

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST HALF YEAR ENDED 31 DECEMBER 2020

The Company announces the unaudited consolidated results for the first half year ended 31 December 2020.

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

	Group			
	First Half Year ended 31-Dec-20 S\$'000	First Half Year ended 31-Dec-19 S\$'000	+ / (-) %	Note
Revenue	243,418	183,495	33	
Cost of sales	<u>(143,496)</u>	<u>(89,689)</u>	60	
Gross profit	99,922	93,806	7	
Other gains – net	12,845	3,468	270	(a)
Expenses				
- Distribution	(15,838)	(29,075)	(46)	(b)
- Administrative and other	<u>(46,393)</u>	<u>(50,155)</u>	(8)	(c)
Operating profit	50,536	18,044	180	
Finance costs	(16,781)	(14,330)	17	
Share of profits of associated and joint venture companies	<u>38,537</u>	<u>35,798</u>	8	
Profit before income tax	72,292	39,512	83	
Income tax expense	<u>(14,746)</u>	<u>(6,508)</u>	127	
Total profit	<u>57,546</u>	<u>33,004</u>	74	
Attributable to:				
Equity holders of the Company	56,796	32,819	73	
Non-controlling interests	<u>750</u>	<u>185</u>	305	
	<u>57,546</u>	<u>33,004</u>	74	

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

		Group		
		First Half Year ended 31-Dec-20 S\$'000	First Half Year ended 31-Dec-19 S\$'000	+ / (-) %
(A)	Investment income	1,502	1,627	(8)
(B)	Interest income	1,253	1,225	2
(C)	Finance costs	(16,781)	(14,330)	17
(D)	Depreciation and amortisation	(9,031)	(13,556)	(33)
(E)	Write-back of allowance for doubtful debts	7	-	n.m.
(F)	Write-back of allowance for stock obsolescence	1,279	851	50
(G)	Impairment in value of investments	-	-	-
(H)	Foreign exchange loss	(956)	(739)	29
(I)	Adjustment for tax in respect of prior years	-	-	-
(J)	Gain on disposal of investment property and property, plant and equipment	9,411	52	n.m.

Note:-

- (a) The increase in other gains – net is mainly due to the gain on disposal of investment property and property, plant and equipment recognised in the current period.
- (b) The decrease in distribution expenses is primarily due to the lower rental for retail stores.
- (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-Dec-20 S\$'000	As at 30-Jun-20 S\$'000	As at 31-Dec-20 S\$'000	As at 30-Jun-20 S\$'000	
ASSETS					
Current assets					
Cash and cash equivalents	786,506	605,480	424,352	283,891	
Trade and other receivables	39,725	111,590	143,442	244,796	(a), (g)
Inventories	8,704	14,679	-	-	
Development properties	835,693	993,584	-	-	(b)
Tax recoverable	5,956	5,579	-	-	
Other assets	21,724	11,448	1,320	1,541	
Assets held for sale	-	68,062	-	-	(c)
	1,698,308	1,810,422	569,114	530,228	
Non-current assets					
Trade and other receivables	121,918	134,673	1,052,622	1,160,397	(g)
Investments in associated and joint venture companies	1,713,772	1,764,891	-	-	(d)
Investments in subsidiary companies	-	-	282,063	282,063	
Investment properties	801,279	792,346	-	-	
Property, plant and equipment	89,720	91,608	14,605	12,948	
Deferred income tax assets	7,158	8,087	-	-	
Other assets	46,545	48,785	20,613	20,811	
	2,780,392	2,840,390	1,369,903	1,476,219	
Total assets	4,478,700	4,650,812	1,939,017	2,006,447	
LIABILITIES					
Current liabilities					
Trade and other payables	69,765	57,842	13,555	11,195	
Current income tax liabilities	39,037	33,418	249	221	
Borrowings	85,942	-	85,942	-	
Other liabilities	19,139	117,395	-	345	(e)
	213,883	208,655	99,746	11,761	
Non-current liabilities					
Borrowings	640,280	787,740	421,483	567,537	(f)
Deferred income tax liabilities	34,850	33,719	-	-	
Other liabilities	25,491	35,353	9,567	19,322	
	700,621	856,812	431,050	586,859	
Total liabilities	914,504	1,065,467	530,796	598,620	
NET ASSETS	3,564,196	3,585,345	1,408,221	1,407,827	
EQUITY					
Capital and reserves attributable to ordinary shareholders of the Company					
Share capital	838,250	838,250	838,250	838,250	
Other reserves	(40,263)	7,904	(37,576)	(38,575)	
Retained earnings	2,396,207	2,367,885	311,156	311,777	
	3,194,194	3,214,039	1,111,830	1,111,452	
Perpetual securities	296,391	296,375	296,391	296,375	
Non-controlling interests	73,611	74,931	-	-	
TOTAL EQUITY	3,564,196	3,585,345	1,408,221	1,407,827	

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 repayment of loan by a joint venture company.
- (b) The decrease in the Group's development properties is primarily attributable to the recognition of capitalised development costs in the income statement.
- (c) The disposal of the assets held for sale were completed during the current period.
- (d) The decrease in the Group's investments in associated and joint venture companies is primarily due to currency translation loss.
- (e) The decrease in the Group's other current liabilities is primarily due to the recognition of advance payments from purchasers for development projects in the income statement upon completion of the sales.
- (f) The decrease in the Group's and the Company's non-current borrowings is mainly due to the reclassification of medium term notes which became current and the repurchase of its medium term notes.
- (g) The decrease in the Company's current and non-current 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 31-Dec-20		As at 30-Jun-20	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	85,942	-	-

Amount repayable after one year

As at 31-Dec-20		As at 30-Jun-20	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
142,255	498,025	140,207	647,533

Details of any collateral

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

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

	Group	
	First Half Year ended 31-Dec-20 S\$'000	First Half Year ended 31-Dec-19 S\$'000
Cash flows from operating activities		
Total profit	57,546	33,004
Adjustments for:		
Non-cash items	(8,963)	(4,086)
Operating cash flow before working capital changes	48,583	28,918
Changes in operating assets and liabilities:		
Development properties	159,735	428
Other current assets/liabilities	(38,941)	6,552
Cash generated from operations	169,377	35,898
Income tax (paid)/refunded	(7,166)	401
Net cash generated from operating activities	162,211	36,299
Cash flows from investing activities		
Additional interest in a joint venture company	-	(1,150)
Additions to investment properties	-	(50,598)
Additions to property, plant and equipment	(3,860)	(3,009)
Disposal of investment property and property, plant and equipment	78,230	384
(Advancement)/repayment of the loans to non-controlling interests	(6,799)	3,152
Repayment of loans by joint venture companies	38,320	23,199
Dividends received	23,646	6,480
Interest received	1,724	1,624
Net cash generated from/(used in) investing activities	131,261	(19,918)
Cash flows from financing activities		
Principal payment of lease liability	(6,483)	(8,866)
Net (repayment of)/proceeds from bank borrowings	(62,352)	55,581
Ordinary and special dividends paid	(23,115)	(38,453)
Perpetual securities distribution paid	(6,456)	(6,456)
Interest paid	(14,189)	(13,234)
Net cash used in financing activities	(112,595)	(11,428)
Net increase in cash and cash equivalents	180,877	4,953
Cash and cash equivalents at beginning of financial period	605,480	217,332
Effects of currency translation on cash and cash equivalents	149	(1,349)
Cash and cash equivalents at end of financial period	786,506	220,936

Note:-

- Cash and cash equivalents consist of fixed deposits, cash and bank balances.
- The increase in the Group's cash and cash equivalents for the current period is mainly due to the cash generated from the sale of development properties and proceeds from the disposal of investment property and property, plant and equipment.

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

	Group		
	First Half Year ended 31-Dec-20 <u>SS'000</u>	First Half Year ended 31-Dec-19 <u>SS'000</u>	
Total profit	57,546	33,004	74
Other comprehensive (expense)/income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	(75)	363	n.m.
Currency translation differences	(47,870)	9,930	n.m.
Share of other comprehensive income/(expense) of associated and joint venture companies	462	(5,374)	n.m.
	(47,483)	4,919	n.m.
Items that will not be reclassified subsequently to profit or loss:			
Fair value losses on financial assets at fair value through other comprehensive income	(1,260)	(2,383)	(47)
Currency translation differences	(2,128)	27	n.m.
Share of other comprehensive income/(expense) of associated and joint venture companies	58	(103)	n.m.
	(3,330)	(2,459)	35
Other comprehensive (expense)/income, net of tax	(50,813)	2,460	n.m.
Total comprehensive income	6,733	35,464	(81)
Attributable to:			
Equity holders of the Company	8,053	35,355	(77)
Non-controlling interests	(1,320)	109	n.m.
	6,733	35,464	(81)

Note:-

n.m. - not meaningful

1 (e)(i) **Statement 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 2020	838,250	7,904	2,367,885	3,214,039	296,375	74,931	3,585,345
Total comprehensive (expense)/income	-	(48,743)	56,796	8,053	-	(1,320)	6,733
Share of transfer of reserves of associated and joint venture companies	-	(444)	444	-	-	-	-
Cost of share-based payment	-	1,037	-	1,037	-	-	1,037
Reissuance of treasury shares	-	(38)	38	-	-	-	-
Accrued perpetual securities distribution	-	-	(6,472)	(6,472)	6,472	-	-
Ordinary and special dividends paid	-	-	(23,115)	(23,115)	-	-	(23,115)
Perpetual securities distribution paid	-	-	-	-	(6,456)	-	(6,456)
Tax credit arising from perpetual securities distribution	-	-	631	631	-	-	631
Liquidation of subsidiary companies	-	21	-	21	-	-	21
Balance at 31 December 2020	838,250	(40,263)	2,396,207	3,194,194	296,391	73,611	3,564,196
Balance at 1 July 2019, as previously reported	838,250	(27,577)	2,402,368	3,213,041	296,375	73,227	3,582,643
Effect of adoption of SFRS(I) 16	-	-	(1,328)	(1,328)	-	-	(1,328)
Balance at 1 July 2019, as adjusted	838,250	(27,577)	2,401,040	3,211,713	296,375	73,227	3,581,315
Total comprehensive income	-	2,536	32,819	35,355	-	109	35,464
Cost of share-based payment	-	1,378	-	1,378	-	-	1,378
Reissuance of treasury shares	-	48	(48)	-	-	-	-
Accrued perpetual securities distribution	-	-	(6,472)	(6,472)	6,472	-	-
Ordinary and special dividends paid	-	-	(38,453)	(38,453)	-	-	(38,453)
Perpetual securities distribution paid	-	-	-	-	(6,456)	-	(6,456)
Tax credit arising from perpetual securities distribution	-	-	120	120	-	-	120
Balance at 31 December 2019	838,250	(23,615)	2,389,006	3,203,641	296,391	73,336	3,573,368

* Includes share-based payment reserve, cash flow hedge 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) **Statement of Changes in Equity for the Company**

	Share capital <u>S\$'000</u>	Share-based payment 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 2020	838,250	2,155	(40,730)	311,777	296,375	1,407,827
Total comprehensive income	-	-	-	28,297	-	28,297
Cost of share-based payment	-	1,037	-	-	-	1,037
Reissuance of treasury shares	-	(2,393)	2,355	38	-	-
Accrued perpetual securities distribution	-	-	-	(6,472)	6,472	-
Ordinary and special dividends paid	-	-	-	(23,115)	-	(23,115)
Perpetual securities distribution paid	-	-	-	-	(6,456)	(6,456)
Tax credit arising from perpetual securities distribution	-	-	-	631	-	631
Balance at 31 December 2020	838,250	799	(38,375)	311,156	296,391	1,408,221
Balance at 1 July 2019	838,250	2,161	(42,919)	378,980	296,375	1,472,847
Total comprehensive expense	-	-	-	(13,938)	-	(13,938)
Cost of share-based payment	-	1,378	-	-	-	1,378
Reissuance of treasury shares	-	(2,141)	2,189	(48)	-	-
Accrued perpetual securities distribution	-	-	-	(6,472)	6,472	-
Ordinary and special dividends paid	-	-	-	(38,453)	-	(38,453)
Perpetual securities distribution paid	-	-	-	-	(6,456)	(6,456)
Tax credit arising from perpetual securities distribution	-	-	-	120	-	120
Balance at 31 December 2019	838,250	1,398	(40,730)	320,189	296,391	1,415,498

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 31 December 2020	793,927,260

At 31 December 2020, the Company's issued share capital (excluding treasury shares) comprises 770,499,560 (30 June 2020: 769,061,760) ordinary shares. The total number of treasury shares held by the Company as at 31 December 2020 was 23,427,700 (31 December 2019: 24,865,500) which represents 3.0% (31 December 2019: 3.2%) of the total number of issued shares (excluding treasury shares).

There were 1,437,800 (31 December 2019: 1,336,300) treasury shares reissued pursuant to the employee share plans for the first half year ended 31 December 2020.

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 2020.

- 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 Half Year ended 31-Dec-20 cents	First Half Year ended 31-Dec-19 cents
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares	6.54	3.43
(b) On a fully diluted basis	6.53	3.42

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

	Group		Company	
	As at 31-Dec-20 S\$	As at 30-Jun-20 S\$	As at 31-Dec-20 S\$	As at 30-Jun-20 S\$
Net asset value per ordinary share based on issued share capital excluding treasury shares	4.15	4.18	1.44	1.45

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

For the half year ended 31 December 2020 ("current period"), the Group recorded a total revenue of S\$243.4 million. This represents a 33% increase from the S\$183.5 million revenue recorded for the half year ended 31 December 2019 ("corresponding period"). The current period revenue from development properties was mainly attributable to the additional units sold in Le Nouvel Ardmore and the progressive sales recognised from The M at Middle Road in Singapore.

The Group recorded net profit before income tax of S\$72.3 million in the current period as compared to S\$39.5 million in the corresponding period mainly due to the higher contribution from the development properties.

In the current period, the Group's net profit attributable to shareholders was S\$56.8 million as compared to the S\$32.8 million recorded in the corresponding period.

The Group's net asset value per share as at 31 December 2020 was S\$4.15 as compared to S\$4.18 as at 30 June 2020. The Group was in a net cash position as at 31 December 2020.

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 2020.

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 increased by 2.2% in 2020, as compared to the 2.7% increase in 2019. The total number of new residential units sold islandwide in 2020 was 9,982 units as compared to 9,912 units sold in 2019.

The Covid-19 pandemic has caused a severe disruption to the Singapore economy. Based on the advance estimate by the Ministry of Trade and Industry, the Singapore economy has contracted by 5.8% in 2020.

While the buying sentiments for the residential property is likely to remain stable in the current year, the Group will continue to exercise prudence in liquidity and capital management to ride through the uncertainties in the 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 first half year ended 31 December 2020.

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 half year ended 31 December 2020 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
3 February 2021