

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 MARCH 2017

The Company announces the unaudited consolidated results for the nine months and third quarter ended 31 March 2017.

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

	Group			Group			Note
	Nine Months ended 31-Mar-17 S\$'000	Nine Months ended 31-Mar-16 S\$'000	+ / (-) %	Third Quarter ended 31-Mar-17 S\$'000	Third Quarter ended 31-Mar-16 S\$'000	+ / (-) %	
Revenue	204,568	403,846	(49)	73,477	112,979	(35)	
Cost of sales	(100,534)	(243,372)	(59)	(36,546)	(69,997)	(48)	
Gross profit	104,034	160,474	(35)	36,931	42,982	(14)	
Other gains - net	11,639	7,614	53	1,378	3,460	(60)	(a)
Expenses							
- Distribution	(50,492)	(69,225)	(27)	(15,992)	(22,057)	(27)	(b)
- Administrative and other	(64,029)	(67,223)	(5)	(20,223)	(22,777)	(11)	(c)
Operating profit	1,152	31,640	(96)	2,094	1,608	30	
Finance costs	(30,253)	(33,348)	(9)	(9,281)	(11,781)	(21)	
Share of profits of associated and joint venture companies	41,250	29,515	40	16,909	13,673	24	
Profit before income tax	12,149	27,807	(56)	9,722	3,500	178	
Income tax credit/(expense)	1,399	(15,621)	n.m.	(1,083)	(1,017)	6	
Total profit	13,548	12,186	11	8,639	2,483	248	
Attributable to:							
Equity holders of the Company	10,625	5,202	104	7,433	2,091	255	
Non-controlling interests	2,923	6,984	(58)	1,206	392	208	
	13,548	12,186	11	8,639	2,483	248	

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

	Group			Group		
	Nine Months ended 31-Mar-17 S\$'000	Nine Months ended 31-Mar-16 S\$'000	+ / (-) %	Third Quarter ended 31-Mar-17 S\$'000	Third Quarter ended 31-Mar-16 S\$'000	+ / (-) %
(A) Investment income	136	141	(4)	-	-	-
(B) Interest income	5,296	6,321	(16)	1,661	2,267	(27)
(C) Finance costs	(30,253)	(33,348)	(9)	(9,281)	(11,781)	(21)
(D) Depreciation and amortisation	(6,199)	(8,011)	(23)	(2,058)	(2,407)	(14)
(E) (Allowance)/write-back of allowance for doubtful debts	(263)	(13)	n.m.	3	15	(80)
(F) (Allowance)/write-back of allowance for stock obsolescence	(942)	308	n.m.	21	948	(98)
(G) Impairment in value of investments	-	-	-	-	-	-
(H) Foreign exchange gain/(loss)	701	1,961	(64)	(600)	700	n.m.
(I) Adjustment for tax in respect of prior years	-	-	-	-	-	-
(J) Gain on disposal of property, plant and equipment	251	158	59	1	9	(89)
(K) Exceptional items						
Gain on disposal of a joint venture company	4,522	-	n.m.	-	-	-
(L) Extraordinary items	-	-	-	-	-	-

Note:-

- (a) The increase in other gains - net for the current period is mainly due to the one-off gain on disposal of a joint venture company.
- (b) The decrease in distribution expenses is largely due to the lower rental and depreciation from retail outlets in Singapore.
- (c) The decrease in administrative and other expenses 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 31-Mar-17 <u>S\$'000</u>	As at 30-Jun-16 <u>S\$'000</u>	As at 31-Mar-17 <u>S\$'000</u>	As at 30-Jun-16 <u>S\$'000</u>	
ASSETS					
Current assets					
Cash and cash equivalents	748,039	722,883	517,678	335,091	
Trade and other receivables	39,809	45,359	542,228	1,171,470	(f)
Inventories	17,149	21,568	-	-	
Development properties	1,050,376	1,228,769	-	-	(a)
Tax recoverable	5,458	3,698	-	-	
Other current assets	49,612	29,061	5,278	6,111	
Assets held for sale	-	495,512	-	-	
	1,910,443	2,546,850	1,065,184	1,512,672	
Non-current assets					
Available-for-sale financial assets	23,984	6,276	3,189	3,189	
Trade and other receivables	225,963	216,157	583,707	518,181	(g)
Derivative financial instruments	9,269	15,178	5,801	11,322	
Investments in associated and joint venture companies	1,574,815	1,496,998	-	-	(b)
Investments in subsidiary companies	-	-	282,063	283,063	
Investment properties	610,108	577,732	-	-	(c)
Property, plant and equipment	112,798	116,444	11,169	10,852	
	2,556,937	2,428,785	885,929	826,607	
Total assets	4,467,380	4,975,635	1,951,113	2,339,279	
LIABILITIES					
Current liabilities					
Trade and other payables	101,272	133,056	30,186	93,924	(d),(h)
Current income tax liabilities	32,452	38,905	938	1,043	
Borrowings	4,716	87,348	-	-	(e)
	138,440	259,309	31,124	94,967	
Non-current liabilities					
Borrowings	951,152	1,289,158	650,410	927,838	(e)
Deferred income tax liabilities	42,874	65,167	-	-	
Other non-current liabilities	20,854	29,475	-	-	
	1,014,880	1,383,800	650,410	927,838	
Total liabilities	1,153,320	1,643,109	681,534	1,022,805	
NET ASSETS	3,314,060	3,332,526	1,269,579	1,316,474	
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	838,250	838,250	838,250	838,250	
Other reserves	(20,582)	(33,657)	(16,319)	(21,133)	
Retained earnings	2,291,615	2,318,116	447,648	499,357	
	3,109,283	3,122,709	1,269,579	1,316,474	
Non-controlling interests	204,777	209,817	-	-	
TOTAL EQUITY	3,314,060	3,332,526	1,269,579	1,316,474	

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 investments in associated and joint venture companies is largely due to the share of profits and currency translation gains.
- (c) The increase in the Group's investment properties is due to the acquisition of a commercial building.
- (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 Company's borrowings is largely attributable to the repayment of bank borrowings.
- (f) The decrease in Company's current trade and other receivables is due to the repayment of loans from 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.
- (h) The decrease in the Company's current trade and other payables is primarily attributable to the repayment 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-Mar-17		As at 30-Jun-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
4,716	-	5,859	81,489

Amount repayable after one year

As at 31-Mar-17		As at 30-Jun-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
197,720	753,432	341,087	948,071

Details of any collateral

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

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

	Group		Group	
	Nine Months ended 31-Mar-17 <u>SS'000</u>	Nine Months ended 31-Mar-16 <u>SS'000</u>	Third Quarter ended 31-Mar-17 <u>SS'000</u>	Third Quarter ended 31-Mar-16 <u>SS'000</u>
Cash flows from operating activities				
Total profit	13,548	12,186	8,639	2,483
Adjustments for:				
Non-cash items	<u>(12,937)</u>	25,167	<u>(4,379)</u>	<u>(717)</u>
Operating cash flow before working capital changes	611	37,353	4,260	1,766
Changes in operating assets and liabilities:				
Development properties	151,983	27,851	16,330	(23,594)
Other current assets/liabilities	<u>(42,210)</u>	<u>(35,817)</u>	<u>(35,340)</u>	<u>(7,533)</u>
Cash generated from/(used in) operations	110,384	29,387	(14,750)	(29,361)
Income tax paid	<u>(32,602)</u>	<u>(31,384)</u>	<u>(26,216)</u>	<u>(11,110)</u>
Net cash generated from/(used in) operating activities	<u>77,782</u>	<u>(1,997)</u>	<u>(40,966)</u>	<u>(40,471)</u>
Cash flows from investing activities				
Acquisition of additional interest in a joint venture company	-	(133)	-	-
Additions to investment properties	<u>(34,596)</u>	-	-	-
Additions to property, plant and equipment	(5,177)	(3,006)	(1,013)	(521)
Purchase of available-for-sale financial assets	<u>(17,589)</u>	-	<u>(17,589)</u>	-
Disposal of property, plant and equipment	266	160	1	9
Disposal of joint venture companies	498,958	-	-	-
Liquidation of joint venture companies	152	49	-	-
Distribution to non-controlling interests upon liquidation of subsidiary companies	-	(490)	-	-
Advancement of the loans to joint venture companies	<u>(28,317)</u>	<u>(255,919)</u>	<u>(27,716)</u>	<u>(412)</u>
Dividends received	8,920	11,067	-	1,220
Interest received	<u>4,420</u>	<u>6,704</u>	<u>1,324</u>	<u>2,436</u>
Net cash generated from/(used in) investing activities	<u>427,037</u>	<u>(241,568)</u>	<u>(44,993)</u>	<u>2,732</u>
Cash flows from financing activities				
Issuance of rights shares by a subsidiary company to non-controlling interests	-	14,198	-	-
Reissuance of treasury shares	470	323	-	33
Purchase of treasury shares	-	(15,441)	-	(12,852)
Repayment/(advancement) of the loans to non-controlling interests	18,624	(1,073)	-	(6)
Net (repayment of)/proceeds from borrowings	<u>(414,413)</u>	229,032	<u>(11,369)</u>	261,854
Ordinary and special dividends paid	<u>(46,426)</u>	(23,448)	-	-
Dividends paid to non-controlling interests	(1,583)	(1,623)	-	-
Interest paid	<u>(34,072)</u>	<u>(38,606)</u>	<u>(11,644)</u>	<u>(13,491)</u>
Net cash (used in)/generated from financing activities	<u>(477,400)</u>	163,362	<u>(23,013)</u>	235,538
Net increase/(decrease) in cash and cash equivalents	27,419	(80,203)	(108,972)	197,799
Cash and cash equivalents at beginning of financial period	722,883	880,611	861,557	594,442
Effects of currency translation on cash and cash equivalents	<u>(2,263)</u>	<u>(6,742)</u>	<u>(4,546)</u>	<u>1,425</u>
Cash and cash equivalents at end of financial period	<u>748,039</u>	<u>793,666</u>	<u>748,039</u>	<u>793,666</u>

Note:-

- Cash and cash equivalents consist of fixed deposits, cash and bank balances.
- The increase in the Group's cash and cash equivalents in the current period is mainly attributable to the proceeds from the disposal of joint venture companies partially offset by the repayment of bank borrowings.

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

	Group			Group		
	Nine Months ended 31-Mar-17 S\$'000	Nine Months ended 31-Mar-16 S\$'000	+ / (-) %	Third Quarter ended 31-Mar-17 S\$'000	Third Quarter ended 31-Mar-16 S\$'000	+ / (-) %
Total profit	13,548	12,186	11	8,639	2,483	248
Other comprehensive income/(expense), net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges	4,358	(3,272)	n.m.	(1,766)	(5,221)	(66)
Currency translation differences	14,831	4,990	197	(59,503)	(13,631)	337
Share of other comprehensive expense of associated and joint venture companies	(3,405)	(10,283)	(67)	(7,222)	(9,607)	(25)
	15,784	(8,565)	n.m.	(68,491)	(28,459)	141
Total comprehensive income/(expense)	29,332	3,621	710	(59,852)	(25,976)	130
Attributable to:						
Equity holders of the Company	33,069	2,832	n.m.	(55,158)	(30,557)	81
Non-controlling interests	(3,737)	789	n.m.	(4,694)	4,581	n.m.
	29,332	3,621	710	(59,852)	(25,976)	130

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 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 2016	838,250	(33,657)	2,318,116	3,122,709	209,817	3,332,526
Total comprehensive income/(expense)	-	22,444	10,625	33,069	(3,737)	29,332
Realisation of reserves	-	(11,124)	11,124	-	-	-
Transfer to statutory reserve	-	1,571	(1,571)	-	-	-
Cost of share-based payment	-	790	-	790	27	817
Reissuance of treasury shares	-	470	-	470	-	470
Ordinary and special dividends paid	-	-	(46,426)	(46,426)	-	(46,426)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	(1,583)	(1,583)
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(253)	(253)	253	-
Disposal of a joint venture company	-	(1,076)	-	(1,076)	-	(1,076)
Balance at 31 March 2017	838,250	(20,582)	2,291,615	3,109,283	204,777	3,314,060
Balance at 1 July 2015	838,250	76,717	2,258,202	3,173,169	189,032	3,362,201
Total comprehensive (expense)/income	-	(2,370)	5,202	2,832	789	3,621
Realisation of reserves	-	(45,585)	45,585	-	-	-
Transfer to statutory reserve	-	12	(12)	-	-	-
Cost of share-based payment	-	1,398	-	1,398	46	1,444
Reissuance of treasury shares	-	323	-	323	-	323
Purchase of treasury shares	-	(15,441)	-	(15,441)	-	(15,441)
Ordinary dividends paid	-	-	(23,448)	(23,448)	-	(23,448)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	(1,623)	(1,623)
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(232)	(232)	232	-
Issuance of rights shares by a subsidiary company to non-controlling interests	-	-	11,766	11,766	(885)	10,881
Waiver of loan from non-controlling interests	-	-	-	-	23,262	23,262
Liquidation of subsidiary companies	-	(949)	-	(949)	(490)	(1,439)
Liquidation of joint venture companies	-	544	-	544	-	544
Balance at 31 March 2016	838,250	14,649	2,297,063	3,149,962	210,363	3,360,325

* 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 2016	838,250	10,889	471	(32,493)	499,357	1,316,474
Total comprehensive income/(expense)	-	-	3,607	-	(5,283)	(1,676)
Cost of share-based payment	-	737	-	-	-	737
Reissuance of treasury shares	-	(1,426)	-	1,896	-	470
Ordinary and special dividends paid	-	-	-	-	(46,426)	(46,426)
Balance at 31 March 2017	838,250	10,200	4,078	(30,597)	447,648	1,269,579
Balance at 1 July 2015	838,250	11,368	2,528	(19,584)	496,154	1,328,716
Total comprehensive expense	-	-	(2,228)	-	(5,681)	(7,909)
Cost of share-based payment	-	1,309	-	-	-	1,309
Reissuance of treasury shares	-	(2,209)	-	2,532	-	323
Purchase of treasury shares	-	-	-	(15,441)	-	(15,441)
Ordinary dividends paid	-	-	-	-	(23,448)	(23,448)
Balance at 31 March 2016	838,250	10,468	300	(32,493)	467,025	1,283,550

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

	<u>Number of shares</u>
<u>Issued ordinary shares</u>	
Balance at 1 January and 31 March 2017	<u>793,927,260</u>

At 31 March 2017, the Company's issued share capital (excluding treasury shares) comprises 773,758,760 (30 June 2016: 772,509,160) ordinary shares. The total number of treasury shares held by the Company as at 31 March 2017 was 20,168,500 (31 March 2016: 21,418,100) which represents 2.6% (31 March 2016: 2.8%) of the total number of issued shares (excluding treasury shares). At 31 March 2017, the total number of unexercised options under the Share Option Scheme was 1,199,000 (31 March 2016: 2,061,400).

There were 1,249,600 (31 March 2016: 1,720,700) treasury shares reissued pursuant to the employee share plans and share options for the nine months ended 31 March 2017.

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 2016.

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	
	Nine Months ended <u>31-Mar-17</u>	Nine Months ended <u>31-Mar-16</u>	Third Quarter ended <u>31-Mar-17</u>	Third Quarter ended <u>31-Mar-16</u>
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	1.37	0.67	0.96	0.27
(b) On a fully diluted basis (cents)	1.37	0.67	0.96	0.27

7 **Net asset value per ordinary share**

	Group		Company	
	As at <u>31-Mar-17</u>	As at <u>30-Jun-16</u>	As at <u>31-Mar-17</u>	As at <u>30-Jun-16</u>
Net asset value per ordinary share based on issued share capital excluding treasury shares (S\$)	4.02	4.04	1.64	1.70

8 **Review of performance of the group**

For the nine months ended 31 March 2017 (“current period”), the Group recorded a total revenue of S\$204.6 million. This is a 49% decrease from the S\$403.8 million revenue recorded in the nine months ended 31 March 2016 (“corresponding period”). This decrease is largely due to the lower contributions from development properties.

The current period revenue from development properties was mainly attributable to the progressive sales recognized from The Tembusu and the additional unit sold in Le Nouvel Ardmore in Singapore.

The Group’s operating profit decreased by 96% from S\$31.6 million in the corresponding period to S\$1.2 million in the current period, largely due to the lower contributions from development properties.

The Group’s share of profits of associated and joint venture companies increased by 40% to S\$41.2 million in the current period from S\$29.5 million in the corresponding period mainly due to the higher contributions from Wing Tai Properties Limited in Hong Kong and Uniqlo in both Singapore and Malaysia.

In the current period, the Group’s net profit attributable to shareholders was S\$10.6 million, an increase of 104% over the S\$5.2 million net profit recorded in the corresponding period.

The Group’s net asset value per share as at 31 March 2017 was S\$4.02 as compared to S\$4.04 as at 30 June 2016. The Group’s net gearing ratio as at 31 March 2017 was 0.07 times as compared to 0.21 times as at 30 June 2016.

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 half year ended 31 December 2016.

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 0.4% in the first quarter of 2017, as compared to the 0.5% decline in the previous quarter. The total number of new residential units sold islandwide in the first quarter of 2017 rose to 2,962 units, as compared to 1,419 new units sold in the previous quarter.

The Group expects that the private residential property market in Singapore will continue to be affected by the property cooling measures.

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 nine months ended 31 March 2017.

13 **Interested Person Transactions**

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

14 **Confirmation by the Board of Directors Pursuant to Rule 705(5) of the Listing Manual**

The Directors confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the nine months ended 31 March 2017 to be false or misleading in any material respect.

15 **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
11 May 2017