

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2014

The Directors of Wing Tai Holdings Limited announce the unaudited consolidated results for the half year and second quarter ended 31 December 2014.

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

	Group			Group			Note
	Half Year ended 31-Dec-14 S\$'000	Half Year ended 31-Dec-13 S\$'000	+ / (-) %	Second Quarter ended 31-Dec-14 S\$'000	Second Quarter ended 31-Dec-13 S\$'000	+ / (-) %	
Revenue	286,675	470,389	(39)	126,582	247,551	(49)	
Cost of sales	<u>(166,171)</u>	<u>(271,504)</u>	(39)	<u>(68,222)</u>	<u>(141,054)</u>	(52)	
Gross profit	120,504	198,885	(39)	58,360	106,497	(45)	
Other gains - net	26,064	7,908	230	3,028	4,329	(30)	(a)
Expenses							
- Distribution	(54,603)	(53,972)	1	(27,739)	(28,036)	(1)	
- Administrative and other	<u>(42,345)</u>	<u>(46,470)</u>	(9)	<u>(21,275)</u>	<u>(19,626)</u>	8	(b)
Operating profit	49,620	106,351	(53)	12,374	63,164	(80)	
Finance costs	(22,552)	(19,674)	15	(11,640)	(9,361)	24	
Share of profits of associated and joint venture companies	<u>21,238</u>	13,606	56	<u>7,864</u>	5,703	38	
Profit before income tax	48,306	100,283	(52)	8,598	59,506	(86)	
Income tax expense	<u>(9,230)</u>	<u>(20,082)</u>	(54)	<u>332</u>	<u>(8,290)</u>	n.m.	
Total profit	39,076	80,201	(51)	8,930	51,216	(83)	
Attributable to:							
Equity holders of the Company	31,488	72,952	(57)	7,325	48,444	(85)	
Non-controlling interests	<u>7,588</u>	<u>7,249</u>	5	<u>1,605</u>	<u>2,772</u>	(42)	
	39,076	80,201	(51)	8,930	51,216	(83)	

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

	Group			Group			
	Half Year ended	Half Year ended	+ / (-)	Second Quarter ended	Second Quarter ended	+ / (-)	
	31-Dec-14	31-Dec-13		31-Dec-14	31-Dec-13		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
(A)	Investment income	-	125	n.m.	-	125	n.m.
(B)	Interest income	3,293	6,241	(47)	1,967	3,295	(40)
(C)	Finance costs	(22,552)	(19,674)	15	(11,640)	(9,361)	24
(D)	Depreciation and amortisation	(7,188)	(7,167)	-	(3,567)	(3,633)	(2)
(E)	(Allowance)/Write-back of allowance for doubtful debts	(10)	(1)	900	(90)	2	n.m.
(F)	(Allowance)/write-back of allowance for stock obsolescence	(158)	(279)	(43)	376	(447)	n.m.
(G)	Impairment in value of investments	-	-	-	-	-	-
(H)	Foreign exchange (loss)/gain	(615)	74	n.m.	(227)	(211)	8
(I)	Adjustment for tax in respect of prior years	-	-	-	-	-	-
(J)	Gain on disposal of property, plant and equipment	58	146	(60)	26	62	(58)
(K)	Exceptional items						
	Gain on disposal of a subsidiary company	21,136	-	n.m.	-	-	-
(L)	Extraordinary items	-	-	-	-	-	-

Note:-

- The increase in other gains – net for the current period is mainly due to the one-off gain on disposal of a subsidiary company. For the current quarter, the decrease is largely attributable to the lower interest income.
- The decrease in administrative and other expenses for the current quarter is primarily due to the absence of write-back of accrued operating expenses.

n.m. - not meaningful

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

	Group		Company		Note
	As at 31-Dec-14 S\$'000	As at 30-Jun-14 S\$'000	As at 31-Dec -14 S\$'000	As at 30-Jun-14 S\$'000	
ASSETS					
Current assets					
Cash and cash equivalents	1,098,815	834,762	639,023	407,620	
Trade and other receivables	36,715	79,972	428,098	535,750	(a),(g)
Inventories	26,646	28,039	-	-	
Development properties	1,348,741	1,482,874	-	-	(b)
Tax recoverable	7,917	8,532	-	-	
Other current assets	45,634	43,711	7,764	4,574	
	2,564,468	2,477,890	1,074,885	947,944	
Non-current assets					
Available-for-sale financial assets	6,219	3,189	3,189	3,189	
Trade and other receivables	387,777	382,068	952,226	920,730	
Derivative financial instruments	3,369	-	2,107	-	
Investment in an associated company	1,244,858	1,162,428	-	-	(c)
Investments in joint venture companies	171,236	151,085	-	-	(d)
Investments in subsidiary companies	-	-	252,392	252,392	
Investment properties	575,201	575,263	-	-	
Property, plant and equipment	127,036	131,491	9,280	8,787	
	2,515,696	2,405,524	1,219,194	1,185,098	
Total assets	5,080,164	4,883,414	2,294,079	2,133,042	
LIABILITIES					
Current liabilities					
Derivative financial instruments	-	8,564	-	-	
Trade and other payables	215,038	260,369	100,048	147,591	(e)
Current income tax liabilities	58,478	57,206	1,954	2,936	
Borrowings	141,361	186,365	120,000	120,000	
	414,877	512,504	222,002	270,527	
Non-current liabilities					
Borrowings	1,324,801	1,115,858	801,970	550,000	(f)
Deferred income tax liabilities	67,044	72,694	-	-	
Other non-current liabilities	35,730	39,544	-	-	
	1,427,575	1,228,096	801,970	550,000	
Total liabilities	1,842,452	1,740,600	1,023,972	820,527	
NET ASSETS	3,237,712	3,142,814	1,270,107	1,312,515	
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	838,250	838,250	838,250	838,250	
Other reserves	117,128	56,985	2,179	2,104	
Retained earnings	2,092,112	2,074,420	429,678	472,161	
	3,047,490	2,969,655	1,270,107	1,312,515	
Non-controlling interests	190,222	173,159	-	-	
TOTAL EQUITY	3,237,712	3,142,814	1,270,107	1,312,515	

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 decrease in the Group's development properties is primarily attributable to the progress billings made partially offset by the development costs incurred and capitalised.
- (c) The increase in the Group's investment in an associated company is primarily due to the share of its profit and the currency translation gain.
- (d) The increase in the Group's investment in joint venture companies is largely due to the additional share capital injection in a joint venture company.
- (e) The decrease in the Group's trade and other payables is mainly due to the settlement of project related costs.
- (f) The increase in the Group's and the Company's non-current borrowings is mainly due to the issuance of medium term notes and the drawdown of bank borrowings.
- (g) The decrease in the Company's current trade and other receivables is largely due to the repayment of loans by 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-Dec-14		As at 30-Jun-14	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
12,270	129,091	55,886	130,479

Amount repayable after one year

As at 31-Dec-14		As at 30-Jun-14	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
422,543	902,258	372,449	743,409

Details of any collateral

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

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

	Group		Group	
	Half Year ended 31-Dec-14 S\$'000	Half Year ended 31-Dec-13 S\$'000	Second Quarter ended 31-Dec-14 S\$'000	Second Quarter ended 31-Dec-13 S\$'000
Cash flows from operating activities				
Total profit	39,076	80,201	8,930	51,216
Adjustments for:				
Non-cash items	(9,955)	27,725	(3,654)	12,721
Operating cash flow before working capital changes	29,121	107,926	5,276	63,937
Changes in operating assets and liabilities:				
Development properties	143,698	(1,105)	169,095	(45,750)
Other current assets/liabilities	1,811	30,674	(17,915)	42,558
Cash generated from operations	174,630	137,495	156,456	60,745
Income tax paid	(14,961)	(23,090)	(11,478)	(16,348)
Net cash generated from operating activities	159,669	114,405	144,978	44,397
Cash flows from investing activities				
Purchases of available-for-sale financial assets	(2,892)	-	-	-
Acquisition of additional interest in a subsidiary company	(2)	(10)	-	-
Disposal of a subsidiary company, net of cash disposed	27,338	-	-	-
Acquisition of additional interest in a joint venture company	(16,923)	(24,081)	(16,923)	(24,081)
Liquidation of a joint venture company	18	-	18	-
Additions to investment property	(9)	(157)	(9)	(157)
Additions to property, plant and equipment	(4,065)	(10,984)	(2,676)	(7,601)
Disposal of property, plant and equipment	131	148	83	62
Advancement of the loans to joint venture companies	(4,860)	(11,910)	(1,266)	(6,841)
Dividends received	12,014	12,954	12,014	12,954
Interest received	3,385	1,818	2,028	1,134
Net cash generated from/(used in) investing activities	14,135	(32,222)	(6,731)	(24,530)
Cash flows from financing activities				
Issuance of ordinary shares by a subsidiary company to non-controlling interests	701	72	701	58
Reissuance of treasury shares	264	388	20	297
Purchase of treasury shares	(3,541)	-	(3,541)	-
Repayment of the loans from non-controlling interests	(984)	(961)	(984)	(1,406)
Proceeds from/(repayment of) borrowings	165,859	(294,043)	160,795	12,516
Ordinary and special dividends paid	(47,267)	(94,328)	(47,267)	(94,328)
Dividends paid to non-controlling interests	(3,414)	(29,632)	(3,414)	(14,032)
Interest paid	(24,096)	(23,443)	(8,720)	(8,207)
Net cash generated from/(used in) financing activities	87,522	(441,947)	97,590	(105,102)
Net increase/(decrease) in cash and cash equivalents	261,326	(359,764)	235,837	(85,235)
Cash and cash equivalents at beginning of financial period	834,762	1,024,541	860,689	748,474
Effects of currency translation on cash and cash equivalents	2,727	(1,070)	2,289	468
Cash and cash equivalents at end of financial period	1,098,815	663,707	1,098,815	663,707

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 receipt of progress billings for development projects and the issuance of medium term notes.

1 (d) Statement of Comprehensive Income

	Group			Group		
	Half Year ended 31-Dec-14 S\$'000	Half Year ended 31-Dec-13 S\$'000	+ / (-) %	Second Quarter ended 31-Dec-14 S\$'000	Second Quarter ended 31-Dec-13 S\$'000	+ / (-) %
Total profit	39,076	80,201	(51)	8,930	51,216	(83)
Other comprehensive income/(expense):						
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges	11,746	2,318	407	9,839	1,348	630
Currency translation differences	78,676	(24,222)	n.m.	48,160	(360)	n.m.
Share of other comprehensive income/(expense) of associated and joint venture companies	2,213	36	n.m.	(42)	3,394	n.m.
	92,635	(21,868)	n.m.	57,957	4,382	n.m.
Items that will not be reclassified to profit or loss:						
Revaluation gains/(losses) on property, plant and equipment	-	29	n.m.	-	(1)	n.m.
Other comprehensive income/(expense), net of tax	92,635	(21,839)	n.m.	57,957	4,381	n.m.
Total comprehensive income	131,711	58,362	126	66,887	55,597	20
Attributable to:						
Equity holders of the Company	124,761	54,798	128	68,040	52,694	29
Non-controlling interests	6,950	3,564	95	(1,153)	2,903	n.m.
	131,711	58,362	126	66,887	55,597	20

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

	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	-	(18,154)	72,952	54,798	3,564	58,362
Cost of share-based payment	-	1,060	-	1,060	65	1,125
Reissuance of treasury shares	-	388	-	388	-	388
Ordinary and special dividends paid	-	-	(94,328)	(94,328)	-	(94,328)
Dividends paid by subsidiary companies to non-controlling interests	-	-	-	-	(29,632)	(29,632)
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(32)	(32)	104	72
Acquisition of additional interest in a subsidiary company	-	-	(6)	(6)	(4)	(10)
Balance at 31 December 2013	838,250	71,213	1,893,057	2,802,520	160,537	2,963,057

* 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	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	-	-	2,107	-	4,784	6,891
Cost of share-based payment	-	1,245	-	-	-	1,245
Reissuance of treasury shares	-	(2,147)	-	2,411	-	264
Purchase of treasury shares	-	-	-	(3,541)	-	(3,541)
Ordinary and special dividends paid	-	-	-	-	(47,267)	(47,267)
Balance at 31 December 2014	838,250	10,647	2,107	(10,575)	429,678	1,270,107

	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 2013	838,250	11,233	(257)	(11,466)	258,982	1,096,742
Total comprehensive income/ (expense)	-	-	257	-	(2,947)	(2,690)
Cost of share-based payment	-	959	-	-	-	959
Reissuance of treasury shares	-	(2,304)	-	2,692	-	388
Ordinary and special dividends paid	-	-	-	-	(94,328)	(94,328)
Balance at 31 December 2013	838,250	9,888	-	(8,774)	161,707	1,001,071

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

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

At 31 December 2014, the Company's issued share capital (excluding treasury shares) comprises 785,642,760 (30 June 2014: 785,708,760) ordinary shares. The total number of treasury shares held by the Company as at 31 December 2014 was 8,284,500 (31 December 2013: 7,838,300) which represents 1.1% (31 December 2013: 1.0%) of the total number of issued shares (excluding treasury shares). At 31 December 2014, the total number of unexercised options under the Share Option Scheme was 2,494,200 (31 December 2013: 3,098,100).

There were 2,098,000 (31 December 2013: 2,404,400) treasury shares reissued pursuant to the employee share plans and share options for the half year ended 31 December 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 2014.

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

Not applicable.

- 6 **Earnings per ordinary share**

	Group		Group	
	Half Year ended	Half Year ended	Second Quarter ended	Second Quarter ended
	<u>31-Dec-14</u>	<u>31-Dec-13</u>	<u>31-Dec-14</u>	<u>31-Dec-13</u>
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	4.00	9.29	0.93	6.17
(b) On a fully diluted basis (cents)	3.99	9.25	0.93	6.14

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

	Group		Company	
	As at	As at	As at	As at
	<u>31-Dec-14</u>	<u>30-Jun-14</u>	<u>31-Dec-14</u>	<u>30-Jun-14</u>
Net asset value per ordinary share based on issued share capital excluding treasury shares (S\$)	3.88	3.78	1.62	1.67

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

For the half year ended 31 December 2014 ("current period"), the Group recorded a total revenue of S\$286.7 million. This is a 39% decrease from the S\$470.4 million revenue recorded for the half year ended 31 December 2013 ("corresponding period"). The progressive sales recognized from The Tembusu, the additional units sold in Helios Residences in Singapore and The Lakeview in China contributed to the revenue for the current period.

The Group's operating profit decreased by 53% from S\$106.4 million in the corresponding period to S\$49.6 million in the current period, largely due to the lower contributions from development properties.

The Group's share of profits from associated and joint venture companies increased by 56% to S\$21.2 million in the current period mainly due to the higher share of operating profit from Wing Tai Properties Limited in Hong Kong.

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

The Group's net profit attributable to shareholders for the current period was S\$31.5 million, which is 57% lower than the net profit of S\$73.0 million recorded in the corresponding period.

The Group's net asset value per share as at 31 December 2014 was S\$3.88 as compared to S\$3.78 as at 30 June 2014. The Group's net gearing ratio as at 31 December 2014 was 0.12 times.

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

The current announced results are in line with the prospect statement previously disclosed to shareholders in the results announcement for the first quarter ended 30 September 2014.

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.**

For the year 2014, the URA's private residential property price index decreased by 4.0% as compared with an increase of 1.1% in 2013. The total number of new private residential units sold islandwide in 2014 fell to 7,316 units, as compared to 14,948 new units sold in 2013. The operating environment in the Singapore property market is expected to remain difficult in the current year.

In Malaysia, as a result of credit tightening rules and rate increases by Bank Negara to curb rising household debts, the cautious sentiment in the property market will remain.

In China, despite some relaxation of home purchase restrictions in certain cities, the government is expected to maintain its policies of ensuring stability of the real estate market.

11 **Dividend**

(a) **Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on?

None.

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

None.

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

Not applicable.

(d) **The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividends are determined.**

Not applicable.

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

No dividend has been declared / recommended for the half year ended 31 December 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 half year ended 31 December 2014 to be false or misleading.

BY ORDER OF THE BOARD

Gabrielle Tan
Company Secretary
Singapore
11 February 2015