

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017

The Company announces the unaudited consolidated results for the first quarter ended 30 September 2017.

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

	Group			
	First Quarter ended 30-Sep-17 S\$'000	First Quarter ended 30-Sep-16 S\$'000	+ / (-) %	Note
Revenue	67,126	70,193	(4)	
Cost of sales	<u>(34,107)</u>	<u>(38,708)</u>	(12)	
Gross profit	33,019	31,485	5	
Other gains - net	18,824	6,101	209	(a)
Expenses				
- Distribution	(15,686)	(17,577)	(11)	(b)
- Administrative and other	<u>(22,184)</u>	<u>(17,708)</u>	25	(c)
Operating profit	13,973	2,301	507	
Finance costs	(9,190)	(10,756)	(15)	
Share of profits of associated and joint venture companies	<u>6,760</u>	<u>5,802</u>	17	
Profit/(loss) before income tax	11,543	(2,653)	n.m.	
Income tax (expense)/credit	<u>(3,227)</u>	<u>3,320</u>	n.m.	
Total profit	<u>8,316</u>	<u>667</u>	n.m.	
Attributable to:				
Equity holders of the Company	8,191	1,055	676	
Non-controlling interests	<u>125</u>	<u>(388)</u>	n.m.	
	<u>8,316</u>	<u>667</u>	n.m.	

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

		Group		
		First Quarter ended 30-Sep-17 <u>S\$'000</u>	First Quarter ended 30-Sep-16 <u>S\$'000</u>	+ / (-) %
(A)	Investment income	824	-	n.m.
(B)	Interest income	1,436	1,841	(22)
(C)	Finance costs	(9,190)	(10,756)	(15)
(D)	Depreciation and amortisation	(1,965)	(2,086)	(6)
(E)	Write-back of allowance/(allowance) for doubtful debts	40	(5)	n.m.
(F)	Allowance for stock obsolescence	(318)	(735)	(57)
(G)	Impairment in value of investments	-	-	-
(H)	Foreign exchange (loss)/gain	(267)	9	n.m.
(I)	Adjustment for tax in respect of prior years	-	-	-
(J)	Gain on disposal of property, plant and equipment	22	14	57
(K)	Exceptional items			
	- Gain on disposal of a joint venture company	-	4,522	n.m.
	- Gain on disposal of subsidiary companies	16,689	-	n.m.
(L)	Extraordinary items	-	-	-

Note:-

- (a) The increase in other gains - net is mainly due to the gain on disposal of subsidiary companies.
- (b) The decrease in distribution expenses is largely due to the lower rental and depreciation from retail outlets in Singapore.
- (c) The increase in administrative and other expenses is largely due to the higher accrued operating expenses.

n.m. - not meaningful

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

	Group		Company		Note
	As at 30-Sep-17 <u>S\$'000</u>	As at 30-Jun-17 <u>S\$'000</u>	As at 30-Sep-17 <u>S\$'000</u>	As at 30-Jun-17 <u>S\$'000</u>	
ASSETS					
Current assets					
Cash and cash equivalents	1,011,257	847,373	828,462	641,423	
Trade and other receivables	76,886	123,506	454,476	522,701	(a),(f)
Derivative financial instruments	3,659	2,188	3,362	2,062	
Inventories	19,605	19,421	-	-	
Development properties	718,254	739,930	-	-	(b)
Tax recoverable	7,091	6,467	-	-	
Assets held for sale	-	252,208	-	-	
	1,836,752	1,991,093	1,286,300	1,166,186	
Non-current assets					
Available-for-sale financial assets	25,007	22,708	3,189	3,189	
Trade and other receivables	262,739	213,984	466,717	617,872	(c),(f)
Derivative financial instruments	11,819	10,246	9,114	7,591	
Investments in associated and joint venture companies	1,565,196	1,604,409	-	-	(d)
Investments in subsidiary companies	-	-	282,063	282,063	
Investment properties	653,117	651,805	-	-	
Property, plant and equipment	114,656	115,928	10,904	10,992	
Deferred tax assets	5,724	5,662	-	-	
	2,638,258	2,624,742	771,987	921,707	
Total assets	4,475,010	4,615,835	2,058,287	2,087,893	
LIABILITIES					
Current liabilities					
Trade and other payables	110,208	172,690	31,152	32,741	(e)
Derivative financial instruments	-	80	-	-	
Current income tax liabilities	39,162	36,834	984	834	
Borrowings	4,337	4,253	-	-	
Liabilities held for sale	-	2,147	-	-	
	153,707	216,004	32,136	33,575	
Non-current liabilities					
Borrowings	919,660	925,371	602,313	602,793	
Derivative financial instruments	705	979	705	979	
Deferred income tax liabilities	38,092	38,139	-	-	
Other non-current liabilities	7,850	19,635	-	-	
	966,307	984,124	603,018	603,772	
Total liabilities	1,120,014	1,200,128	635,154	637,347	
NET ASSETS	3,354,996	3,415,707	1,423,133	1,450,546	
EQUITY					
Capital and reserves attributable to ordinary shareholders of the Company					
Share capital	838,250	838,250	838,250	838,250	
Other reserves	(58,038)	(13,489)	(29,269)	(21,169)	
Retained earnings	2,355,168	2,321,935	464,832	485,687	
	3,135,380	3,146,696	1,273,813	1,302,768	
Perpetual securities	149,320	147,778	149,320	147,778	
Non-controlling interests	70,296	121,233	-	-	
TOTAL EQUITY	3,354,996	3,415,707	1,423,133	1,450,546	

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 refund of tender deposit.
- (b) The decrease in the Group's development properties is primarily attributable to the progress billings made.
- (c) The increase in the Group's non-current trade and other receivables is mainly due to the advancement of loan to a joint venture company.
- (d) The decrease in the Group's investments in associated and joint venture companies is largely due to translation losses partially offset by the share of profits of associated and joint venture companies.
- (e) The decrease in the Group's trade and other payables is mainly due to the settlement of project related costs and other liabilities.
- (f) The decrease in the Company's trade and other receivables is mainly due to the repayment of loans from 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 30-Sep-17		As at 30-Jun-17	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
4,337	-	4,253	-

Amount repayable after one year

As at 30-Sep-17		As at 30-Jun-17	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
219,568	700,092	221,534	703,837

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	
	First Quarter ended 30-Sep-17 S\$'000	First Quarter ended 30-Sep-16 S\$'000
Cash flows from operating activities		
Total profit	8,316	667
Adjustments for:		
Non-cash items	(10,492)	(658)
Operating cash flow before working capital changes	(2,176)	9
Changes in operating assets and liabilities:		
Development properties	18,389	25,936
Other current assets/liabilities	11,827	(13,419)
Cash generated from operations	28,040	12,526
Income tax paid	(3,431)	(2,879)
Net cash generated from operating activities	24,609	9,647
Cash flows from investing activities		
Acquisition of additional interest in a subsidiary company	(70,658)	-
Acquisition of additional interest in a joint venture company	(1,600)	-
Purchases of available-for-sale financial assets	(205)	-
Additions to investment properties	-	(33,654)
Additions to property, plant and equipment	(1,080)	(487)
Disposal of a joint venture company	-	498,958
Disposal of subsidiary companies	272,605	-
Disposal of property, plant and equipment	58	14
Advancement of the loans to joint venture companies	(48,376)	-
Dividends received	12,264	5,305
Interest received	1,758	1,890
Net cash generated from investing activities	164,766	472,026
Cash flows from financing activities		
Reissuance of treasury shares	-	470
(Advancement)/repayment of the loans to non-controlling interests	(13,843)	18,733
Net repayment of borrowings	(1,184)	(242,519)
Interest paid	(10,767)	(14,204)
Net cash used in financing activities	(25,794)	(237,520)
Net increase in cash and cash equivalents	163,581	244,153
Cash and cash equivalents at beginning of financial quarter	847,373	722,883
Effects of currency translation on cash and cash equivalents	303	(1,298)
Cash and cash equivalents at end of financial quarter	1,011,257	965,738

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 quarter is mainly attributable to the proceeds from the disposal of subsidiary companies.

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

	Group		
	First Quarter ended 30-Sep-17 S\$'000	First Quarter ended 30-Sep-16 S\$'000	+ / (-) %
Total profit	8,316	667	n.m.
Other comprehensive income/(expense), net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Fair value gains on available-for-sale financial assets	2,094	-	n.m.
Cash flow hedges	1,078	712	51
Currency translation differences	(45,038)	(2,251)	n.m.
Share of other comprehensive income of associated and joint venture companies	1,076	9,560	(89)
	(40,790)	8,021	n.m.
Total comprehensive (expense)/income	(32,474)	8,688	n.m.
Attributable to:			
Equity holders of the Company	(31,287)	10,741	n.m.
Non-controlling interests	(1,187)	(2,053)	(42)
	(32,474)	8,688	n.m.

Note:-

n.m. - not meaningful

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

	Attributable to ordinary shareholders of the Company				Perpetual securities S\$'000	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 2017	838,250	(13,489)	2,321,935	3,146,696	147,778	121,233	3,415,707
Total comprehensive (expense)/income	-	(39,478)	8,191	(31,287)	-	(1,187)	(32,474)
Transfer from share-based payment reserve	-	(9,634)	9,634	-	-	-	-
Cost of share-based payment	-	311	-	311	-	-	311
Reissuance of treasury shares	-	(110)	110	-	-	-	-
Accrued perpetual securities distribution	-	-	(1,542)	(1,542)	1,542	-	-
Acquisition of additional interest in a subsidiary company	-	(295)	16,840	16,545	-	(49,750)	(33,205)
Disposal of a subsidiary company	-	4,657	-	4,657	-	-	4,657
Balance at 30 September 2017	838,250	(58,038)	2,355,168	3,135,380	149,320	70,296	3,354,996
Balance at 1 July 2016	838,250	(33,657)	2,318,116	3,122,709	-	209,817	3,332,526
Total comprehensive income/(expense)	-	9,686	1,055	10,741	-	(2,053)	8,688
Realisation of reserves	-	(9,476)	9,476	-	-	-	-
Cost of share-based payment	-	202	-	202	-	10	212
Reissuance of treasury shares	-	470	-	470	-	-	470
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(252)	(252)	-	252	-
Disposal of a joint venture company	-	(1,076)	-	(1,076)	-	-	(1,076)
Balance at 30 September 2016	838,250	(33,851)	2,328,395	3,132,794	-	208,026	3,340,820

* 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, statutory reserve and fair value 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>	Perpetual securities <u>S\$'000</u>	Total equity <u>S\$'000</u>
Balance at 1 July 2017	838,250	10,486	(1,058)	(30,597)	485,687	147,778	1,450,546
Total comprehensive income/(expense)	-	-	557	-	(28,125)	-	(27,568)
Transfer from share-based payment reserve	-	(8,702)	-	-	8,702	-	-
Cost of share-based payment	-	155	-	-	-	-	155
Reissuance of treasury shares	-	(1,196)	-	1,086	110	-	-
Accrued perpetual securities distribution	-	-	-	-	(1,542)	1,542	-
Balance at 30 September 2017	838,250	743	(501)	(29,511)	464,832	149,320	1,423,133
Balance at 1 July 2016	838,250	10,889	471	(32,493)	499,357	-	1,316,474
Total comprehensive income/(expense)	-	-	675	-	(6,919)	-	(6,244)
Cost of share-based payment	-	183	-	-	-	-	183
Reissuance of treasury shares	-	(332)	-	802	-	-	470
Balance at 30 September 2016	838,250	10,740	1,146	(31,691)	492,438	-	1,310,883

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 2017	<u>793,927,260</u>

At 30 September 2017, the Company's issued share capital (excluding treasury shares) comprises 774,474,360 (30 June 2017: 773,758,760) ordinary shares. The total number of treasury shares held by the Company as at 30 September 2017 was 19,452,900 (30 September 2016: 20,889,200) which represents 2.5% (30 September 2016: 2.7%) of the total number of issued shares (excluding treasury shares). At 30 September 2017, the total number of unexercised options under the Share Option Scheme was nil (30 September 2016: 1,336,500).

There were 715,600 (30 September 2016: 528,900) treasury shares reissued pursuant to the employee share plans for the first quarter ended 30 September 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 2017.

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-17</u>	First Quarter ended <u>30-Sep-16</u>
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	0.86	0.14
(b) On a fully diluted basis (cents)	0.86	0.14

7 **Net asset value per ordinary share**

	Group		Company	
	As at <u>30-Sep-17</u>	As at <u>30-Jun-17</u>	As at <u>30-Sep-17</u>	As at <u>30-Jun-17</u>
Net asset value per ordinary share based on issued share capital excluding treasury shares (S\$)	4.05	4.07	1.64	1.68

8 **Review of performance of the group**

For the three months ended 30 September 2017 (“current quarter”), the Group recorded a total revenue of S\$67.1 million. This represents a 4% decrease from the S\$70.2 million revenue recorded in the three months ended 30 September 2016 (“corresponding quarter”).

The current quarter revenue from development properties was mainly attributable to the additional units sold in Le Nouvel Ardmore in Singapore, Le Nouvel KLCC and Verticas Residences in Malaysia.

The Group’s operating profit increased by 509% to S\$14.0 million in the current quarter from S\$2.3 million in the corresponding quarter, mainly due to the contributions from Le Nouvel Ardmore and Le Nouvel KLCC as well as the gain on disposal of Huai Hai project in Shanghai.

The Group’s share of profits of associated and joint venture companies increased by 17% to S\$6.7 million in the current quarter largely due to the higher contribution from Wing Tai Properties Limited in Hong Kong.

In the current quarter, the Group recorded a net profit attributable to shareholders of S\$8.2 million, an increase of 676% as compared to the \$1.1 million recorded in the corresponding quarter.

The Group’s net asset value per share as at 30 September 2017 was S\$4.05 as compared to S\$4.07 as at 30 June 2017. The Group was in a net cash position as at 30 September 2017. This is a change from 30 June 2017 when it had a net gearing ratio of 0.02 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 2017.

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 flash estimate shows that the residential property price index increased by 0.5% in the third quarter of 2017, as compared to the 0.1% decline in the previous quarter. The total number of new residential units sold in the third quarter of 2017 fell slightly to 3,015 units, as compared to 3,077 units sold in the second quarter of 2017.

In August 2017, the Group together with Keppel Land were jointly awarded the tender for a 99-year leasehold prime residential site in Serangoon North Avenue 1, Singapore. The partners plan to develop over 600 homes for sale on this site with gross floor area of 462,561 square feet located in the Serangoon Gardens area.

The Group will monitor the market closely in order to realize the appropriate timings for sale of more residential units 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 first quarter ended 30 September 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 first quarter ended 30 September 2017 to be false or misleading.

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
23 October 2017