

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

The Directors of Wing Tai Holdings Limited announce the unaudited consolidated results for the first quarter ended 30 September 2015.

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

	Group			
	First Quarter ended 30-Sep-15 S\$'000	First Quarter ended 30-Sep-14 S\$'000	+ / (-) %	Note
Revenue	170,256	160,093	6	
Cost of sales	<u>(110,372)</u>	<u>(97,949)</u>	13	
Gross profit	59,884	62,144	(4)	
Other gains - net	1,519	23,036	(93)	(a)
Expenses				
- Distribution	(24,993)	(26,864)	(7)	(b)
- Administrative and other	<u>(19,361)</u>	<u>(21,070)</u>	(8)	(c)
Operating profit	17,049	37,246	(54)	
Finance costs	(10,106)	(10,912)	(7)	
Share of profits of associated and joint venture companies	<u>7,368</u>	<u>13,374</u>	(45)	
Profit before income tax	14,311	39,708	(64)	
Income tax expense	<u>(8,400)</u>	<u>(9,562)</u>	(12)	
Total profit	<u>5,911</u>	<u>30,146</u>	(80)	
Attributable to:				
Equity holders of the Company	2,029	24,163	(92)	
Non-controlling interests	<u>3,882</u>	<u>5,983</u>	(35)	
	<u>5,911</u>	<u>30,146</u>	(80)	

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

		Group		
		First Quarter ended 30-Sep-15 S\$'000	First Quarter ended 30-Sep-14 S\$'000	+ / (-) %
(A)	Investment income	-	-	-
(B)	Interest income	1,695	1,326	28
(C)	Finance costs	(10,106)	(10,912)	(7)
(D)	Depreciation and amortisation	(3,019)	(3,621)	(17)
(E)	(Allowance)/write-back of allowance for doubtful debts	(34)	80	n.m.
(F)	Allowance for stock obsolescence	(261)	(534)	(51)
(G)	Impairment in value of investments	-	-	-
(H)	Foreign exchange gain/(loss)	114	(388)	n.m.
(I)	Adjustment for tax in respect of prior years	-	-	-
(J)	Gain on disposal of property, plant and equipment	146	32	356
(K)	Exceptional items			
	Gain on disposal of a subsidiary company	-	21,163	n.m.
(L)	Extraordinary items	<u>-</u>	<u>-</u>	-

Note:-

- (a) The decrease in other gains - net is mainly due to the one-off gain on disposal of a subsidiary company recognised in the corresponding quarter.
- (b) The decrease in distribution expenses is largely due to the lower rental and depreciation from retail outlets in Singapore in the current quarter.
- (c) The decrease in administrative and other expenses is primarily attributable to the lower staff costs and property tax incurred in the current quarter.

n.m. - not meaningful

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

	Group		Company		Note
	As at 30-Sep-15 S\$'000	As at 30-Jun-15 S\$'000	As at 30-Sep-15 S\$'000	As at 30-Jun-15 S\$'000	
ASSETS					
Current assets					
Cash and cash equivalents	889,439	880,611	393,005	463,078	
Trade and other receivables	31,831	28,637	361,304	361,997	
Inventories	19,306	20,015	-	-	
Development properties	1,235,527	1,265,103	-	-	(a)
Tax recoverable	5,951	6,482	-	-	
Other current assets	35,627	40,477	6,741	7,266	
	2,217,681	2,241,325	761,050	832,341	
Non-current assets					
Available-for-sale financial assets	6,452	6,267	3,189	3,189	
Trade and other receivables	401,440	400,111	1,112,839	1,060,578	(d)
Derivative financial instruments	8,808	4,769	5,143	3,231	
Investment in an associated company	1,440,068	1,353,952	-	-	(b)
Investments in joint venture companies	170,816	176,299	-	-	
Investments in subsidiary companies	-	-	283,063	252,392	(e)
Investment properties	581,592	585,527	-	-	
Property, plant and equipment	114,136	119,310	10,381	9,576	
	2,723,312	2,646,235	1,414,615	1,328,966	
Total assets	4,940,993	4,887,560	2,175,665	2,161,307	
LIABILITIES					
Current liabilities					
Trade and other payables	162,510	176,878	92,838	94,109	(c)
Current income tax liabilities	49,979	51,222	686	686	
Borrowings	36,444	35,984	-	-	
	248,933	264,084	93,524	94,795	
Non-current liabilities					
Borrowings	1,147,768	1,155,375	738,684	737,796	
Deferred income tax liabilities	66,387	64,010	-	-	
Other non-current liabilities	39,602	41,890	-	-	
	1,253,757	1,261,275	738,684	737,796	
Total liabilities	1,502,690	1,525,359	832,208	832,591	
NET ASSETS	3,438,303	3,362,201	1,343,457	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	126,967	76,717	(4,936)	(5,688)	
Retained earnings	2,290,247	2,258,202	510,143	496,154	
	3,255,464	3,173,169	1,343,457	1,328,716	
Non-controlling interests	182,839	189,032	-	-	
TOTAL EQUITY	3,438,303	3,362,201	1,343,457	1,328,716	

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

Note:-

- (a) The decrease in the Group's development properties is largely attributable to the progress billings made partially offset by the development costs incurred and capitalised.
- (b) The increase in the Group's investment in an associated company is primarily due to the share of its profit.
- (c) The decrease in the Group's trade and other payables is mainly due to the settlement of project related costs.
- (d) The increase in the Company's non-current trade and other receivables is largely due to the advancement of loans to its subsidiary companies.
- (e) 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 30-Sep-15		As at 30-Jun-15	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
25,062	11,382	30,628	5,356

Amount repayable after one year

As at 30-Sep-15		As at 30-Jun-15	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
305,439	842,329	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	
	First Quarter ended 30-Sep-15 S\$'000	First Quarter ended 30-Sep-14 S\$'000
Cash flows from operating activities		
Total profit	5,911	30,146
Adjustments for:		
Non-cash items	14,441	(6,318)
Operating cash flow before working capital changes	20,352	23,828
Changes in operating assets and liabilities:		
Development properties	5,902	(25,397)
Other current assets/liabilities	(13,557)	19,726
Cash generated from operations	12,697	18,157
Income tax paid	(5,865)	(3,483)
Net cash generated from operating activities	6,832	14,674
Cash flows from investing activities		
Purchase of available-for-sale financial assets	-	(2,899)
Acquisition of additional interest in a subsidiary company	-	(2)
Additions to property, plant and equipment	(2,029)	(1,389)
Disposal of property, plant and equipment	148	48
Disposal of a subsidiary company, net of cash disposed of	-	27,362
Distribution to non-controlling interests upon liquidation of a subsidiary company	(257)	-
Advancement of the loans to joint venture companies	(2,330)	(3,594)
Dividends received	6,370	-
Interest received	1,777	1,357
Net cash generated from investing activities	3,679	20,883
Cash flows from financing activities		
Issuance of rights shares by a subsidiary company to non-controlling interests	14,198	-
Reissuance of treasury shares	247	244
Purchase of treasury shares	(1,047)	-
Repayment of the loans from non-controlling interests	(2)	-
Proceeds from borrowings	3,905	5,064
Interest paid	(14,034)	(15,376)
Net cash generated from/(used in) financing activities	3,267	(10,068)
Net increase in cash and cash equivalents	13,778	25,489
Cash and cash equivalents at beginning of financial quarter	880,611	834,762
Effects of currency translation on cash and cash equivalents	(4,950)	438
Cash and cash equivalents at end of financial quarter	889,439	860,689

Note:-

- Cash and cash equivalents consist of fixed deposits, cash and bank balances.
- The increase in the Group's cash and cash equivalents is mainly attributable to the proceeds from the issuance of rights shares by a subsidiary company to its non-controlling interests.

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

	Group		
	First Quarter ended 30-Sep-15 S\$'000	First Quarter ended 30-Sep-14 S\$'000	+ /(-) %
Total profit	5,911	30,146	(80)
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	972	1,907	(49)
Currency translation differences	49,532	30,516	62
Share of other comprehensive income of associated and joint venture companies	6,585	2,255	192
	57,089	34,678	65
Total comprehensive income	63,000	64,824	(3)
Attributable to:			
Equity holders of the Company	69,122	56,721	22
Non-controlling interests	(6,122)	8,103	n.m.
	63,000	64,824	(3)

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 S\$'000	Other reserves * S\$'000	Retained earnings S\$'000	Total S\$'000		
Balance at 1 July 2015	838,250	76,717	2,258,202	3,173,169	189,032	3,362,201
Total comprehensive income	-	67,093	2,029	69,122	(6,122)	63,000
Realisation of reserves	-	(16,612)	16,612	-	-	-
Cost of share-based payment	-	569	-	569	16	585
Reissuance of treasury shares	-	247	-	247	-	247
Purchase of treasury shares	-	(1,047)	-	(1,047)	-	(1,047)
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	-	-	13,550	13,550	24	13,574
Liquidation of a subsidiary company	-	-	-	-	(257)	(257)
Balance at 30 September 2015	838,250	126,967	2,290,247	3,255,464	182,839	3,438,303

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

	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	-	32,558	24,163	56,721	8,103	64,824
Realisation of reserves	-	(24,622)	24,622	-	-	-
Cost of share-based payment	-	773	-	773	33	806
Reissuance of treasury shares	-	244	-	244	-	244
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(117)	(117)	117	-
Acquisition of additional interest in a subsidiary company	-	-	(1)	(1)	(1)	(2)
Disposal of a subsidiary company	-	3,213	-	3,213	11,822	15,035
Balance at 30 September 2014	838,250	69,151	2,123,087	3,030,488	193,233	3,223,721

* 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, capital redemption reserve and statutory reserve.

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

	Share capital	Share-based payment reserve	Cash flow hedge reserve	Treasury shares reserve	Retained earnings	Total equity
	<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	11,368	2,528	(19,584)	496,154	1,328,716
Total comprehensive income	-	-	1,013	-	13,989	15,002
Cost of share-based payment	-	539	-	-	-	539
Reissuance of treasury shares	-	(1,184)	-	1,431	-	247
Purchase of treasury shares	-	-	-	(1,047)	-	(1,047)
Balance at 30 September 2015	838,250	10,723	3,541	(19,200)	510,143	1,343,457

	Share capital	Share-based payment reserve	Cash flow hedge reserve	Treasury shares reserve	Retained earnings	Total equity
	<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	11,549	-	(9,445)	472,161	1,312,515
Total comprehensive expense	-	-	-	-	(1,531)	(1,531)
Cost of share-based payment	-	723	-	-	-	723
Reissuance of treasury shares	-	(1,429)	-	1,673	-	244
Balance at 30 September 2014	838,250	10,843	-	(7,772)	470,630	1,311,951

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

<u>Issued ordinary shares</u>	<u>Number of shares</u>
Balance at 1 July and 30 September 2015	<u>793,927,260</u>

At 30 September 2015, the Company's issued share capital (excluding treasury shares) comprises 780,880,860 (30 June 2015: 780,547,360) ordinary shares. The total number of treasury shares held by the Company as at 30 September 2015 was 13,046,400 (30 September 2014: 6,763,100) which represents 1.7% (30 September 2014: 0.9%) of the total number of issued shares (excluding treasury shares). At 30 September 2015, the total number of unexercised options under the Share Option Scheme was 2,231,200 (30 September 2014: 2,742,800).

There were 973,300 (30 September 2014: 1,455,400) treasury shares reissued pursuant to the employee share plans and share options for the first quarter ended 30 September 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	
	First Quarter ended <u>30-Sep-15</u>	First Quarter ended <u>30-Sep-14</u>
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	0.26	3.07
(b) On a fully diluted basis (cents)	0.26	3.06

7 **Net asset value per ordinary share**

	Group		Company	
	As at 30-Sep-15	As at 30-Jun-15	As at 30-Sep-15	As at 30-Jun-15
Net asset value per ordinary share based on issued share capital excluding treasury shares (S\$)	4.17	4.07	1.72	1.70

8 **Review of performance of the group**

For the three months ended 30 September 2015 (“current quarter”), the Group recorded a total revenue of S\$170.3 million. This is a 6% increase from the S\$160.1 million revenue recorded in the three months ended 30 September 2014 (“corresponding quarter”). Revenue for the current quarter 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 Jesselton Hills in Penang. In the current quarter, Phase 2 of Jesselton Hills obtained its Temporary Occupation Permit (“TOP”) and the revenue for all units sold was fully recognised.

The Group’s operating profit decreased by 54% to S\$17.0 million in the current quarter from S\$37.2 million in the corresponding quarter. Included under “Other gains” in the Group’s income statement of the corresponding quarter was a one-off gain of S\$21.2 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 45% to S\$7.4 million in the current quarter, largely due to the lower contributions from Wing Tai Properties Limited in Hong Kong and the joint venture development projects in Singapore.

The Group’s net profit attributable to shareholders for the current quarter was S\$2.0 million, a decrease of 92% as compared to the \$24.2 million recorded in the corresponding quarter.

The Group’s net asset value per share as at 30 September 2015 was S\$4.17 as compared to S\$4.07 as at 30 June 2015. The Group’s net gearing ratio as at 30 September 2015 was 0.1 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 financial year ended 30 June 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 residential property price index declined by 1.3% in the third quarter of 2015, compared to the 0.9% decline in the previous quarter. This was the eighth straight quarter of price decline.

The total number of new residential units sold islandwide in the third quarter was 2,410, compared to 2,116 units sold in the second quarter of 2015. In Singapore, buying sentiment for private residential property is expected to remain subdued.

In Malaysia, the cautious buying sentiment in the property market remains. In China, residential 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 officially launch new residential projects for sale in the current financial 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 first quarter ended 30 September 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 first quarter ended 30 September 2015 to be false or misleading.

BY ORDER OF THE BOARD

Gabrielle Tan
Company Secretary
Singapore
28 October 2015