

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

The Company announces the unaudited consolidated results for the first quarter ended 30 September 2016.

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

	Group			
	First Quarter ended 30-Sep-16 S\$'000	First Quarter ended 30-Sep-15 S\$'000	+ / (-) %	Note
Revenue	70,193	170,256	(59)	
Cost of sales	<u>(38,708)</u>	<u>(110,372)</u>	(65)	
Gross profit	31,485	59,884	(47)	
Other gains - net	6,101	1,519	302	(a)
Expenses				
- Distribution	<u>(17,577)</u>	(24,993)	(30)	(b)
- Administrative and other	<u>(17,708)</u>	<u>(19,361)</u>	(9)	(c)
Operating profit	2,301	17,049	(87)	
Finance costs	(10,756)	(10,106)	6	
Share of profits of associated and joint venture companies	<u>5,802</u>	<u>7,368</u>	(21)	
(Loss)/profit before income tax	(2,653)	14,311	n.m.	
Income tax credit/(expense)	<u>3,320</u>	<u>(8,400)</u>	n.m.	
Total profit	<u>667</u>	<u>5,911</u>	(89)	
Attributable to:				
Equity holders of the Company	1,055	2,029	(48)	
Non-controlling interests	<u>(388)</u>	<u>3,882</u>	n.m.	
	<u>667</u>	<u>5,911</u>	(89)	

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

		Group		
		First Quarter ended 30-Sep-16 S\$'000	First Quarter ended 30-Sep-15 S\$'000	+ / (-) %
(A)	Investment income	-	-	-
(B)	Interest income	1,841	1,695	9
(C)	Finance costs	(10,756)	(10,106)	6
(D)	Depreciation and amortisation	(2,086)	(3,019)	(31)
(E)	Allowance for doubtful debts	(5)	(34)	(85)
(F)	Allowance for stock obsolescence	(735)	(261)	182
(G)	Impairment in value of investments	-	-	-
(H)	Foreign exchange gain	9	114	(92)
(I)	Adjustment for tax in respect of prior years	-	-	-
(J)	Gain on disposal of property, plant and equipment	14	146	(90)
(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 is mainly due to the gain on disposal of a joint venture company.
- (b) The decrease in distribution expenses is largely due to the lower rental and depreciation charge from retail outlets in Singapore.
- (c) The decrease in administrative and other expenses is primarily attributable to the lower staff costs incurred.

n.m. - not meaningful

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

	Group		Company		Note
	As at 30-Sep-16 S\$'000	As at 30-Jun-16 S\$'000	As at 30-Sep-16 S\$'000	As at 30-Jun-16 S\$'000	
ASSETS					
Current assets					
Cash and cash equivalents	965,738	722,883	542,634	335,091	
Trade and other receivables	26,406	45,359	669,417	1,171,470	(e)
Inventories	21,750	21,568	-	-	
Development properties	1,193,976	1,228,769	-	-	(a)
Tax recoverable	3,817	3,698	-	-	
Other current assets	37,294	29,061	7,843	6,111	
Assets held for sale	-	495,512	-	-	
	2,248,981	2,546,850	1,219,894	1,512,672	
Non-current assets					
Available-for-sale financial assets	6,298	6,276	3,189	3,189	
Trade and other receivables	197,462	216,157	555,170	518,181	(f)
Derivative financial instruments	13,098	15,178	8,772	11,322	
Investments in associated and joint venture companies	1,515,073	1,496,998	-	-	
Investments in subsidiary companies	-	-	283,063	283,063	
Investment properties	611,109	577,732	-	-	(b)
Property, plant and equipment	114,064	116,444	10,631	10,852	
	2,457,104	2,428,785	860,825	826,607	
Total assets	4,706,085	4,975,635	2,080,719	2,339,279	
LIABILITIES					
Current liabilities					
Trade and other payables	106,773	133,056	90,852	93,924	(c)
Current income tax liabilities	33,368	38,905	1,043	1,043	
Borrowings	11,697	87,348	-	-	(d)
	151,838	259,309	91,895	94,967	
Non-current liabilities					
Borrowings	1,120,172	1,289,158	677,941	927,838	(d)
Deferred income tax liabilities	65,191	65,167	-	-	
Other non-current liabilities	28,064	29,475	-	-	
	1,213,427	1,383,800	677,941	927,838	
Total liabilities	1,365,265	1,643,109	769,836	1,022,805	
NET ASSETS	3,340,820	3,332,526	1,310,883	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	(33,851)	(33,657)	(19,805)	(21,133)	
Retained earnings	2,328,395	2,318,116	492,438	499,357	
	3,132,794	3,122,709	1,310,883	1,316,474	
Non-controlling interests	208,026	209,817	-	-	
TOTAL EQUITY	3,340,820	3,332,526	1,310,883	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 investment properties is due to the acquisition of a commercial building.
- (c) The decrease in the Group's trade and other payables is mainly due to the settlement of project related costs.
- (d) The decrease in the Group's and the Company's borrowings is largely attributable to the repayment of bank borrowings.
- (e) The decrease in the Company's current trade and other receivables is due to the repayment of loans from its subsidiary companies.
- (f) 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 30-Sep-16		As at 30-Jun-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,766	5,931	5,859	81,489

Amount repayable after one year

As at 30-Sep-16		As at 30-Jun-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
340,273	779,899	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	
	First Quarter ended 30-Sep-16 S\$'000	First Quarter ended 30-Sep-15 S\$'000
Cash flows from operating activities		
Total profit	667	5,911
Adjustments for:		
Non-cash items	(658)	14,441
Operating cash flow before working capital changes	9	20,352
Changes in operating assets and liabilities:		
Development properties	25,936	5,902
Other current assets/liabilities	(13,419)	(13,557)
Cash generated from operations	12,526	12,697
Income tax paid	(2,879)	(5,865)
Net cash generated from operating activities	9,647	6,832
Cash flows from investing activities		
Additions to property, plant and equipment	(487)	(2,029)
Additions to investment properties	(33,654)	-
Disposal of property, plant and equipment	14	148
Disposal of joint venture companies	498,958	-
Distribution to non-controlling interests upon liquidation of a subsidiary company	-	(257)
Advancement of the loans to joint venture companies	-	(2,330)
Dividends received	5,305	6,370
Interest received	1,890	1,777
Net cash generated from investing activities	472,026	3,679
Cash flows from financing activities		
Issuance of rights shares by a subsidiary company to non-controlling interests	-	14,198
Reissuance of treasury shares	470	247
Purchase of treasury shares	-	(1,047)
Repayment of the loans to/(from) non-controlling interests	18,733	(2)
Net (repayment of)/proceeds from borrowings	(242,519)	3,905
Interest paid	(14,204)	(14,034)
Net cash (used in)/generated from financing activities	(237,520)	3,267
Net increase in cash and cash equivalents	244,153	13,778
Cash and cash equivalents at beginning of financial quarter	722,883	880,611
Effects of currency translation on cash and cash equivalents	(1,298)	(4,950)
Cash and cash equivalents at end of financial quarter	965,738	889,439

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		
	First Quarter ended 30-Sep-16 S\$'000	First Quarter ended 30-Sep-15 S\$'000	+ /(-) %
Total profit	667	5,911	(89)
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	712	972	(27)
Currency translation differences	(2,251)	49,532	n.m.
Share of other comprehensive income of associated and joint venture companies	9,560	6,585	45
	8,021	57,089	(86)
Total comprehensive income	8,688	63,000	(86)
Attributable to:			
Equity holders of the Company	10,741	69,122	(84)
Non-controlling interests	(2,053)	(6,122)	(66)
	8,688	63,000	(86)

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 S\$'000	Other reserves * S\$'000	Retained earnings S\$'000	Total S\$'000		
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

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

	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 2015	838,250	76,717	2,258,202	3,173,169	189,032	3,362,201
Total comprehensive income/(expense)	-	67,093	2,029	69,122	(6,122)	63,000
Realisation of reserves	-	(16,612)	16,612	-	-	-
Cost of share-based payment	-	569	-	569	16	585
Reissuance of treasury shares	-	247	-	247	-	247
Purchase of treasury shares	-	(1,047)	-	(1,047)	-	(1,047)
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	-	-	13,550	13,550	24	13,574
Liquidation of a subsidiary company	-	-	-	-	(257)	(257)
Balance at 30 September 2015	838,250	126,967	2,290,247	3,255,464	182,839	3,438,303

* 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 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)(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 2015	838,250	11,368	2,528	(19,584)	496,154	1,328,716
Total comprehensive income	-	-	1,013	-	13,989	15,002
Cost of share-based payment	-	539	-	-	-	539
Reissuance of treasury shares	-	(1,184)	-	1,431	-	247
Purchase of treasury shares	-	-	-	(1,047)	-	(1,047)
Balance at 30 September 2015	838,250	10,723	3,541	(19,200)	510,143	1,343,457

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

	<u>Number of shares</u>
<u>Issued ordinary shares</u>	
Balance at 1 July and 30 September 2016	<u>793,927,260</u>

At 30 September 2016, the Company's issued share capital (excluding treasury shares) comprises 773,038,060 (30 June 2016: 772,509,160) ordinary shares. The total number of treasury shares held by the Company as at 30 September 2016 was 20,889,200 (30 September 2015: 13,046,400) which represents 2.7% (30 September 2015: 1.7%) of the total number of issued shares (excluding treasury shares). At 30 September 2016, the total number of unexercised options under the Share Option Scheme was 1,336,500 (30 September 2015: 2,231,200).

There were 528,900 (30 September 2015: 973,300) treasury shares reissued pursuant to the employee share plans and share options for the first quarter ended 30 September 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	
	First Quarter ended <u>30-Sep-16</u>	First Quarter ended <u>30-Sep-15</u>
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	0.14	0.26
(b) On a fully diluted basis (cents)	0.14	0.26

7 **Net asset value per ordinary share**

	Group		Company	
	As at <u>30-Sep-16</u>	As at <u>30-Jun-16</u>	As at <u>30-Sep-16</u>	As at <u>30-Jun-16</u>
Net asset value per ordinary share based on issued share capital excluding treasury shares (S\$)	4.05	4.04	1.70	1.70

8 **Review of performance of the group**

For the three months ended 30 September 2016 (“current quarter”), the Group recorded a total revenue of S\$70.2 million. This represents a 59% decrease from the S\$170.3 million revenue recorded in the three months ended 30 September 2015 (“corresponding quarter”). This decrease is largely due to the lower contribution from the development properties division.

The current quarter revenue from development properties was mainly attributable to the progressive sales recognized from The Tembusu. In line with the lower revenue, the Group’s operating profit decreased by 87% to S\$2.3 million in the current quarter.

The Group’s share of profits of associated and joint venture companies decreased by 21% to S\$5.8 million in the current quarter largely due to the lower contribution from Wing Tai Properties Limited in Hong Kong.

In the current quarter, the Group recorded a net profit attributable to shareholders of S\$1.1 million, a decrease of 48% as compared to the \$2.0 million recorded in the corresponding quarter.

The Group’s net asset value per share as at 30 September 2016 was S\$4.05 as compared to S\$4.04 as at 30 June 2016. The Group’s net gearing ratio as at 30 September 2016 was 0.05 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 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 flash estimate shows that the residential property price index decreased by 1.5% in the third quarter of 2016, compared to the 0.4% decline in the previous quarter. The total number of new residential units sold in the third quarter of 2016 fell to 2,069 units, as compared to 2,256 units sold in the second quarter of 2016. Buying sentiment for private residential property in Singapore is expected to remain subdued in the current year.

In September 2016, the Group acquired a freehold commercial building in Melbourne Australia with a site area of 1,270 square metres. The Group will continue to explore investment opportunities in the markets it operates in.

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 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 first quarter ended 30 September 2016 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
27 October 2016