



宏太控股有限公司
Wang Tai Holdings Limited
(Stock Code: 1400)

Announces 2014 Interim Results
Revenue Increased by 31.5% to RMB419.8 Million
Net Profit Surged by 42.5% to RMB37.0 Million

<u>Financial Highlights</u>	For the Six Months Ended 30 June (RMB MM)		
	2014	2013	Changes (%)
Revenue	419.8	319.3	+31.5%
Gross profit	82.9	53.3	+55.5%
Gross profit margin	19.8%	16.7%	+3.1pts
Profit attributable to owners of the Company (Net profit margin)	37.0 (8.8%)	26.0 (8.1%)	+42.5% (+0.7pts)
Basic earnings per share	RMB 3.70cents	RMB 2.60cents	+42.3%

[Hong Kong, 18 August 2014] Wang Tai Holdings Limited (“Wang Tai” or the “Company” and, together with its subsidiaries, the “Group”; stock code: 1400), a fabrics and yarns manufacturer in China, reported a significant upsurge of 42.5% in its profit attributable to owners of the Company for the six months ended 30 June 2014 (the “Period”) to approximately RMB 37.0 million (2013 corresponding period: approximately RMB26.0 million), with basic earnings per share increased to RMB3.70 cents (2013 corresponding period: RMB2.60 cents).

During the Period, the Group’s business growth was in line with the growth of PRC textile market in the highly competitive environment. The Group’s revenue amounted to approximately RMB419.8 million, representing an increase of 31.5% as compared to the corresponding period last year (2013 corresponding period: approximately RMB319.3 million). Gross profit increased by 55.5% to RMB82.9 million as compared to RMB53.3 million in the corresponding period last year. Gross profit margin increased by 3.1 percentage points to 19.8% (2013 corresponding period: 16.7%).



Engaged in the production and sale of fabrics and yarns in the PRC, the Group made tremendous progress during the period. Production volume from full scale production in first phase of Hubei production facilities provided the Company to enjoy advantage of economies of scale of lowering unit and overall cost of sales. Part of yarns is used for the Group's own needs, which resulted in reducing the cost and enhancing the flexibility of the fabric of production. With highly automated production processes, the Group enjoyed a lower fixed labour costs than peers. The Group always focused on providing a large variety of tailor-made products to charge higher selling prices to customers. While the Group actively participated in trade fairs and exhibitions in China in the first half of the year and placed advertisements to increase the brand awareness.

During the period, fabrics continued to be the major products of the Group, which contributed revenue of RMB371.8 million, accounting for 88.6% of the Group's total revenue. The increase was mainly due to the increased sales volume of fabrics upon the commencement of operations of the first phase of the Hubei production facilities with the designed annual production capacity of fabrics of 23,449 km in June 2013. Increase in gross profit margin of yarns from 16.7% for the six months ended 30 June 2013 to 19.8% for the six months ended 30 June 2014 was mainly due to increase in the average unit selling price from 19,193 per tonne to 19,435 per tonne and enjoyment of lower cost of sales from the economies of scale.

Going forward, the Group will continue to concentrate on the two existing business segments, namely fabrics and yarns, by focusing on providing tailor-made products to those customers with high quality demands and specific requirements, to charge higher selling prices resulting in higher gross profit margin of the products. The Group will continue the construction of the second and third phase of Hubei production facilities and be currently doing a feasibility study of the second phase of the Hubei production facilities. The Group will also actively carry out sales and marketing activities through sales and marketing department in Shishi and Hubei. The Group intends to establish the sales offices in Guangzhou and Changshu for promotion of its products in Guangdong and Jiangsu provinces.

Mr. Lin Qingxiong, Chairman of Wang Tai, said, "Benefiting from the favourable government policies, we will continue to maintain our competitive strengths in product innovation, research and development, enhancing the productivity and expanding market share while satisfying the diverse needs of the market to strengthen our position and expand our market presence. Meanwhile, we will also actively carry out sales and marketing activities to enhancing our brand recognition and bring greater returns for our shareholders."

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About Wang Tai Holdings Limited

Wang Tai Holdings Limited is principally engaged in the production and sale of fabrics and yarns in the PRC. The Company offers a wide range of fabric products with different features to its customers, which are tailor-made according to customer specifications and principally used in the manufacturing of apparels including casual wear and business trousers, shorts, shirts and outer suit jackets. With production facilities in Fujian and Hubei Provinces, Wang Tai attracts customers located in Fujian, Zhejiang, Guangdong, Hubei, Jiangxi, Jiangsu, Shanghai and Guangxi. Leveraging on its strategic location, strong research and



development capabilities, highly automated production process and quality products, Wang Tai can effectively adapt to the changes in the market and to customer needs, and capture the opportunities brought by the Twelfth Five-year Plan of the textile industry in Fujian Province and Hubei Province, respectively.

Issued by Porda Havas International Finance Communications Group for and on behalf of **Wang Tai Holdings Limited**. For further information, please contact: