-Jun-18 <u>S\$'000</u>	Fourth Quarter ended 30-Jun-18 <u>S\$'000</u>
(Decrease)/increase in revenue	(12,802)	1,479
Decrease in cost of sales	16,295	1,529
Increase/(decrease) in other gains – net	5,942	(72)
Decrease in distribution and marketing expenses	196	26
Decrease in administrative and other expenses	7	2
Increase in finance costs	(36)	(5)
Decrease in share of profits of associated and joint venture companies	(3,142)	(1,056)
Increase in income tax expense	(252)	(518)
Increase in total profit	<u>6,208</u>	<u>1,385</u>
Attributable to:		
Equity holders of the Company	6,363	1,461
Non-controlling interests	(155)	(76)
	<u>6,208</u>	<u>1,385</u>
Increase/(decrease) in:		
Basic earnings per share (cents)	0.82	0.18
Diluted earnings per share (cents)	<u>0.82</u>	<u>0.18</u>

- 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. (continued)

Statement of Financial Position

	Group	
	As at 30-Jun-18 <u>S\$'000</u>	As at 30-Jun-17 <u>S\$'000</u>
Increase/(decrease) in:		
Trade and other receivables - current	-	(25,213)
Development properties	(21,509)	(28,669)
Other assets - current	(30)	22,741
Trade and other receivables – non-current	(6,184)	(7,830)
Investments in associated and joint venture companies	(4,942)	(116)
Property, plant and equipment	(1,945)	(6)
Deferred income tax assets	2,106	5,205
Trade and other payables	(6,282)	-
Other liabilities - current	14,511	4,611
Deferred income tax liabilities	78	205
Other reserves	62,002	70,425
Retained earnings	(102,652)	(108,244)
Non-controlling interests	(161)	(885)

In addition to the above adjustments, certain reclassifications have been made to the Group's statements of financial position as at 30 June 2018 and 2017 to conform to the presentation as at 30 June 2019.

6 **Earnings per ordinary share**

	Group		Group	
	Year ended 30-Jun-19 <u>cents</u>	Year ended 30-Jun-18 <u>cents</u>	Fourth Quarter ended 30-Jun-19 <u>cents</u>	Fourth Quarter ended 30-Jun-18 <u>cents</u>
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares	5.21	28.29	2.07	16.75
(b) On a fully diluted basis	5.19	28.18	2.06	16.67

7 **Net asset value per ordinary share**

	Group			Company	
	As at 30-Jun-19 <u>S\$</u>	As at 30-Jun-18 <u>S\$</u>	As at 30-Jun-17 <u>S\$</u>	As at 30-Jun-19 <u>S\$</u>	As at 30-Jun-18 <u>S\$</u>
Net asset value per ordinary share based on issued share capital excluding treasury shares	4.19	4.26	4.02	1.53	1.64

8 **Review of performance of the group**

For the financial year ended 30 June 2019, the Group recorded a total revenue of S\$322.6 million. This represents a 10% decrease from the S\$360.4 million revenue recorded in the previous year. This decrease is mainly due to the lower contributions from development properties. The current year revenue from development properties was largely attributable to the additional units sold in Le Nouvel Ardmore in Singapore and the increase in property sales in Malaysia.

The Group recorded a net profit before tax of S\$46.3 million in the current year as compared to S\$245.9 million in the previous year. This decrease is mainly due to the absence of one-off gain on disposal of a subsidiary company and the lower contribution from Wing Tai Properties Limited in Hong Kong. The share of profits of Wing Tai Properties Limited in the previous year included one-off gains on disposal of Winner Godown Building, an industrial building and W Square, a Grade A office building located in Hong Kong.

In the current year, the Group's net profit attributable to shareholders was S\$46.8 million as compared to the S\$225.2 million recorded in the previous year.

The Group's net asset value per share as at 30 June 2019 was S\$4.19 as compared to S\$4.26 as at 30 June 2018. The Group's net gearing ratio was 0.12 times as at 30 June 2019. It was in a net cash position as at 30 June 2018.

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 nine months ended 31 March 2019.

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 increased by 1.5% in the second quarter of 2019 as compared to 0.7% decrease in the previous quarter. The total number of new private residential units sold islandwide in the first half of 2019 was 4,188 units, as compared to 3,947 new units sold in the first half of 2018.

In April 2019, the Group was awarded the tender for a 99-year leasehold land parcel located at Middle Road. The Group plans to develop it as a residential development with commercial use at the first storey.

In June 2019, the Group acquired the Red Planet Hotel Asakusa Tokyo that is situated within the Asakusa district. The 13-floor hotel has 134 rooms and a restaurant.

The Group will continue to look for investment opportunities in Singapore and overseas markets.

11 **Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Name of Dividend	First and Final (Tax-exempt)	Special (Tax-exempt)
Dividend Type	Cash	Cash
Dividend in cents	3 cents per share	2 cents per share

11 **Dividend** (continued)

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

Name of Dividend	First and Final (Tax-exempt)	Special (Tax-exempt)
Dividend Type	Cash	Cash
Dividend in cents	3 cents per share	5 cents per share

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

To be announced later. The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

(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.**

Notice will be given at a later date on the closure of the Transfer Books and Register of Members of the Company to determine members' entitlement to the dividend.

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

Not applicable.

13 **Segment results**

	Development properties <u>S\$'000</u>	Investment properties <u>S\$'000</u>	Retail <u>S\$'000</u>	Others <u>S\$'000</u>	Group <u>S\$'000</u>
<u>Year ended 30-Jun-19</u>					
Revenue	136,188	41,314	134,465	10,649	322,616
Earnings before interest and tax	14,071	53,005	40,185	(40,426)	66,835
Interest income					10,292
Finance costs					(30,849)
Profit before income tax					46,278
Income tax credit					2,479
Total profit					48,757
<u>Year ended 30-Jun-18</u>					
Revenue	179,378	35,884	136,126	9,040	360,428
Earnings before interest and tax	67,406	197,811	34,329	(28,840)	270,706
Interest income					7,724
Finance costs					(32,533)
Profit before income tax					245,897
Income tax expense					(18,580)
Total profit					227,317

- 14 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item (8) above.

- 15 **Breakdown of revenue and total profit**

	Group		
	Year ended 30-Jun-19 <u>S\$'000</u>	Year ended 30-Jun-18 <u>S\$'000</u>	+ / (-) %
(a) Revenue reported for first half year	193,942	181,036	7
(b) Total profit reported for first half year	18,887	21,884	(14)
(c) Revenue reported for second half year	128,674	179,392	(28)
(d) Total profit reported for second half year	<u>29,870</u>	<u>205,433</u>	(85)

- 16 **Breakdown of net dividends**

	Company	
	Year ended 30-Jun-19 <u>S\$'000</u>	Year ended 30-Jun-18 <u>S\$'000</u>
Ordinary Cash	23,032	23,032
Special Cash	15,354	38,386
Total	<u>38,386</u>	<u>61,418</u>

- 17 **Interested Person Transactions**

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

18 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiary companies who is a relative of a director or chief executive officer or substantial shareholder of the issuer**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Cheng Wai Keung	69	Brother of Edmund Cheng Wai Wing and Cheng Man Tak	1985 – Managing Director of the Company 1994 – Chairman of the Company	Not applicable
Edmund Cheng Wai Wing	67	Brother of Cheng Wai Keung and Cheng Man Tak	1985 – Deputy Managing Director of the Company 1994 – Deputy Chairman of the Company	Not applicable
Cheng Man Tak	59	Brother of Cheng Wai Keung and Edmund Cheng Wai Wing	1981 – Non-executive Director of the Company	Not applicable
Helen Chow	68	Wife of Cheng Wai Keung	1991 – Director of Wing Tai Property Management Pte Ltd, a subsidiary company of the Company	Not applicable
Wong Kit Heng	69	Wife of Edmund Cheng Wai Wing	1984 – Director of Wing Tai Clothing Pte Ltd, a subsidiary company of the Company	Not applicable

19 **Confirmation by the Company pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Gabrielle Tan
Company Secretary
Singapore
27 August 2019