

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2016

The Company announces the unaudited consolidated results for the half year and second quarter ended 31 December 2016.

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

	Group			Group			Note
	Half Year ended 31-Dec-16 S\$'000	Half Year ended 31-Dec-15 S\$'000	+ / (-) %	Second Quarter ended 31-Dec-16 S\$'000	Second Quarter ended 31-Dec-15 S\$'000	+ / (-) %	
Revenue	131,091	290,867	(55)	60,898	120,611	(50)	
Cost of sales	(63,988)	(173,375)	(63)	(25,280)	(63,003)	(60)	
Gross profit	67,103	117,492	(43)	35,618	57,608	(38)	
Other gains – net	10,261	4,154	147	4,151	2,521	65	(a)
Expenses							
- Distribution	(34,500)	(47,168)	(27)	(16,923)	(22,175)	(24)	(b)
- Administrative and other	(43,806)	(44,446)	(1)	(26,089)	(24,971)	4	
Operating (loss)/profit	(942)	30,032	n.m.	(3,243)	12,983	n.m.	
Finance costs	(20,972)	(21,567)	(3)	(10,216)	(11,461)	(11)	
Share of profits of associated and joint venture companies	24,341	15,842	54	18,539	8,474	119	
Profit before income tax	2,427	24,307	(90)	5,080	9,996	(49)	
Income tax credit/(expense)	2,482	(14,604)	n.m.	(838)	(6,204)	(86)	
Total profit	4,909	9,703	(49)	4,242	3,792	12	
Attributable to:							
Equity holders of the Company	3,192	3,111	3	2,137	1,082	98	
Non-controlling interests	1,717	6,592	(74)	2,105	2,710	(22)	
	4,909	9,703	(49)	4,242	3,792	12	

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

	Group			Group		
	Half Year ended 31-Dec-16 S\$'000	Half Year ended 31-Dec-15 S\$'000	+ / (-) %	Second Quarter ended 31-Dec-16 S\$'000	Second Quarter ended 31-Dec-15 S\$'000	+ / (-) %
(A) Investment income	136	141	(4)	136	141	(4)
(B) Interest income	3,635	4,054	(10)	1,794	2,359	(24)
(C) Finance costs	(20,972)	(21,567)	(3)	(10,216)	(11,461)	(11)
(D) Depreciation and amortisation	(4,141)	(5,604)	(26)	(2,055)	(2,585)	(21)
(E) (Allowance)/write-back of allowance for doubtful debts	(266)	(28)	n.m.	(261)	6	n.m.
(F) Allowance for stock obsolescence	(963)	(640)	50	(228)	(379)	(40)
(G) Impairment in value of investments	-	-	-	-	-	-
(H) Foreign exchange gain	1,301	1,261	3	1,292	1,147	13
(I) Adjustment for tax in respect of prior years	-	-	-	-	-	-
(J) Gain on disposal of property, plant and equipment	250	149	68	236	3	n.m.
(K) Exceptional items						
Gain on disposal of a joint venture company	4,522	-	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 joint venture company.
- (b) The decrease in distribution expenses is largely due to the lower rental and depreciation from retail outlets in Singapore.

n.m. - not meaningful

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

	Group		Company		Note
	As at 31-Dec-16 S\$'000	As at 30-Jun-16 S\$'000	As at 31-Dec -16 S\$'000	As at 30-Jun-16 S\$'000	
ASSETS					
Current assets					
Cash and cash equivalents	861,557	722,883	347,316	335,091	
Trade and other receivables	28,135	45,359	746,488	1,171,470	(f)
Inventories	17,267	21,568	-	-	
Development properties	1,082,613	1,228,769	-	-	(a)
Tax recoverable	4,057	3,698	-	-	
Other current assets	37,961	29,061	7,828	6,111	
Assets held for sale	-	495,512	-	-	
	2,031,590	2,546,850	1,101,632	1,512,672	
Non-current assets					
Available-for-sale financial assets	6,508	6,276	3,189	3,189	
Trade and other receivables	198,334	216,157	574,765	518,181	(g)
Derivative financial instruments	1,971	15,178	382	11,322	
Investments in associated and joint venture companies	1,617,984	1,496,998	-	-	(b)
Investments in subsidiary companies	-	-	283,063	283,063	
Investment properties	611,013	577,732	-	-	(c)
Property, plant and equipment	114,877	116,444	10,485	10,852	
	2,550,687	2,428,785	871,884	826,607	
Total assets	4,582,277	4,975,635	1,973,516	2,339,279	
LIABILITIES					
Current liabilities					
Trade and other payables	110,715	133,056	40,766	93,924	(d)
Current income tax liabilities	33,696	38,905	938	1,043	
Borrowings	11,491	87,348	-	-	(e)
	155,902	259,309	41,704	94,967	
Non-current liabilities					
Borrowings	960,585	1,289,158	653,954	927,838	(e)
Deferred income tax liabilities	65,470	65,167	-	-	
Other non-current liabilities	26,715	29,475	-	-	
	1,052,770	1,383,800	653,954	927,838	
Total liabilities	1,208,672	1,643,109	695,658	1,022,805	
NET ASSETS	3,373,605	3,332,526	1,277,858	1,316,474	
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	838,250	838,250	838,250	838,250	
Other reserves	41,802	(33,657)	(14,837)	(21,133)	
Retained earnings	2,284,105	2,318,116	454,445	499,357	
	3,164,157	3,122,709	1,277,858	1,316,474	
Non-controlling interests	209,448	209,817	-	-	
TOTAL EQUITY	3,373,605	3,332,526	1,277,858	1,316,474	

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

Note:-

- (a) The decrease in the Group's development properties is largely attributable to the progress billings made partially offset by the development costs incurred and capitalised.
- (b) The increase in the Group's investments in associated and joint venture companies is largely due to the share of the profits and currency translation gains.
- (c) The increase in the Group's investment properties is due to the acquisition of a commercial building.
- (d) The decrease in the Group's trade and other payables is mainly due to the settlement of project related costs.
- (e) The decrease in the Group's and Company's borrowings is largely attributable to the repayment of bank borrowings.
- (f) The decrease in Company's current trade and other receivables is due to the repayment of loans from its subsidiary companies.
- (g) The increase in the Company's non-current trade and other receivables is largely due to the advancement 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-Dec-16		As at 30-Jun-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,665	5,826	5,859	81,489

Amount repayable after one year

As at 31-Dec-16		As at 30-Jun-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
202,370	758,215	341,087	948,071

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		Group	
	Half Year ended 31-Dec-16 S\$'000	Half Year ended 31-Dec-15 S\$'000	Second Quarter ended 31-Dec-16 S\$'000	Second Quarter ended 31-Dec-15 S\$'000
Cash flows from operating activities				
Total profit	4,909	9,703	4,242	3,792
Adjustments for:				
Non-cash items	(8,902)	25,898	(8,768)	11,457
Operating cash flow before working capital changes	(3,993)	35,601	(4,526)	15,249
Changes in operating assets and liabilities:				
Development properties	135,653	51,445	109,717	45,543
Other current assets/liabilities	(6,870)	(28,284)	6,549	(14,727)
Cash generated from operations	124,790	58,762	111,740	46,065
Income tax paid	(6,386)	(20,274)	(3,507)	(14,409)
Net cash generated from operating activities	118,404	38,488	108,233	31,656
Cash flows from investing activities				
Acquisition of additional interest in a joint venture company	-	(133)	-	(133)
Additions to investment properties	(34,188)	-	-	-
Additions to property, plant and equipment	(4,164)	(2,485)	(3,677)	(456)
Disposal of property, plant and equipment	265	151	251	3
Disposal of joint venture companies	498,958	-	-	-
Liquidation of joint venture companies	152	50	152	50
Distribution to non-controlling interests upon liquidation of subsidiary companies	-	(490)	-	(233)
Advancement of the loans to joint venture companies	(601)	(255,507)	(601)	(253,177)
Dividends received	8,874	9,847	3,569	3,477
Interest received	3,096	4,268	1,206	2,491
Net cash generated from/(used in) investing activities	472,392	(244,299)	900	(247,978)
Cash flows from financing activities				
Issuance of rights shares by a subsidiary company to non-controlling interests	-	14,198	-	-
Reissuance of treasury shares	470	290	-	43
Purchase of treasury shares	-	(2,589)	-	(1,542)
Repayment/(advancement) of the loans to non-controlling interests	18,623	(1,067)	(120)	(1,065)
Net repayment of borrowings	(403,044)	(32,822)	(160,525)	(36,727)
Ordinary and special dividends paid	(46,426)	(23,448)	(46,426)	(23,448)
Dividends paid to non-controlling interests	(1,600)	(1,638)	(1,600)	(1,638)
Interest paid	(22,428)	(25,115)	(8,224)	(11,081)
Net cash used in financing activities	(454,405)	(72,191)	(216,895)	(75,458)
Net increase/(decrease) in cash and cash equivalents	136,391	(278,002)	(107,762)	(291,780)
Cash and cash equivalents at beginning of financial period	722,883	880,611	965,738	889,439
Effects of currency translation on cash and cash equivalents	2,283	(8,167)	3,581	(3,217)
Cash and cash equivalents at end of financial period	861,557	594,442	861,557	594,442

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 proceeds from the disposal of joint venture companies partially offset by the repayment of bank borrowings.

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

	Group			Group		
	Half Year ended 31-Dec-16 S\$'000	Half Year ended 31-Dec-15 S\$'000	+ / (-) %	Second Quarter ended 31-Dec-16 S\$'000	Second Quarter ended 31-Dec-15 S\$'000	+ / (-) %
Total profit	4,909	9,703	(49)	4,242	3,792	12
Other comprehensive income/(expense), net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges	6,124	1,949	214	5,412	977	454
Currency translation differences	74,334	18,621	299	76,585	(30,911)	n.m.
Share of other comprehensive income/(expense) of associated and joint venture companies	3,817	(676)	n.m.	(5,743)	(7,261)	(21)
	84,275	19,894	324	76,254	(37,195)	n.m.
Total comprehensive income/(expense)	89,184	29,597	201	80,496	(33,403)	n.m.
Attributable to:						
Equity holders of the Company	88,227	33,389	164	77,486	(35,733)	n.m.
Non-controlling interests	957	(3,792)	n.m.	3,010	2,330	29
	89,184	29,597	201	80,496	(33,403)	n.m.

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 2016	838,250	(33,657)	2,318,116	3,122,709	209,817	3,332,526
Total comprehensive income	-	85,035	3,192	88,227	957	89,184
Realisation of reserves	-	(9,476)	9,476	-	-	-
Cost of share-based payment	-	506	-	506	21	527
Reissuance of treasury shares	-	470	-	470	-	470
Ordinary and special dividends paid	-	-	(46,426)	(46,426)	-	(46,426)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	(1,600)	(1,600)
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(253)	(253)	253	-
Disposal of a joint venture company	-	(1,076)	-	(1,076)	-	(1,076)
Balance at 31 December 2016	838,250	41,802	2,284,105	3,164,157	209,448	3,373,605
Balance at 1 July 2015	838,250	76,717	2,258,202	3,173,169	189,032	3,362,201
Total comprehensive income/(expense)	-	30,278	3,111	33,389	(3,792)	29,597
Realisation of reserves	-	(25,808)	25,808	-	-	-
Cost of share-based payment	-	1,062	-	1,062	32	1,094
Reissuance of treasury shares	-	290	-	290	-	290
Purchase of treasury shares	-	(2,589)	-	(2,589)	-	(2,589)
Ordinary and special dividends paid	-	-	(23,448)	(23,448)	-	(23,448)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	(1,638)	(1,638)
Issuance of ordinary shares by a subsidiary company to non-controlling interests	-	-	(146)	(146)	146	-
Issuance of rights shares by a subsidiary company to non-controlling interests	-	-	12,152	12,152	(689)	11,463
Liquidation of subsidiary companies	-	-	-	-	(490)	(490)
Balance at 31 December 2015	838,250	79,950	2,275,679	3,193,879	182,601	3,376,480

* 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 2016	838,250	10,889	471	(32,493)	499,357	1,316,474
Total comprehensive income	-	-	5,361	-	1,514	6,875
Cost of share-based payment	-	465	-	-	-	465
Reissuance of treasury shares	-	(1,426)	-	1,896	-	470
Ordinary and special dividends paid	-	-	-	-	(46,426)	(46,426)
Balance at 31 December 2016	838,250	9,928	5,832	(30,597)	454,445	1,277,858
Balance at 1 July 2015	838,250	11,368	2,528	(19,584)	496,154	1,328,716
Total comprehensive income	-	-	1,583	-	411	1,994
Cost of share-based payment	-	1,001	-	-	-	1,001
Reissuance of treasury shares	-	(2,212)	-	2,501	-	289
Purchase of treasury shares	-	-	-	(2,589)	-	(2,589)
Ordinary and special dividends paid	-	-	-	-	(23,448)	(23,448)
Balance at 31 December 2015	838,250	10,157	4,111	(19,672)	473,117	1,305,963

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

<u>Issued ordinary shares</u>	<u>Number of shares</u>
Balance at 1 October and 31 December 2016	<u>793,927,260</u>

At 31 December 2016, the Company's issued share capital (excluding treasury shares) comprises 773,758,760 (30 June 2016: 772,509,160) ordinary shares. The total number of treasury shares held by the Company as at 31 December 2016 was 20,168,500 (31 December 2015: 13,231,700) which represents 2.6% (31 December 2015: 1.7%) of the total number of issued shares (excluding treasury shares). At 31 December 2016, the total number of unexercised options under the Share Option Scheme was 1,199,000 (31 December 2015: 2,175,100).

There were 1,249,600 (31 December 2015: 1,700,500) treasury shares reissued pursuant to the employee share plans and share options for the half year ended 31 December 2016.

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 2016.

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 <u>31-Dec-16</u>	Half Year ended <u>31-Dec-15</u>	Second Quarter ended <u>31-Dec-16</u>	Second Quarter ended <u>31-Dec-15</u>
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	0.41	0.40	0.27	0.14
(b) On a fully diluted basis (cents)	0.41	0.40	0.27	0.14

7 **Net asset value per ordinary share**

	Group		Company	
	As at <u>31-Dec-16</u>	As at <u>30-Jun-16</u>	As at <u>31-Dec-16</u>	As at <u>30-Jun-16</u>
Net asset value per ordinary share based on issued share capital excluding treasury shares (S\$)	4.09	4.04	1.65	1.70

8 **Review of performance of the group**

For the half year ended 31 December 2016 (“current period”), the Group recorded a total revenue of S\$131.1 million. This is a 55% decrease from the S\$290.9 million revenue recorded for the half year ended 31 December 2015 (“corresponding period”). This decrease is largely due to the lower contributions from development properties.

The current period revenue from development properties was mainly attributable to the progressive sales recognized from The Tembusu in Singapore and the additional units sold in Verticas Residences and Nobleton Crest in Malaysia.

The Group recorded a net profit before tax of S\$2.4 million in the current period as compared to S\$24.3 million in the corresponding period primarily due to the lower profits from development properties. The 54% increase amounting to S\$8.5 million in the share of profits of associated and joint venture companies in the current period partially mitigated the drop in net profit before tax. This is mainly due to the higher contributions from Wing Tai Properties Limited in Hong Kong and Uniqlo in both Singapore and Malaysia.

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

In the current period, the Group's net profit attributable to shareholders was S\$3.2 million, an increase of 3% over the S\$3.1 million net profit recorded in the corresponding period.

The Group's net asset value per share as at 31 December 2016 was S\$4.09 as compared to S\$4.04 as at 30 June 2016. The Group's net gearing ratio as at 31 December 2016 was 0.03 times as compared to 0.21 times as at 30 June 2016.

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 2016.

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 decreased by 3.1% in 2016, as compared to the 3.7% decline in 2015. The total number of new private residential units sold islandwide in 2016 was 7,972 units, a 7% increase from the 7,440 new units sold in 2015. Buying sentiment for private residential property in Singapore is expected to remain subdued in the current year.

In the current period, the Group launched Malaren Gardens, a residential development with 301 units in the Baoshan District of Shanghai. To date, close to 90% of the 138 units launched in this development have been sold. The Group will continue to monitor the market closely and will at appropriate times release more residential units 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 half year ended 31 December 2016.

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 half year ended 31 December 2016 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
6 February 2017