

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 MARCH 2015

The Directors of Wing Tai Holdings Limited announce the unaudited consolidated results for the nine months and third quarter ended 31 March 2015.

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

	Group			Group			Note
	Nine Months ended 31-Mar-15 S\$'000	Nine Months ended 31-Mar-14 S\$'000	+ / (-) %	Third Quarter ended 31-Mar-15 S\$'000	Third Quarter ended 31-Mar-14 S\$'000	+ / (-) %	
Revenue	460,819	623,627	(26)	174,145	153,238	14	
Cost of sales	<u>(282,070)</u>	<u>(350,521)</u>	(20)	<u>(115,899)</u>	<u>(79,017)</u>	47	
Gross profit	178,749	273,106	(35)	58,246	74,221	(22)	
Other gains - net	29,651	12,177	144	3,587	4,269	(16)	(a)
Expenses							
- Distribution	(79,808)	(80,037)	-	(25,205)	(26,065)	(3)	
- Administrative and other	(61,685)	<u>(57,342)</u>	8	(19,340)	<u>(10,872)</u>	78	(b)
Operating profit	66,907	147,904	(55)	17,288	41,553	(58)	
Finance costs	(34,571)	(29,216)	18	(12,019)	(9,542)	26	
Share of profits of associated and joint venture companies	23,124	<u>32,929</u>	(30)	1,886	<u>19,323</u>	(90)	
Profit before income tax	55,460	151,617	(63)	7,155	51,334	(86)	
Income tax expense	(11,586)	<u>(29,106)</u>	(60)	(2,357)	<u>(9,024)</u>	(74)	
Total profit	43,874	<u>122,511</u>	(64)	4,798	<u>42,310</u>	(89)	
Attributable to:							
Equity holders of the Company	34,365	111,318	(69)	2,877	38,366	(93)	
Non-controlling interests	9,509	<u>11,193</u>	(15)	1,921	<u>3,944</u>	(51)	
	43,874	<u>122,511</u>	(64)	4,798	<u>42,310</u>	(89)	

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

	Group			Group			
	Nine Months ended	Nine Months ended	+ / (-) %	Third Quarter ended	Third Quarter ended	+ / (-) %	
	31-Mar-15 S\$'000	31-Mar-14 S\$'000		31-Mar-15 S\$'000	31-Mar-14 S\$'000		
(A)	Investment income	95	125	(24)	95	-	n.m.
(B)	Interest income	5,193	9,131	(43)	1,900	2,890	(34)
(C)	Finance costs	(34,571)	(29,216)	18	(12,019)	(9,542)	26
(D)	Depreciation and amortisation	(10,736)	(10,776)	-	(3,548)	(3,609)	(2)
(E)	Allowance for doubtful debts	(22)	(4)	450	(12)	(3)	300
(F)	Allowance for stock obsolescence	(935)	(895)	4	(777)	(616)	26
(G)	Impairment in value of investments	-	-	-	-	-	-
(H)	Foreign exchange loss	(1,284)	(97)	n.m.	(669)	(171)	291
(I)	Adjustment for tax in respect of prior years	-	-	-	-	-	-
(J)	Gain on disposal of property, plant and equipment	70	171	(59)	12	25	(52)
(K)	Exceptional items						
	Gain on disposal of a subsidiary company	21,136	-	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 subsidiary company. For the current quarter, the decrease is largely attributable to the lower interest income.
- (b) The increase in administrative and other expenses for the current quarter is largely attributable to the write-back of accrued operating expenses in the corresponding quarter.

n.m. - not meaningful

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

	Group		Company		Note
	As at 31-Mar-15 S\$'000	As at 30-Jun-14 S\$'000	As at 31-Mar-15 S\$'000	As at 30-Jun-14 S\$'000	
ASSETS					
Current assets					
Cash and cash equivalents	1,120,969	834,762	688,736	407,620	
Trade and other receivables	53,086	79,972	377,391	535,750	(a), (h)
Inventories	22,541	28,039	-	-	
Development properties	1,266,670	1,482,874	-	-	(b)
Tax recoverable	8,829	8,532	-	-	
Other current assets	44,932	43,711	7,801	4,574	
	2,517,027	2,477,890	1,073,928	947,944	
Non-current assets					
Available-for-sale financial assets	6,320	3,189	3,189	3,189	
Trade and other receivables	397,215	382,068	970,340	920,730	(c), (i)
Derivative financial instruments	5,493	-	3,377	-	
Investment in an associated company	1,281,697	1,162,428	-	-	(d)
Investments in joint venture companies	179,802	151,085	-	-	(e)
Investments in subsidiary companies	-	-	252,392	252,392	
Investment properties	575,214	575,263	-	-	
Property, plant and equipment	123,622	131,491	9,355	8,787	
	2,569,363	2,405,524	1,238,653	1,185,098	
Total assets	5,086,390	4,883,414	2,312,581	2,133,042	
LIABILITIES					
Current liabilities					
Derivative financial instruments	-	8,564	-	-	
Trade and other payables	174,391	260,369	122,859	147,591	(f), (j)
Current income tax liabilities	54,102	57,206	686	2,936	
Borrowings	298,934	186,365	185,000	120,000	(g)
	527,427	512,504	308,545	270,527	
Non-current liabilities					
Borrowings	1,173,272	1,115,858	736,970	550,000	(g)
Deferred income tax liabilities	64,184	72,694	-	-	
Other non-current liabilities	37,516	39,544	-	-	
	1,274,972	1,228,096	736,970	550,000	
Total liabilities	1,802,399	1,740,600	1,045,515	820,527	
NET ASSETS	3,283,991	3,142,814	1,267,066	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	137,897	56,985	(5,014)	2,104	
Retained earnings	2,116,246	2,074,420	433,830	472,161	
	3,092,393	2,969,655	1,267,066	1,312,515	
Non-controlling interests	191,598	173,159	-	-	
TOTAL EQUITY	3,283,991	3,142,814	1,267,066	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 non-current trade and other receivables is mainly due to the advancement of loans to its joint venture companies.
- (d) The increase in the Group's investment in an associated company is primarily due to the share of the profit and the currency translation gain.
- (e) The increase in the Group's investments in joint venture companies is largely due to the additional share capital injection in a joint venture company, the share of the profits and the currency translation gain, partially offset by the dividends received.
- (f) The decrease in the Group's trade and other payables is mainly due to the settlement of project related costs.
- (g) The increase in the Group's and the Company's current and non-current borrowings is mainly due to the issuance of medium term notes and the drawdown of bank borrowings.
- (h) The decrease in the Company's current trade and other receivables is largely due to the repayment of loans by its subsidiary companies.
- (i) The increase in the Company's non-current trade and other receivables is mainly due to the advancement of loans to its subsidiary companies.
- (j) The decrease in the Company's 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-15		As at 30-Jun-14	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
108,329	190,605	55,886	130,479

Amount repayable after one year

As at 31-Mar-15		As at 30-Jun-14	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
335,570	837,702	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	
	Nine Months ended 31-Mar-15 S\$'000	Nine Months ended 31-Mar-14 S\$'000	Third Quarter ended 31-Mar-15 S\$'000	Third Quarter ended 31-Mar-14 S\$'000
Cash flows from operating activities				
Total profit	43,874	122,511	4,798	42,310
Adjustments for:				
Non-cash items	8,519	30,416	18,328	2,691
Operating cash flow before working capital changes	52,393	152,927	23,126	45,001
Changes in operating assets and liabilities:				
Development properties	231,403	(125,408)	87,705	(124,303)
Other current assets/liabilities	(48,443)	38,599	(50,254)	(13,170)
Cash generated from/(used in) operations	235,353	66,118	60,577	(92,472)
Income tax paid	(26,585)	(41,481)	(11,624)	(18,391)
Net cash generated from/(used in) operating activities	208,768	24,637	48,953	(110,863)
Cash flows from investing activities				
Purchase of available-for-sale financial assets	(2,948)	-	-	-
Acquisition of additional interest in a subsidiary company	(4)	(15)	(2)	(5)
Acquisition of additional interest in a joint venture company	(17,900)	(45,865)	(977)	(689)
Additions to investment property	(21)	(157)	(12)	-
Additions to property, plant and equipment	(4,956)	(12,441)	(891)	(1,457)
Disposal of property, plant and equipment	151	1,641	20	1,493
Disposal of a subsidiary company, net of cash disposed	27,214	-	-	-
Liquidation of a joint venture company	18	-	-	-
Distribution to non-controlling interests upon liquidation of a subsidiary company	(440)	-	(440)	-
Advancement of the loans to joint venture companies	(14,494)	(17,549)	(9,634)	(5,639)
Dividends received	12,171	13,386	157	432
Interest received	5,379	2,628	1,994	810
Net cash generated from/(used in) investing activities	4,170	(58,372)	(9,785)	(5,055)
Cash flows from financing activities				
Issuance of ordinary shares by a subsidiary company to non-controlling interests	691	71	-	-
Reissuance of treasury shares	264	390	-	-
Purchase of treasury shares	(12,550)	(693)	(9,009)	(693)
Repayment of the loans from non-controlling interests	(1,003)	(963)	(19)	(1)
Proceeds from/(Repayment of) borrowings	172,042	(172,801)	6,183	121,242
Ordinary and special dividends paid	(47,267)	(94,328)	-	-
Dividends paid to non-controlling interests	(3,370)	(29,776)	-	(144)
Interest paid	(39,545)	(35,768)	(15,449)	(12,325)
Net cash generated from/(used in) financing activities	69,262	(333,868)	(18,294)	108,079
Net increase/(decrease) in cash and cash equivalents	282,200	(367,603)	20,874	(7,839)
Cash and cash equivalents at beginning of financial period	834,762	1,024,541	1,098,815	663,707
Effects of currency translation on cash and cash equivalents	4,007	(2,457)	1,280	(1,387)
Cash and cash equivalents at end of financial period	1,120,969	654,481	1,120,969	654,481

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, the issuance of medium term notes and the drawdown of bank borrowings.

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

	Group			Group		
	Nine Months ended 31-Mar-15 S\$'000	Nine Months ended 31-Mar-14 S\$'000	+ / (-) %	Third Quarter ended 31-Mar-15 S\$'000	Third Quarter ended 31-Mar-14 S\$'000	+ / (-) %
Total profit	43,874	122,511	(64)	4,798	42,310	(89)
Other comprehensive income/(expense):						
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges	14,053	2,960	375	2,307	642	259
Currency translation differences	131,207	(20,124)	n.m.	52,531	4,098	n.m.
Share of other comprehensive expense of associated and joint venture companies	(2,346)	(516)	355	(4,559)	(552)	726
	142,914	(17,680)	n.m.	50,279	4,188	n.m.
Items that will not be reclassified to profit or loss:						
Revaluation gains on property, plant and equipment	-	29	n.m.	-	-	-
Share of revaluation gains on property, plant and equipment of an associated company	-	395	n.m.	-	395	n.m.
	-	424	n.m.	-	395	n.m.
Other comprehensive income/(expense), net of tax	142,914	(17,256)	n.m.	50,279	4,583	997
Total comprehensive income	186,788	105,255	77	55,077	46,893	17
Attributable to:						
Equity holders of the Company	178,206	99,135	80	53,445	44,337	21
Non-controlling interests	8,582	6,120	40	1,632	2,556	(36)
	186,788	105,255	77	55,077	46,893	17

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	-	143,841	34,365	178,206	8,582	186,788
Realisation of reserves	-	(58,670)	58,670	-	-	-
Transfer to other reserves	-	2,879	(2,879)	-	-	-
Cost of share-based payment	-	1,933	-	1,933	94	2,027
Reissuance of treasury shares	-	264	-	264	-	264
Purchase of treasury shares	-	(12,550)	-	(12,550)	-	(12,550)
Ordinary and special dividends paid	-	-	(47,267)	(47,267)	-	(47,267)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	(3,370)	(3,370)
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(1,061)	(1,061)	1,752	691
Acquisition of additional interest in a subsidiary company	-	-	(2)	(2)	(2)	(4)
Liquidation of a subsidiary company	-	-	-	-	(440)	(440)
Disposal of a subsidiary company	-	3,215	-	3,215	11,823	15,038
Balance at 31 March 2015	838,250	137,897	2,116,246	3,092,393	191,598	3,283,991

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

	Attributable to equity holders of the Company			Total	Non-controlling interests	Total equity
	Share capital	Other reserves *	Retained earnings			
	<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)
Issuance of ordinary 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	<u>838,250</u>	<u>77,797</u>	<u>1,931,345</u>	<u>2,847,392</u>	<u>163,110</u>	<u>3,010,502</u>

* 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 2014	838,250	11,549	-	(9,445)	472,161	1,312,515
Total comprehensive income	-	-	3,377	-	8,936	12,313
Cost of share-based payment	-	1,791	-	-	-	1,791
Reissuance of treasury shares	-	(2,147)	-	2,411	-	264
Purchase of treasury shares	-	-	-	(12,550)	-	(12,550)
Ordinary and special dividends paid	-	-	-	-	(47,267)	(47,267)
Balance at 31 March 2015	<u>838,250</u>	<u>11,193</u>	<u>3,377</u>	<u>(19,584)</u>	<u>433,830</u>	<u>1,267,066</u>

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

	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	<u>838,250</u>	<u>11,158</u>	<u>-</u>	<u>(9,467)</u>	<u>162,120</u>	<u>1,002,061</u>

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 2015	<u>793,927,260</u>

At 31 March 2015, the Company's issued share capital (excluding treasury shares) comprises 780,547,360 (30 June 2014: 785,708,760) ordinary shares. The total number of treasury shares held by the Company as at 31 March 2015 was 13,379,900 (31 March 2014: 8,238,300) which represents 1.7% (31 March 2014: 1.0%) of the total number of issued shares (excluding treasury shares). At 31 March 2015, the total number of unexercised options under the Share Option Scheme was 2,494,200 (31 March 2014: 2,993,600).

There were 2,098,000 (31 March 2014: 2,404,400) treasury shares reissued pursuant to the employee share plans and share options for the nine months ended 31 March 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 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	
	Nine Months ended <u>31-Mar-15</u>	Nine Months ended <u>31-Mar-14</u>	Third Quarter ended <u>31-Mar-15</u>	Third Quarter ended <u>31-Mar-14</u>
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	4.37	14.17	0.37	4.88
(b) On a fully diluted basis (cents)	4.36	14.11	0.37	4.86

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

	Group		Company	
	As at <u>31-Mar-15</u>	As at <u>30-Jun-14</u>	As at <u>31-Mar-15</u>	As at <u>30-Jun-14</u>
Net asset value per ordinary share based on issued share capital excluding treasury shares (S\$)	3.96	3.78	1.62	1.67

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

For the nine months ended 31 March 2015 (“current period”), the Group recorded a total revenue of S\$460.8 million. This is a 26% decrease from the S\$623.6 million revenue recorded in the nine months ended 31 March 2014 (“corresponding period”). The revenue for the current period was mainly attributable to the progressive sales recognized from The Tembusu, the additional units sold in Foresque Residences and Helios Residences in Singapore, as well as The Lakeview in China.

The Group’s operating profit decreased by 55% from S\$147.9 million in the corresponding period to S\$66.9 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 decreased by 30% from S\$32.9 million to S\$23.1 million in the current period mainly due to the lower share of operating profit from Wing Tai Properties Limited in Hong Kong.

The Group’s net profit attributable to shareholders for the current period was S\$34.4 million, which is 69% lower than the net profit of S\$111.3 million recorded in the corresponding period.

The Group’s net asset value per share as at 31 March 2015 was S\$3.96 as compared to S\$3.78 as at 30 June 2014. The Group’s net gearing ratio as at 31 March 2015 was 0.11 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 half year ended 31 December 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.**

The URA's residential property price index decreased by 1% in 1st Quarter 2015, as compared to the 1.1% decline in 4th Quarter 2014. This was the sixth straight quarter of price decline.

The total number of new residential units sold islandwide in the 1st Quarter of 2015 fell to 1,311 units, compared to 1,376 units sold in 4th Quarter 2014. Buying sentiment for private residential property in Singapore is expected to remain subdued in the current year.

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

In China, although residential sales are expected to improve with some relaxation of home purchase restrictions in certain cities, the government is expected to maintain its policy 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 nine months ended 31 March 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 nine months ended 31 March 2015 to be false or misleading.

BY ORDER OF THE BOARD

Gabrielle Tan
Company Secretary
Singapore
12 May 2015