Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Wing Tai Holdings Limited

Stock code: W05

Meeting details:
Date: 26 October 2021
Time: 11.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. In his message to shareholders, the chairman reported that total revenue increased by 24% to $461 million in FY2021 mainly due to the high contribution from development properties. The group recognised additional units sold in Le Nouvel Ardmore and the progressive sales proceeds from The M at Middle Road in Singapore.

For FY2021, net profit attributable to shareholders increased to $43.6 million (FY2020: $16.0 million). The chairman also stated that the underlying net profit for the group, excluding the fair value changes on investment properties, is $116.8 million in the current year, 68% higher than the $69.6 million recorded in the previous year.

(i) **Can the chairman/company clarify how the underlying net profit of $116.8 million (FY2020: $69.6 million) was calculated?**

It was further stated that the group will pivot its strategies to "*take advantage of value-accretive opportunities in the region*" (page 2).

(ii) **Can the board/management elaborate further on the group's development business in Singapore? Does management see attractive opportunities with good reward-risk ratio in property development in Singapore? If so, what is the strategy to acquire landbank?** From pages 9 & 10, it can be seen that the group's developments, The M at Middle Road, Le Nouvel Ardmore and The Crest, achieved approximately 85%, 90% and 100% in sales respectively and the joint venture development, The Garden Residences, was also fully sold and has received its Temporary Occupation Permit (TOP).

(iii) **Has the board reviewed if the group achieved a reasonable return on the Le Nouvel Ardmore and The Crest projects given that they were completed in 2014 and 2017 respectively? How has the group finetuned its approach for property developments in Singapore?**

(iv) **Can the chairman/management also clarify if the "value-accretive opportunities in the region" refer to investment or development projects? What are the most attractive cities/countries and/or real estate segments that have been shortlisted by management?**

(v) The group currently operates in countries like Singapore, Malaysia, China, and Hong Kong in its property segment. **What are the foreseeable challenges (e.g. higher input costs, China's regulatory policies) that the group anticipates in the near future, and its mitigation strategy, if any?**

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Q2. The group's retail business saw a significant decrease in revenue from $91.5 million to $53.0 million due to the closure of the group's UK principals, Warehouse and Arcadia Group. It was stated that stores of the affected brands in Singapore have been closed while the affected stores in Malaysia will be closed by June 2022, delayed by the pandemic situation (page 15).

In the 2019 annual report, it was reported that the group "*maintain[ed] its position as a leading retailer in Singapore and Malaysia with 243 stores across an aggregated floor area of 1.3 million square feet and a portfolio of 19 fashion brands as at 30 June 2019*". In the 2021 annual report, no such metric was disclosed. It was only stated that the group streamlined its portfolio to sharpen the performance of the retail operations.

(i) **Can management provide shareholders with an update on the current portfolio of brands and the number of retail outlets to help shareholders understand the changes in the retail business in the past 2-3 years?**

(ii) **Is the retail floorspace still a meaningful measurement of success/KPI in the retail business given the new shopping habits of consumers (i.e. online shopping)? Has the board/management reviewed how it could measure the success of the retail business beyond the traditional metric of the number of outlets and floor space?**

(iii) **Please elaborate further on the retail strategy going forward (including the group's digital strategy). What is the progress made in the digitalisation of the retail business?**

(iv) **For the Uniqlo business, what were the reasons that Uniqlo (Singapore) performed strongly (total profit increased from $12.2 million in FY2020 to $21.5 million in FY2021) while Uniqlo (Malaysia) saw its total profit drop from $28.5 million to $15.6 million? How much runway remains for the Uniqlo business in Singapore?**

Q3. As shown in the statements of financial position (page 46), the group has $1.72 billion in investments in associates and joint venture companies, out of total assets of $4.49 billion (or 38.3%).

The bulk of it could be attributed to the carrying value of Wing Tai Properties Limited ($1.54 billion), with the Uniqlo businesses accounting for $138.7 million.

(i) **Can the board/management help shareholders understand the level of influence and control over the strategic matters of its 34.1%-owned Wing Tai Properties?**

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(ii) **What is the strategic value of Wing Tai Properties in the company's long-term road map? Are there plans to increase its stake in Wing Tai Properties?**

(iii) **In addition, can the audit & risk committee (ARC) clarify if the material associated and joint venture companies (i.e. Wing Tai Properties Limited, Uniqlo (Singapore) Pte. Ltd. and Uniqlo (Malaysia) Sdn. Bhd.) are included in its internal audit?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)