

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

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

The Company announces the unaudited consolidated results for the half year ended 31 December 2022.

A(i) **Condensed Consolidated Income Statement**

	<u>Note</u>	Group		+ / (-) %
		Half year ended 31-Dec-22 S\$'000	Half year ended 31-Dec-21 S\$'000	
Revenue	4	260,771	306,607	(15)
Cost of sales		<u>(179,664)</u>	<u>(209,323)</u>	(14)
Gross profit		81,107	97,284	(17)
Other gains – net		4,706	5,023	(6)
Expenses				
- Distribution	(a)	(18,297)	(16,409)	12
- Administrative and other	(b)	<u>(38,443)</u>	<u>(34,916)</u>	10
Operating profit		29,073	50,982	(43)
Finance costs		(12,404)	(13,171)	(6)
Share of profits of associated and joint venture companies		<u>33,405</u>	<u>21,494</u>	55
Profit before income tax	6	50,074	59,305	(16)
Income tax credit/(expense)	(c), 7	<u>13,476</u>	<u>(5,291)</u>	n.m.
Total profit		<u>63,550</u>	<u>54,014</u>	18
Attributable to:				
Equity holders of the Company		63,303	53,788	18
Non-controlling interests		<u>247</u>	<u>226</u>	9
		<u>63,550</u>	<u>54,014</u>	18
Earnings per share attributable to ordinary shareholders of the Company (cents):				
Basic		7.88	6.16	
Diluted		<u>7.87</u>	<u>6.16</u>	

A(ii) **Condensed Consolidated Statement of Comprehensive Income**

	Group		
	Half year ended 31-Dec-22 S\$'000	Half year ended 31-Dec-21 S\$'000	
Total profit	63,550	54,014	18
Other comprehensive (expense)/income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	-	608	n.m.
Currency translation differences	(50,436)	10,536	n.m.
Share of other comprehensive expense of associated and joint venture companies	(11,544)	(392)	n.m.
	(61,980)	10,752	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 ("FVOCI")	(2,201)	(3,614)	(39)
Currency translation differences	(2,038)	751	n.m.
Share of other comprehensive expense of associated and joint venture companies	(213)	(13)	n.m.
	(4,452)	(2,876)	55
Other comprehensive (expense)/income, net of tax	(66,432)	7,876	n.m.
Total comprehensive (expense)/income	(2,882)	61,890	n.m.
Attributable to:			
Equity holders of the Company	(878)	60,926	n.m.
Non-controlling interests	(2,004)	964	n.m.
	(2,882)	61,890	n.m.

Note:-

n.m. – not meaningful

- (a) The increase in distribution expenses is largely due to the higher rental and depreciation for retail stores.
- (b) The increase in administrative and other expenses is primarily due to the higher accrued operating expenses.
- (c) The income tax credit in the current period is mainly due to the write-back of deferred tax provision that is no longer required.

B **Condensed Statements of Financial Position**

	Note	Group		Company	
		As at	As at	As at	As at
		31-Dec-22	30-Jun-22	31-Dec-22	30-Jun-22
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		412,813	513,817	204,012	286,430
Trade and other receivables		30,145	51,316	138,112	144,251
Inventories		7,780	7,341	-	-
Development properties	(a)	833,656	510,699	-	-
Tax recoverable		1,475	1,935	-	-
Other assets	(b)	107,535	232,437	2,733	1,458
Assets held for sale		455	1,197	-	-
		1,393,859	1,318,742	344,857	432,139
Non-current assets					
Trade and other receivables	(e)	6,311	6,283	970,042	1,031,119
Investments in associated and joint venture companies		1,759,898	1,796,273	-	-
Investments in subsidiary companies		-	-	282,063	282,063
Investment properties	11	822,344	837,629	-	-
Property, plant and equipment	12	72,674	74,573	16,627	16,999
Deferred income tax assets		4,055	7,105	-	-
Other assets		213,818	221,331	19,046	17,472
		2,879,100	2,943,194	1,287,778	1,347,653
Total assets		4,272,959	4,261,936	1,632,635	1,779,792
LIABILITIES					
Current liabilities					
Trade and other payables		60,564	62,189	40,264	38,104
Borrowings	(c), 13	169,896	294,063	169,896	250,789
Current income tax liabilities		22,255	23,226	2,153	180
Other liabilities		10,584	17,427	907	4,256
		263,299	396,905	213,220	293,329
Non-current liabilities					
Borrowings	(d), 13	521,847	297,033	271,000	271,000
Deferred income tax liabilities		11,789	33,611	-	-
Other liabilities		18,409	23,246	2,155	7,296
		552,045	353,890	273,155	278,296
Total liabilities		815,344	750,795	486,375	571,625
NET ASSETS		3,457,615	3,511,141	1,146,260	1,208,167
EQUITY					
Capital and reserves attributable to ordinary shareholders of the Company					
Share capital	14	838,250	838,250	838,250	838,250
Other reserves		(82,728)	(17,135)	(56,657)	(55,034)
Retained earnings		2,479,269	2,465,198	216,070	276,354
		3,234,791	3,286,313	997,663	1,059,570
Perpetual securities		148,597	148,597	148,597	148,597
Non-controlling interests		74,227	76,231	-	-
TOTAL EQUITY		3,457,615	3,511,141	1,146,260	1,208,167

B Condensed Statements of Financial Position (continued)

Note:-

- (a) The increase in the Group's development properties is primarily attributable to the acquisition of the leasehold residential development site located at Yuan Ching Road within the Jurong Lake District.
- (b) The decrease in the Group's other current assets is mainly due to the lower unbilled revenue for The M at Middle Road.
- (c) The decrease in the Group's and the Company's current borrowings is largely attributable to the repayment of medium term notes upon maturity.
- (d) The increase in the Group's non-current borrowings is primarily due to the drawdown of bank loan to finance a development project.
- (e) The decrease in the Company's non-current trade and other receivables is mainly attributable to the repayment of loans from subsidiary companies.

C Condensed Statements of Changes in Equity

	Attributable to ordinary shareholders of the Company				Perpetual securities	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>	<u>S\$'000</u>
Group							
<u>Half year ended 31-Dec-22</u>							
Balance at 1 July 2022	838,250	(17,135)	2,465,198	3,286,313	148,597	76,231	3,511,141
Total comprehensive (expense)/income	-	(64,181)	63,303	(878)	-	(2,004)	(2,882)
Cost of share-based payment	-	1,705	-	1,705	-	-	1,705
Reissuance of treasury shares	-	246	(246)	-	-	-	-
Purchase of treasury shares	-	(3,574)	-	(3,574)	-	-	(3,574)
Accrued perpetual securities distribution	-	-	(3,388)	(3,388)	3,388	-	-
Ordinary and special dividends paid	-	-	(45,598)	(45,598)	-	-	(45,598)
Perpetual securities distribution paid	-	-	-	-	(3,388)	-	(3,388)
Derecognition of joint venture companies	-	211	-	211	-	-	211
Balance at 31 December 2022	838,250	(82,728)	2,479,269	3,234,791	148,597	74,227	3,457,615

C **Condensed Statements of Changes in Equity** (continued)

	Attributable to ordinary shareholders of the Company				Perpetual securities	Non- controlling interests	Total equity
	Share capital S\$'000	Other reserves * S\$'000	Retained earnings S\$'000	Total S\$'000			
Group							
<u>Half year ended 31-Dec-21</u>							
Balance at 1 July 2021	838,250	(28,766)	2,377,230	3,186,714	296,375	72,054	3,555,143
Total comprehensive income	-	7,138	53,788	60,926	-	964	61,890
Cost of share-based payment	-	1,211	-	1,211	-	-	1,211
Reissuance of treasury shares	-	94	(94)	-	-	-	-
Purchase of treasury shares	-	(12,698)	-	(12,698)	-	-	(12,698)
Accrued perpetual securities distribution	-	-	(6,472)	(6,472)	6,472	-	-
Ordinary and special dividends paid	-	-	(38,354)	(38,354)	-	-	(38,354)
Perpetual securities distribution paid	-	-	-	-	(6,456)	-	(6,456)
Tax credit arising from perpetual securities distribution	-	-	655	655	-	-	655
Liquidation of a subsidiary company	-	-	-	-	-	(451)	(451)
Balance at 31 December 2021	838,250	(33,021)	2,386,753	3,191,982	296,391	72,567	3,560,940

* Includes share-based payment reserve, cash flow hedge reserve, share of other comprehensive income of associated and joint venture companies, currency translation reserve, fair value reserve, treasury shares reserve and statutory reserve.

	Share capital S\$'000	Share- based payment reserve S\$'000	Treasury shares reserve S\$'000	Retained earnings S\$'000	Perpetual securities S\$'000	Total equity S\$'000
<u>Half year ended 31-Dec-22</u>						
Balance at 1 July 2022	838,250	1,426	(56,460)	276,354	148,597	1,208,167
Total comprehensive expense	-	-	-	(11,052)	-	(11,052)
Cost of share-based payment	-	1,705	-	-	-	1,705
Reissuance of treasury shares	-	(2,175)	2,421	(246)	-	-
Purchase of treasury shares	-	-	(3,574)	-	-	(3,574)
Accrued perpetual securities distribution	-	-	-	(3,388)	3,388	-
Ordinary and special dividends paid	-	-	-	(45,598)	-	(45,598)
Perpetual securities distribution paid	-	-	-	-	(3,388)	(3,388)
Balance at 31 December 2022	838,250	956	(57,613)	216,070	148,597	1,146,260

C **Condensed Statements of Changes in Equity** (continued)

	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>
Company						
<u>Half year ended 31-Dec-21</u>						
Balance at 1 July 2021	838,250	1,340	(40,353)	313,039	296,375	1,408,651
Total comprehensive expense	-	-	-	(8,614)	-	(8,614)
Cost of share-based payment	-	1,211	-	-	-	1,211
Reissuance of treasury shares	-	(1,820)	1,914	(94)	-	-
Purchase of treasury shares	-	-	(12,698)	-	-	(12,698)
Accrued perpetual securities distribution	-	-	-	(6,472)	6,472	-
Ordinary and special dividends paid	-	-	-	(38,354)	-	(38,354)
Perpetual securities distribution paid	-	-	-	-	(6,456)	(6,456)
Tax credit arising from perpetual securities distribution	-	-	-	655	-	655
Balance at 31 December 2021	<u>838,250</u>	<u>731</u>	<u>(51,137)</u>	<u>260,160</u>	<u>296,391</u>	<u>1,344,395</u>

D **Condensed Consolidated Statement of Cash Flows**

	Group	
	Half year ended 31-Dec-22 <u>S\$'000</u>	Half year ended 31-Dec-21 <u>S\$'000</u>
Cash flows from operating activities		
Total profit	63,550	54,014
Adjustments for:		
Income tax (credit)/expense	(13,476)	5,291
Depreciation of property, plant and equipment	5,035	6,209
Dividend income	(4,304)	(745)
Fair value (gains)/losses on derivative financial instruments	(3)	6
Allowance/(write-back) for stock obsolescence	131	(712)
Reversal of impairment loss on investment in a joint venture company	-	(17)
Provision for doubtful debts of a joint venture company	1	-
Gain on disposal of investment properties	(65)	-
Gain on disposal of property, plant and equipment	(583)	(266)
Write-off of property, plant and equipment	1	175
Loss on derecognition of joint venture companies	211	-
Interest income	(3,580)	(1,426)
Finance costs	12,404	13,171
Share of profits of associated and joint venture companies	(33,405)	(21,494)
Share-based payment	1,705	1,211
Currency translation differences	(4,405)	(520)
Operating cash flow before working capital changes	23,217	54,897
Changes in working capital:		
Balances with associated and joint venture companies	(451)	995
Development properties	(277,624)	165,229
Inventories	(616)	1,963
Trade and other receivables and other current assets	89,263	(45,472)
Trade and other payables and other current liabilities	(11,718)	(14,925)
Cash (used in)/generated from operations	(177,929)	162,687
Income tax paid	(9,535)	(7,927)
Net cash (used in)/generated from operating activities	(187,464)	154,760
Cash flows from investing activities		
Acquisition of subsidiary companies, net of cash acquired	40,508	-
Additions to financial assets at FVOCI	(3,710)	(103,756)
Additions to investment properties	(74)	-
Additions to property, plant and equipment	(1,212)	(3,718)
Disposal of investment properties	573	-
Disposal of property, plant and equipment	1,765	339
Liquidation of a subsidiary company	-	(451)
Repayment of loans by associated and joint venture companies	3,600	106,040
Advancement of loans to non-controlling interests	(193)	-
Repayment of loans by non-controlling interests	-	4,457
Dividends received	11,851	5,686
Interest received	3,965	2,068
Net cash generated from investing activities	57,073	10,665

D **Condensed Consolidated Statement of Cash Flows (continued)**

	Group	
	Half year ended 31-Dec-22 <u>S\$'000</u>	Half year ended 31-Dec-21 <u>S\$'000</u>
Cash flows from financing activities		
Purchase of treasury shares	(3,574)	(12,698)
Proceeds from borrowings	184,134	-
Repayment of borrowings	(81,000)	(151,000)
Principal payment of lease liabilities	(3,084)	(4,032)
Ordinary and special dividends paid	(45,598)	(38,354)
Perpetual securities distribution paid	(3,388)	(6,456)
Interest paid	(12,020)	(12,833)
Net cash generated from/(used in) financing activities	35,470	(225,373)
Net decrease in cash and cash equivalents	(94,921)	(59,948)
Cash and cash equivalents at beginning of financial period	513,817	772,964
Effects of currency translation on cash and cash equivalents	(6,083)	742
Cash and cash equivalents at end of financial period	412,813	713,758

E **Notes to the Condensed Financial Statements**

1 **Corporate information**

Wing Tai Holdings Limited (the “Company”) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. These condensed financial statements as at and for the half year ended 31 December 2022 comprise the Company and its subsidiary companies (collectively, the “Group”). The principal activity of the Company is that of an investment holding company. The principal activities of the Company’s subsidiary companies are investment holding, property investment and development and retailing of garments.

2 **Basis of preparation**

The condensed financial statements for the half year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s and the Company’s financial position and performance of the Group since the last annual financial statements for the financial year ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 **New and amended standards adopted by the Group**

The Group has adopted the new or amended SFRS(I)s and Interpretations of SFRS(I)s (“INT SFRS(I)s”), that are relevant to the Group for the annual period beginning on 1 July 2022 as follows:

- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment: Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract*

The adoption of the above amendments did not result in substantial changes to the Group’s accounting policies and did not have any significant impact on the condensed financial statements of the Group.

2.2 **Use of judgements and estimates**

The preparation of condensed financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 2022.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in Note 11.1.

E **Notes to the Condensed Financial Statements** (continued)

3 **Seasonal operations**

The Group's businesses are affected by the economic outlook, financial market volatilities and changing property market conditions in the jurisdictions that the Group operates in.

4 **Segment and revenue information**

The Group is organised into the following main business segments - development properties, investment properties, retail and other operations comprising mainly investing, central management and administrative activities.

These operating segments are reported in a manner consistent with the internal reporting provided to management, who are responsible for allocating resources and assessing the performance of the operating segments.

4.1 **Reportable segments**

	Development properties <u>S\$'000</u>	Investment properties <u>S\$'000</u>	Retail <u>S\$'000</u>	Others <u>S\$'000</u>	Total <u>S\$'000</u>
Group					
<u>Half year ended 31-Dec-22</u>					
Revenue	210,485	19,632	23,881	6,773	260,771
Earnings before interest and tax	37,234	24,502	28,528	(31,366)	58,898
Interest income					3,580
Finance costs	(625)	(1,322)	(101)	(10,356)	(12,404)
Profit before income tax					50,074
Income tax credit					13,476
Total profit					63,550
Segment assets	1,314,458	885,409	31,972	272,067	2,503,906
Investments in associated and joint venture companies	506,210	1,382,360	173,588	(302,260)	1,759,898
Due from associated and joint venture companies	189	-	436	-	625
	<u>1,820,857</u>	<u>2,267,769</u>	<u>205,996</u>	<u>(30,193)</u>	4,264,429
Tax recoverable					1,475
Derivative financial instruments					3,000
Deferred income tax assets					4,055
Consolidated total assets					4,272,959
Segment liabilities	25,459	12,069	12,754	36,213	86,495
Borrowings	184,402	66,445	-	440,896	691,743
	<u>209,861</u>	<u>78,514</u>	<u>12,754</u>	<u>477,109</u>	778,238
Current income tax liabilities					22,255
Derivative financial instruments					3,062
Deferred income tax liabilities					11,789
Consolidated total liabilities					815,344
Capital expenditure	21	185	1,947	1,238	3,391
Depreciation	10	527	3,220	1,278	5,035

E **Notes to the Condensed Financial Statements** (continued)

4 **Segment and revenue information** (continued)

4.1 **Reportable segments** (continued)

	Development properties <u>S\$'000</u>	Investment properties <u>S\$'000</u>	Retail <u>S\$'000</u>	Others <u>S\$'000</u>	Total <u>S\$'000</u>
Group					
<u>Half year ended 31-Dec-21</u>					
Revenue	263,516	20,700	19,206	3,185	306,607
Earnings before interest and tax	58,884	20,864	15,470	(24,168)	71,050
Interest income					1,426
Finance costs	-	(1,661)	(149)	(11,361)	(13,171)
Profit before income tax					59,305
Income tax expense					(5,291)
Total profit					54,014
Segment assets	1,345,516	861,298	51,413	254,356	2,512,583
Investments in associated and joint venture companies	745,228	1,230,347	158,403	(388,654)	1,745,324
Due from associated and joint venture companies	56,852	-	407	-	57,259
	2,147,596	2,091,645	210,223	(134,298)	4,315,166
Tax recoverable					3,484
Deferred income tax assets					7,379
Consolidated total assets					4,326,029
Segment liabilities	50,169	11,887	15,234	26,279	103,569
Borrowings	-	74,102	-	499,972	574,074
	50,169	85,989	15,234	526,251	677,643
Current income tax liabilities					41,011
Derivative financial instruments					10,108
Deferred income tax liabilities					36,327
Consolidated total liabilities					765,089
Capital expenditure	3	96	7,602	2,172	9,873
Depreciation	13	744	4,106	1,346	6,209

E **Notes to the Condensed Financial Statements** (continued)

4 **Segment and revenue information** (continued)

4.2 **Disaggregation of revenue**

	Development properties <u>S\$'000</u>	Investment properties <u>S\$'000</u>	Retail <u>S\$'000</u>	Others <u>S\$'000</u>	Total <u>S\$'000</u>
Group					
<u>Half year ended 31-Dec-22</u>					
Types of goods or service:					
Sale of development properties	210,485	-	-	-	210,485
Sale of goods	-	-	23,881	-	23,881
Management fees	-	-	-	2,469	2,469
Rental income	-	19,632	-	-	19,632
Dividend income	-	-	-	4,304	4,304
Total revenue	210,485	19,632	23,881	6,773	260,771
Timing of revenue recognition:					
Recognised at a point in time	25,810	-	23,881	-	49,691
Recognised over time	184,675	-	-	2,469	187,144
Others	-	19,632	-	4,304	23,936
Total revenue	210,485	19,632	23,881	6,773	260,771
Geographical information:					
Singapore	195,406	14,948	13,714	6,603	230,671
Malaysia	15,079	176	10,167	161	25,583
Australia	-	4,095	-	-	4,095
People's Republic of China	-	406	-	9	415
Japan	-	7	-	-	7
Total revenue	210,485	19,632	23,881	6,773	260,771
<u>Half year ended 31-Dec-21</u>					
Types of goods or service:					
Sale of development properties	263,516	-	-	-	263,516
Sale of goods	-	-	19,206	-	19,206
Management fees	-	-	-	2,440	2,440
Rental income	-	20,700	-	-	20,700
Dividend income	-	-	-	745	745
Total revenue	263,516	20,700	19,206	3,185	306,607
Timing of revenue recognition:					
Recognised at a point in time	87,730	-	19,206	-	106,936
Recognised over time	175,786	-	-	2,440	178,226
Others	-	20,700	-	745	21,445
Total revenue	263,516	20,700	19,206	3,185	306,607
Geographical information:					
Singapore	241,077	14,409	13,352	2,978	271,816
Malaysia	22,439	164	5,854	144	28,601
Australia	-	4,794	-	-	4,794
People's Republic of China	-	418	-	63	481
Japan	-	915	-	-	915
Total revenue	263,516	20,700	19,206	3,185	306,607

E **Notes to the Condensed Financial Statements** (continued)

5 **Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2022 and 30 June 2022:

	Group		Company	
	As at 31-Dec-22 S\$'000	As at 30-Jun-22 S\$'000	As at 31-Dec-22 S\$'000	As at 30-Jun-22 S\$'000
Financial assets at FVOCI	194,470	192,930	-	-
Financial assets at fair value through profit or loss (“FVPL”) (including derivative financial instruments)	20,265	17,472	20,265	17,472
Financial liabilities at FVPL (including derivative financial instruments)	3,062	11,555	3,062	11,552
Financial assets at amortised cost	545,349	759,791	446,922	1,026,297
Financial liabilities at amortised cost	776,057	678,669	481,160	559,893

6 **Profit before income tax**

6.1 **Significant items**

	Group	
	Half year ended 31-Dec-22 S\$'000	Half year ended 31-Dec-21 S\$'000
Income		
Dividend income	4,304	745
Interest income	3,580	1,426
Gain on disposal of investment property	65	-
Gain on disposal and write-off of property, plant and equipment – net	582	91
Write-back of allowance for stock obsolescence	-	712
Foreign exchange gain – net	-	608
Expenses		
Finance costs	12,404	13,171
Depreciation of property, plant and equipment	5,035	6,209
Allowance for stock obsolescence	131	-
Foreign exchange loss – net	420	-
Exceptional items		
Loss on derecognition of joint venture companies	211	-

E **Notes to the Condensed Financial Statements** (continued)

6 **Profit before income tax** (continued)

6.2 **Related party transactions**

In addition to the information disclosed elsewhere in the condensed financial statements, the following significant transactions took place between the Group and related parties at terms agreed between the parties:

	Group	
	Half year ended 31-Dec-22 <u>S\$'000</u>	Half year ended 31-Dec-21 <u>S\$'000</u>
Sale of goods and rendering of services		
Purchase of goods from a joint venture company	305	307
Management and service fees received from joint venture companies	2,274	2,233
Management fees paid to an associated company	287	284
Payments on behalf of joint venture companies	<u>51</u>	<u>72</u>

7 **Taxation**

	Group	
	Half year ended 31-Dec-22 <u>S\$'000</u>	Half year ended 31-Dec-21 <u>S\$'000</u>
Tax (credit)/expense attributable to profit is made up of:		
Current income tax expense	3,131	3,187
Deferred income tax expense relating to origination and reversal of temporary differences	<u>5,193</u>	<u>2,104</u>
	8,324	5,291
Overprovision in preceding financial periods		
- Deferred income tax credit	<u>(21,800)</u>	-
	<u>(13,476)</u>	<u>5,291</u>

8 **Dividends**

	Group	
	Half year ended 31-Dec-22 <u>S\$'000</u>	Half year ended 31-Dec-21 <u>S\$'000</u>
Dividends paid in respect of the preceding financial year		
First and final dividend of 3 cents (2022: 3 cents) per share	22,799	23,012
Special dividend of 3 cents (2022: 2 cents) per share	<u>22,799</u>	<u>15,342</u>
	<u>45,598</u>	<u>38,354</u>

9 **Net Asset Value**

	Group		Company	
	As at 31-Dec-22 <u>S\$</u>	As at 30-Jun-22 <u>S\$</u>	As at 31-Dec-22 <u>S\$</u>	As at 30-Jun-22 <u>S\$</u>
Net asset value per ordinary share	<u>4.26</u>	4.32	<u>1.31</u>	1.39

E **Notes to the Condensed Financial Statements** (continued)

10 **Financial assets at FVOCI and financial assets at FVPL**

	Group		Company	
	As at 31-Dec-22 S\$'000	As at 30-Jun-22 S\$'000	As at 31-Dec-22 S\$'000	As at 30-Jun-22 S\$'000
Financial assets at FVOCI				
Quoted securities in Singapore	194,470	192,930	-	-
Financial assets at FVPL				
Unquoted securities in Singapore	17,265	17,265	17,265	17,265
	211,735	210,195	17,265	17,265

10.1 **Fair value measurement**

The following table presents financial assets recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group				
As at 31-Dec-22				
Financial assets at FVOCI	194,470	-	-	194,470
Financial assets at FVPL	-	-	17,265	17,265
	194,470	-	17,265	211,735
As at 30-Jun-22				
Financial assets at FVOCI	192,930	-	-	192,930
Financial assets at FVPL	-	-	17,265	17,265
	192,930	-	17,265	210,195

11 **Investment properties**

The Group's investment properties are held for long-term rental yields and/or for capital appreciation and are not occupied substantially by the Group. Investment properties are leased to third parties under operating leases.

	Group	
	As at 31-Dec-22 S\$'000	As at 30-Jun-22 S\$'000
Balance at beginning of financial period/year	837,629	793,964
Fair value gains recognised in income statement	-	3,918
Additions	74	53,069
Disposals	(508)	-
Transfer from property, plant and equipment	-	2,776
Transfer (to)/from assets held for sale	(460)	3,038
Currency translation differences	(14,391)	(19,136)
Balance at end of financial period/year	822,344	837,629

E **Notes to the Condensed Financial Statements** (continued)

11 **Investment properties** (continued)

11.1 **Valuation**

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties based on the properties' highest and best use using the Direct Comparison Approach, the Capitalisation Approach and/or the Discounted Cash Flow Approach.

The Direct Comparison Approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the properties. The Capitalisation Approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The Discounted Cash Flow Approach involves discounting of future income stream over a period to arrive at a present value.

As at 31 December 2022, valuation reports were obtained from independent property valuers for certain significant investment properties. Management is of the view that the valuation methods and estimates are reflective of the current market conditions and the fair value of the Group's investment properties has not materially changed from 30 June 2022 valuation.

12 **Property, plant and equipment**

	Group	
	Half year ended 31-Dec-22 <u>S\$'000</u>	Half year ended 31-Dec-21 <u>S\$'000</u>
Additions	3,317	9,873
Disposals	27	265

13 **Borrowings**

	Group		Company	
	As at 31-Dec-22 <u>S\$'000</u>	As at 30-Jun-22 <u>S\$'000</u>	As at 31-Dec-22 <u>S\$'000</u>	As at 30-Jun-22 <u>S\$'000</u>
Amount repayable within one year or less or on demand				
Secured	-	43,274	-	-
Unsecured	169,896	250,789	169,896	250,789
Amount repayable after one year				
Secured	250,847	26,033	-	-
Unsecured	271,000	271,000	271,000	271,000

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.

E **Notes to the Condensed Financial Statements** (continued)

14 **Share capital**

	Group and Company			
	As at 31-Dec-22		As at 30-Jun-22	
	Number of shares <u>'000</u>	Amount <u>S\$'000</u>	Number of shares <u>'000</u>	Amount <u>S\$'000</u>
Balance at beginning and end of financial period/year	793,927	838,250	793,927	838,250

As at 31 December 2022, the Company's issued share capital (excluding treasury shares) comprises 759,965,610 (30 June 2022: 760,841,960) ordinary shares. The total number of treasury shares held by the Company as at 31 December 2022 was 33,961,650 (31 December 2021: 30,080,200) which represents 4.5% (31 December 2021: 3.9%) of the total number of issued shares (excluding treasury shares).

There were 1,418,450 (31 December 2021: 1,164,600) treasury shares reissued pursuant to the employee share plans for the half year ended 31 December 2022.

15 **Acquisition of subsidiary companies**

On 31 August 2022, the Group's wholly-owned subsidiary company, Wing Tai China Pte. Ltd., entered into a sale and purchase agreement to acquire the balance 50% effective interests in Winnoma Investment Pte. Ltd., Winzen Investment Pte. Ltd. and Yong Yao (Shanghai) Property Development Co., Ltd for a cash consideration of USD18.3 million (S\$24.8 million). The principal activity of these companies are property investment and development and investment holding. Following the acquisition, these companies ceased to be joint venture companies of the Group and became wholly-owned subsidiary companies.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	<u>S\$'000</u>
(a) Purchase consideration	
Cash paid	<u>24,841</u>
(b) Effect on cash flows of the Group	
Cash paid	24,841
Less: Cash and bank balances of subsidiary companies acquired	<u>(65,349)</u>
Cash inflow on acquisition	<u>(40,508)</u>
(c) Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	65,349
Trade and other receivables	2,821
Development properties	849
Property, plant and equipment	25
Deferred income tax assets	<u>1,304</u>
Total assets	<u>70,348</u>
Trade and other payables	32,328
Current income tax liabilities	<u>5,657</u>
Total liabilities	<u>37,985</u>

E **Notes to the Condensed Financial Statements** (continued)

15 **Acquisition of subsidiary companies** (continued)

	<u>S\$'000</u>
Total identifiable net assets	32,363
Less: Fair value of previously held equity interest	<u>(16,181)</u>
Net assets acquired	16,182
Add: Shareholders' loans assumed	<u>8,659</u>
Consideration transferred for the business	<u>24,841</u>

The acquisition is not expected to have any material impact on the Group's earnings per share or net asset value per share for the financial year ending 30 June 2023.

16 **Subsequent events**

There are no known subsequent events which have led to adjustments to this set of condensed financial statements.

F **Other Information**

1 **Review**

The condensed statements of financial position of Wing Tai Holdings Limited and its subsidiary companies as at 31 December 2022 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year then ended and certain explanatory notes have not been audited or reviewed.

2 **Review of performance of the group**

For the half year ended 31 December 2022 (“current period”), the Group recorded a total revenue of S\$260.8 million. This represents a 15% decrease from the S\$306.6 million revenue recorded for the half year ended 31 December 2021 (“corresponding period”). This decrease is mainly due to the lower contribution from development properties. Revenue for the current period was largely attributable to the last unit sold in Le Nouvel Ardmore and the progressive sales recognised from The M at Middle Road in Singapore.

The Group recorded an operating profit of S\$29.1 million in the current period as compared to S\$51.0 million in the corresponding period. This decrease is mainly due to the lower contribution from the development properties.

The Group’s share of profits of associated and joint venture companies was S\$33.4 million in the current period as compared to S\$21.5 million in the corresponding period. The increase is primarily due to the higher contributions from Uniqlo in Singapore and Malaysia.

In the current period, the Group’s net profit attributable to shareholders was S\$63.3 million as compared to S\$53.8 million recorded in the corresponding period. This increase is largely due to the higher share of profits from the joint venture companies as well as a write-back of deferred tax provision that is no longer required.

The Group’s net asset value per share as at 31 December 2022 was S\$4.26 as compared to S\$4.32 as at 30 June 2022. The Group’s net gearing ratio as at 31 December 2022 was 0.08 times as compared to 0.02 times as at 30 June 2022.

3 **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 2022.

4 **A commentary at the date of the announcement 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 operating period and the next 12 months**

The URA’s private residential property price index increased by 8.6% in 2022, as compared to the 10.6% increase in 2021. The total number of new private residential units sold islandwide in 2022 was 7,099 units as compared to 13,027 new units sold in 2021.

Based on the advance estimates by the Ministry of Trade and Industry, the Singapore economy grew by 3.8% in 2022, as compared to the 7.6% growth in 2021. The economic growth is projected to moderate further to between 0.5% to 2.5% in 2023.

The Group expects interest rates and inflation to be two main factors affecting the buying sentiment for private residential property in Singapore. The Group will monitor the property market closely and will at appropriate times, launch a new residential project and release more residential units for sales.

F **Other Information** (continued)

5 **Dividend information**

5a **Current financial period reported on**

Any dividend recommended for the current financial period reported on?

None.

5b **Corresponding period of the immediately preceding financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

5c **Date payable**

Not applicable.

5d **Books closure date**

Not applicable.

6 **Interested person transactions**

The Company does not have a shareholder's mandate for interested person transactions.

7 **Confirmation 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.

8 **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 2022 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Gabrielle Tan
Company Secretary
Singapore
9 February 2023