

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 MARCH 2014

The Directors of Wing Tai Holdings Limited are pleased to announce the unaudited consolidated results for the nine months and third quarter ended 31 March 2014.

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

	Group			Group			Note
	Nine Months ended 31-Mar-14 S\$'000	Nine Months ended 31-Mar-13 S\$'000	+ / (-) %	Third Quarter ended 31-Mar-14 S\$'000	Third Quarter ended 31-Mar-13 S\$'000	+ / (-) %	
Revenue	623,627	1,024,703	(39)	153,238	455,795	(66)	
Cost of sales	<u>(350,521)</u>	<u>(602,831)</u>	(42)	<u>(79,017)</u>	<u>(265,920)</u>	(70)	
Gross profit	273,106	421,872	(35)	74,221	189,875	(61)	
Other gains - net	12,177	10,213	19	4,269	4,003	7	(a)
Expenses							
- Distribution	(80,037)	(74,235)	8	(26,065)	(26,820)	(3)	
- Administrative and other	(57,342)	<u>(63,225)</u>	(9)	(10,872)	<u>(16,229)</u>	(33)	(b)
Operating profit	147,904	294,625	(50)	41,553	150,829	(72)	
Finance costs	(29,216)	(28,485)	3	(9,542)	(9,752)	(2)	
Share of profits of associated and joint venture companies	32,929	<u>94,415</u>	(65)	19,323	<u>14,816</u>	30	
Profit before income tax	151,617	360,555	(58)	51,334	155,893	(67)	
Income tax expense	(29,106)	<u>(64,077)</u>	(55)	(9,024)	<u>(35,713)</u>	(75)	
Total profit	122,511	<u>296,478</u>	(59)	42,310	<u>120,180</u>	(65)	
Attributable to:							
Equity holders of the Company	111,318	255,299	(56)	38,366	94,560	(59)	
Non-controlling interests	11,193	<u>41,179</u>	(73)	3,944	<u>25,620</u>	(85)	
	122,511	<u>296,478</u>	(59)	42,310	<u>120,180</u>	(65)	

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

	Group			Group		
	Nine Months ended 31-Mar-14 S\$'000	Nine Months ended 31-Mar-13 S\$'000	+ / (-) %	Third Quarter ended 31-Mar-14 S\$'000	Third Quarter ended 31-Mar-13 S\$'000	+ / (-) %
(A) Investment income	125	104	20	-	-	-
(B) Interest income	9,131	7,620	20	2,890	3,475	(17)
(C) Finance costs	(29,216)	(28,485)	3	(9,542)	(9,752)	(2)
(D) Depreciation and amortisation	(10,776)	(8,928)	21	(3,609)	(3,035)	19
(E) (Allowance)/write-back of allowance for doubtful debts	(4)	6	n.m.	(3)	(1)	200
(F) (Allowance)/write-back of allowance for stock obsolescence	(895)	(1,314)	(32)	(616)	123	n.m.
(G) Impairment in value of investments	-	-	-	-	-	-
(H) Foreign exchange loss	(97)	(311)	(69)	(171)	(208)	(18)
(I) Adjustment for tax in respect of prior years	-	-	-	-	-	-
(J) Gain on disposal of property, plant and equipment	171	203	(16)	25	69	(64)
(K) Exceptional items	-	-	-	-	-	-
(L) Extraordinary items	-	-	-	-	-	-

Note:-

- (a) The increase in other gains - net for the current period is mainly due to the higher interest income received.
(b) The decrease in administrative and other expenses for the current quarter is largely attributable to the lower accrued operating expenses.

n.m. - not meaningful

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

	Group		Company		Note
	As at 31-Mar-14 S\$'000	As at 30-Jun-13 S\$'000	As at 31-Mar-14 S\$'000	As at 30-Jun-13 S\$'000	
ASSETS					
Current assets					
Cash and cash equivalents	654,481	1,024,541	281,849	606,280	
Trade and other receivables	70,401	166,159	284,177	300,447	(a),(e)
Inventories	26,214	21,796	-	-	
Development properties	1,577,767	1,463,073	-	-	(b)
Tax recoverable	6,821	2,378	-	-	
Other current assets	64,715	59,525	5,086	4,602	
	2,400,399	2,737,472	571,112	911,329	
Non-current assets					
Available-for-sale financial assets	3,189	3,189	3,189	3,189	
Trade and other receivables	317,071	292,373	1,090,637	661,805	(f)
Investment in an associated company	1,064,014	1,043,593	-	-	
Investments in joint venture companies	228,954	207,299	-	-	
Investments in subsidiary companies	-	-	252,392	252,392	
Investment properties	560,483	562,153	-	-	
Property, plant and equipment	130,131	131,693	7,894	8,020	
	2,303,842	2,240,300	1,354,112	925,406	
Total assets	4,704,241	4,977,772	1,925,224	1,836,735	
LIABILITIES					
Current liabilities					
Trade and other payables	254,034	325,082	245,394	160,857	(c),(g)
Current income tax liabilities	50,205	72,683	7,769	8,879	
Borrowings	46,585	88,249	-	-	(d)
	350,824	486,014	253,163	169,736	
Non-current liabilities					
Derivative financial instruments	8,787	11,786	-	257	
Borrowings	1,215,112	1,350,568	670,000	570,000	(d),(h)
Deferred income tax liabilities	75,957	62,267	-	-	
Other non-current liabilities	43,059	40,057	-	-	
	1,342,915	1,464,678	670,000	570,257	
Total liabilities	1,693,739	1,950,692	923,163	739,993	
NET ASSETS	3,010,502	3,027,080	1,002,061	1,096,742	
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	838,250	838,250	838,250	838,250	
Other reserves	77,797	87,919	1,691	(490)	
Retained earnings	1,931,345	1,914,471	162,120	258,982	
	2,847,392	2,840,640	1,002,061	1,096,742	
Non-controlling interests	163,110	186,440	-	-	
TOTAL EQUITY	3,010,502	3,027,080	1,002,061	1,096,742	

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

Note:-

- (a) The decrease in the Group's current trade and other receivables is largely due to the receipt of progress billings for development projects and the repayment of loan by a joint venture company.
- (b) The increase in the Group's development properties is largely attributable to the development costs incurred and capitalised partially offset by the progress billings made.
- (c) The decrease in the Group's trade and other payables is mainly due to the settlement of project related costs.
- (d) The decrease in the Group's current and non-current borrowings is mainly attributable to the repayment of bank loans partially offset by the issuance of medium term notes.
- (e) The decrease in the Company's current trade and other receivables is mainly due to the repayment of loans by its subsidiary companies.
- (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 trade and other payables is primarily attributable to the advancement of loans from its subsidiary companies.
- (h) The increase in the Company's non-current borrowings is attributable to the issuance of medium term notes.

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-14		As at 30-Jun-13	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
35,783	10,802	81,083	7,166

Amount repayable after one year

As at 31-Mar-14		As at 30-Jun-13	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
350,038	865,074	585,187	765,381

Details of any collateral

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

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

	Group		Group	
	Nine Months ended 31-Mar-14 S\$'000	Nine Months ended 31-Mar-13 S\$'000	Third Quarter ended 31-Mar-14 S\$'000	Third Quarter ended 31-Mar-13 S\$'000
Cash flows from operating activities				
Total profit	122,511	296,478	42,310	120,180
Adjustments for:				
Non-cash items	30,416	14,609	2,691	41,408
Operating cash flow before working capital changes	152,927	311,087	45,001	161,588
Changes in operating assets and liabilities:				
Development properties	(125,408)	(33,062)	(124,303)	(130,664)
Other current assets/liabilities	38,599	26,871	(13,170)	18,101
Cash generated from/(used in) operations	66,118	304,896	(92,472)	49,025
Income tax paid	(41,481)	(57,208)	(18,391)	(27,813)
Net cash generated from/(used in) operating activities	24,637	247,688	(110,863)	21,212
Cash flows from investing activities				
Acquisition of additional interest in a subsidiary company	(15)	(15)	(5)	(8)
Acquisition of additional interest in joint venture companies	(45,865)	(16,145)	(689)	(10,545)
Additional expenditure on investment properties	(157)	-	-	-
Purchases of property, plant and equipment	(12,441)	(11,215)	(1,457)	(2,390)
Proceeds from disposal of property, plant and equipment	1,641	241	1,493	83
Advancement of the loans to joint venture companies	(17,549)	(134,461)	(5,639)	(15,519)
Dividends received	13,386	26,079	432	61
Interest received	2,628	2,184	810	783
Net cash used in investing activities	(58,372)	(133,332)	(5,055)	(27,535)
Cash flows from financing activities				
Proceeds from issue of ordinary shares by a subsidiary company to non-controlling interests	71	331	-	-
Reissuance of treasury shares	390	321	-	285
Purchase of treasury shares	(693)	-	(693)	-
Repayment of the loans from non-controlling interests	(963)	(986)	(1)	-
(Repayment of)/proceeds from borrowings	(172,801)	247,592	121,242	117,168
Ordinary and special dividends paid	(94,328)	(54,838)	-	-
Dividends paid to non-controlling interests	(29,776)	(49,533)	(144)	(10,403)
Interest paid	(35,768)	(35,957)	(12,325)	(14,144)
Net cash (used in)/generated from financing activities	(333,868)	106,930	108,079	92,906
Net (decrease)/increase in cash and cash equivalents	(367,603)	221,286	(7,839)	86,583
Cash and cash equivalents at beginning of financial period	1,024,541	848,686	663,707	980,184
Effects of currency translation on cash and cash equivalents	(2,457)	(1,194)	(1,387)	2,011
Cash and cash equivalents at end of financial period	654,481	1,068,778	654,481	1,068,778

Note:-

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

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

	Group			Group		
	Nine Months ended 31-Mar-14 <u>S\$'000</u>	Nine Months ended 31-Mar-13 <u>S\$'000</u>	+ /(-) %	Third Quarter ended 31-Mar-14 <u>S\$'000</u>	Third Quarter ended 31-Mar-13 <u>S\$'000</u>	+ /(-) %
Total profit	122,511	296,478	(59)	42,310	120,180	(65)
Other comprehensive income/(expense):						
Items that may be reclassified to profit or loss:						
Cash flow hedges	2,960	4,745	(38)	642	3,031	(79)
Currency translation differences	(20,124)	(16,385)	23	4,098	19,221	(79)
Share of other comprehensive (expense)/income of associated and joint venture companies	(516)	5,805	n.m.	(552)	1,423	n.m.
	(17,680)	(5,835)	203	4,188	23,675	(82)
Items that will not be reclassified to profit or loss:						
Revaluation gains on property, plant and equipment	29	-	n.m.	-	-	-
Share of revaluation gains/(losses) on property, plant and equipment of an associated company	395	1,475	(73)	395	(10)	n.m.
	424	1,475	(71)	395	(10)	n.m.
Other comprehensive (expense)/income, net of tax	(17,256)	(4,360)	296	4,583	23,665	(81)
Total comprehensive income	105,255	292,118	(64)	46,893	143,845	(67)
Attributable to:						
Equity holders of the Company	99,135	250,730	(60)	44,337	116,320	(62)
Non-controlling interests	6,120	41,388	(85)	2,556	27,525	(91)
	105,255	292,118	(64)	46,893	143,845	(67)

Note:-

n.m. - not meaningful

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

	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves *	Retained earnings	Total		
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at 1 July 2013	838,250	87,919	1,914,471	2,840,640	186,440	3,027,080
Total comprehensive (expense)/income	-	(12,183)	111,318	99,135	6,120	105,255
Realisation of reserves	-	(40)	40	-	-	-
Cost of share-based payment	-	2,404	-	2,404	114	2,518
Reissuance of treasury shares	-	390	-	390	-	390
Purchase of treasury shares	-	(693)	-	(693)	-	(693)
Ordinary and special dividends paid	-	-	(94,328)	(94,328)	-	(94,328)
Dividends paid by subsidiary companies to non-controlling interests	-	-	-	-	(29,776)	(29,776)
Issue of shares by a subsidiary company to non-controlling interests	-	-	(147)	(147)	218	71
Acquisition of additional interest in a subsidiary company	-	-	(9)	(9)	(6)	(15)
Balance at 31 March 2014	838,250	77,797	1,931,345	2,847,392	163,110	3,010,502

	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves *	Retained earnings	Total		
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at 1 July 2012	838,250	(45,637)	1,438,376	2,230,989	166,838	2,397,827
Total comprehensive (expense)/income	-	(4,569)	255,299	250,730	41,388	292,118
Realisation of reserves	-	(92)	92	-	-	-
Cost of share-based payment	-	2,203	-	2,203	40	2,243
Reissuance of treasury shares	-	321	-	321	-	321
Ordinary and special dividends paid	-	-	(54,838)	(54,838)	-	(54,838)
Dividends paid by subsidiary companies to non-controlling interests	-	-	-	-	(49,533)	(49,533)
Issue of shares by a subsidiary company to non-controlling interests	-	-	(227)	(227)	558	331
Acquisition of additional interest in a subsidiary company	-	-	(9)	(9)	(6)	(15)
Balance at 31 March 2013	838,250	(47,774)	1,638,693	2,429,169	159,285	2,588,454

* 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 <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</u>
Balance at 1 July 2013	838,250	11,233	(257)	(11,466)	258,982	1,096,742
Total comprehensive income/(expense)	-	-	257	-	(2,534)	(2,277)
Cost of share-based payment	-	2,227	-	-	-	2,227
Reissuance of treasury shares	-	(2,302)	-	2,692	-	390
Purchase of treasury shares	-	-	-	(693)	-	(693)
Ordinary and special dividends paid	-	-	-	-	(94,328)	(94,328)
Balance at 31 March 2014	838,250	11,158	-	(9,467)	162,120	1,002,061

	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</u>
Balance at 1 July 2012	838,250	10,392	(3,503)	(13,710)	225,204	1,056,633
Total comprehensive income/(expense)	-	-	2,273	-	(6,006)	(3,733)
Cost of share-based payment	-	2,141	-	-	-	2,141
Reissuance of treasury shares	-	(1,803)	-	2,124	-	321
Ordinary and special dividends paid	-	-	-	-	(54,838)	(54,838)
Balance at 31 March 2013	838,250	10,730	(1,230)	(11,586)	164,360	1,000,524

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

<u>Issued ordinary shares</u>	<u>Number of shares</u>
Balance at 1 January and 31 March 2014	<u>793,927,260</u>

At 31 March 2014, the Company's issued share capital (excluding treasury shares) comprises 785,688,960 (30 June 2013: 783,684,560) ordinary shares. The total number of treasury shares held by the Company as at 31 March 2014 was 8,238,300 (31 March 2013: 10,350,400) which represents 1.0% (31 March 2013: 1.3%) of the total number of issued shares (excluding treasury shares). At 31 March 2014, the total number of unexercised options under the Share Option Scheme was 2,993,600 (31 March 2013: 3,604,000).

There were 2,404,400 (31 March 2013: 1,896,600) treasury shares reissued pursuant to the employee share plans and share options for the nine months ended 31 March 2014.

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

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

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

Not applicable.

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

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

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

Not applicable.

6 **Earnings per ordinary share**

	Group		Group	
	Nine Months ended	Nine Months ended	Third Quarter ended	Third Quarter ended
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	14.17	32.60	4.88	12.07
(b) On a fully diluted basis (cents)	14.11	32.43	4.86	12.00

7 **Net asset value per ordinary share**

	Group		Company	
	As at	As at	As at	As at
	31-Mar-14	30-Jun-13	31-Mar-14	30-Jun-13
Net asset value per ordinary share based on issued share capital excluding treasury shares (S\$)	3.62	3.62	1.28	1.40

8 **Review of performance of the group**

For the nine months ended 31 March 2014 ("current period"), the Group recorded a total revenue of S\$623.6 million. This is a 39% decrease from the S\$1,024.7 million revenue recorded in the nine months ended 31 March 2013 ("corresponding period"). The revenue for the current period was mainly attributable to the contributions from L'VIV, the progressive sales recognized from Foresque Residences, the additional units sold in Helios Residences in Singapore as well as the contributions from Jesselton Hills project in Penang and The Lakeview project in Suzhou.

The Group's operating profit decreased by 50% from S\$294.6 million in the corresponding period to S\$147.9 million in the current period, largely due to the lower contributions from development properties.

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

The Group's share of profits from associated and joint venture companies decreased by 65% from S\$94.4 million to S\$32.9 million in the current period. In the corresponding period, the share of profit from Wing Tai Properties Limited included the one-off gains from the disposal of its apparel branded business and its listed subsidiary in Hong Kong.

The Group's net profit attributable to shareholders for the current period is S\$111.3 million, which is 56% lower than the net profit of S\$255.3 million recorded in the corresponding period.

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

The current announced results are in line with the prospect statement previously disclosed to shareholders in the results announcement for the half year ended 31 December 2013.

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

The URA's residential property price index declined by 1.3% on a quarter-on-quarter basis in the 1st quarter of 2014. This follows the 0.9% decline in the fourth quarter of 2013.

The total number of new residential units sold islandwide in the 1st quarter of 2014 fell to 1,744 units, as compared to 2,568 new units sold in the fourth quarter of 2013. The Group will continue to monitor the market closely and will at appropriate times launch new residential projects 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 nine months ended 31 March 2014.

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 nine months ended 31 March 2014 to be false or misleading.

BY ORDER OF THE BOARD

Gabrielle Tan
Company Secretary
Singapore
6 May 2014