

**WING TAI HOLDINGS LIMITED**

(UEN: 196300239D)

(Incorporated in the Republic of Singapore)

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**ANNUAL GENERAL MEETING TO BE HELD ON 26 OCTOBER 2021  
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

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Wing Tai Holdings Limited would like to thank shareholders for submitting their questions in advance of our 57th Annual General Meeting (“**AGM**”) to be held by electronic means today at 11.00 am.

Please refer to our responses as set out in [Appendix A](#).

By Order of the Board

Gabrielle Tan  
Company Secretary  
26 October 2021

**RESPONSES TO QUESTIONS FROM SHAREHOLDERS****A. FINANCIAL**

1. **Can the Company clarify how the underlying net profit of \$116.8 million (FY2020: \$69.6 million) was calculated?**

The calculation of the underlying net profit are as follows:

	FY2021 \$'m	FY2020 \$'m
Profit attributable to equity holders of the Company	43.6	16.0
Add-back: Fair value losses on the investment properties of the subsidiary, associated and joint venture companies	73.2	53.6
Underlying net profit	116.8	69.6

**B. PROPERTY**

2. **Has 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? Can the Company elaborate further on the Group's development business in Singapore? Does it see attractive opportunities with good reward-risk ratio in property development in Singapore? If so, what is the strategy to acquire landbank?**

For Le Nouvel Ardmore and The Crest, the Group had achieved reasonable return for these two projects. The Group will continue to respond to changes in the business climate and will look for more development opportunities in Singapore.

3. **Can the Company clarify if the "value-accretive opportunities in the region" as stated in Page 2 of the Annual Report refer to investment or development projects? What are the most attractive cities/countries and/or real estate segments that have been shortlisted by the Company?**

The value-accretive opportunities in the region refer to both investment and development projects. The Group will continue to look for investment opportunities in the countries that it operates in.

4. **What are the foreseeable challenges that the Group anticipates in the near future and its mitigation strategy, if any?**

While the Singapore residential property market is likely to remain stable, the construction industry is facing rising costs due to manpower shortage and reduced productivity from the implementation of safe management measures at worksites.

The Group will continue to exercise prudence in liquidity and capital management to ride through the uncertainties in the markets that it operates in.

- 5. With safe management and other measures, how much lower are activity levels at the construction of the M at Middle Road compared with similar pre-pandemic projects?**

With the requisite safe management measures for construction sites as well as other restrictions imposed by the Authorities, there are some intermittent disruptions in this project.

- 6. What is the current occupancy of the Red Planet Hotel in Tokyo?**

The current occupancy rate for the hotel is about 50%.

**C. RETAIL**

- 7. Can the Company 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?**

For the retail business in Singapore and Malaysia, the total number of stores and brands as well as the gross floor area for the past 3 year are tabulated below:

	<b>FY2021</b>	<b>FY2020</b>	<b>FY2019</b>
Total number of stores	137	215	243
Total number of brands	14	21	19
Gross floor area (sq ft '000)	1,070	1,132	1,237

The decrease in the portfolio of brands and stores in FY2021 is largely due to the exit of the UK brands. This is in line with the Group’s strategy to consolidate its portfolio to enhance the performance of the retail business.

- 8. 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 Company reviewed how it could measure the success of the retail business beyond the traditional metric of the number of outlets and floor space?**

With the changing customer behaviour and spending both online and offline, the retail business has focused on multi-channel strategy to capture new customers, improve customer experience and to achieve a sustainable return.

- 9. 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?**

The retail business has consolidated its portfolio to enhance the performance of its operations. The Group will continue to rollout customer-centric programmes and use digital platforms to engage customers actively.

- 10. 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?**

Uniqlo continues to achieve robust sales and has been resilient in both Singapore and Malaysia markets. The drop in Uniqlo Malaysia profit is largely due to the Movement Control Order (MCO) which has affected footfall in shopping malls.

**D. INVESTMENT COMPANIES**

- 11. Can the Company help shareholders understand the level of influence and control over the strategic matters of its 33% owned Wing Tai Properties? 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?**

The Company has no management control over the operations of Wing Tai Properties given its 33% shareholding. Wing Tai Properties will remain as a strategic investment within the Group.

- 12. Can the Audit & Risk Committee (ARC) clarify if the material associated and joint venture companies (i.e. Wing Tai Properties, Uniqlo Singapore and Uniqlo Malaysia) are included in its internal audit?**

Wing Tai Properties is a listed company where the Company has 33% shareholding. It has its own internal audit function. Both Uniqlo Singapore and Uniqlo Malaysia have their dedicated internal audit functions.